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# The Finance Hive: APAC Leaders Key Takeaways

## Automation

- COVID, and lockdown has resulted in firms putting the brakes on automation transformation as they reassign resources. Some made the move to stop looking to draw insights from TCA, as unprecedented volatility and a unique trading environment would render the findings obsolete.
- TCA must be used correctly. For bigger trades they can't always see your intention behind the trade. It can only really help you analyse the trade but won't provide you with any meaningful analysis. Therefore it is much easier to use in equities, as it's much easier to use this feedback.
- The path to automation was already happening before the pandemic. Lockdown has simply escalated the process to make it easier for people to work at home.
  - This being said, the future is automation, so you must embrace technology as the future. Technology is essential for a high workflow, and we are lucky that there are becoming more and more providers for you to shop around from.
- The journey for NDFs has only just begun. It has come a long way, as a few years ago you were getting voice quotes but now you see the liquidity on the screen.
- More venues have chosen to go with anonymous trading, so make sure to focus on this.
- How can we start to hold banks accountable for acting badly. Should there be software that looks at what the banks are giving us and compare that to the actual best price. It's currently hard to hold them accountable as you end up being tied to them, and a lot of the time they will say it was an 'honest' mistake.
- A way to go about this is to get the NDF points before you trade and change your workflow around this so you get the forward competition.

Guest moderators:



## Clearing

- The biggest inhibitor to Clearing is the cost
- Regulation is a large driver of clearing, but other benefits certainly exist around netting, opening up your liquidity landscape and reducing counterparty risk
- Clearing can improve your access to EM liquidity
- Understanding the different aspects of your workflow and the calculated costs, will help give better guidance for the cost of clearing.
- Clearing can give you savings on margin
- There is an obvious momentum shift towards FX Clearing.
- Even if UMR deadlines have been pushed back it is important to prepare and get your roadmap in place
- Using clearing houses can reduce the number of ISDA's you need
- Smaller banks have lots to gain from embracing clearing
- Some venues are key to the ecosystem and will be a great help. Other venues need to be pushed by the buy side to think more about embracing Clearing
- Increased clearing will have a significant effect on the PB model in FX

Guest moderators:



LCH The Markets'  
Partner

## Platforms

- It is difficult to keep up to date with what technology providers are doing and what new platforms are available. Our only resource is word of mouth from peers or brokers and private networks.
- We should put more pressure on banks to select their middleware providers, you see a lot of people spring up but not survive the race due to lack of integration.
- The industry is constantly evolving, and we are being exposed to new environments. 2020 has exposed the finance industry to its most challenging set of circumstance for a long time. It will be interesting to see who has helped their clients with the volatility.
- Multi-asset platform providers could be the way forward. If WFH culture is here to stay, multi-asset traders will benefit from not having to log in to several platforms.
- The biggest decision is do you buy or build? You can start to develop underlying core technology, and highly customise it to your needs. However the more you change and specialise your system, the harder it is to change in the future.
- Platforms can be seen as a 'Toolbox' containing different tools with different solutions. How do you switch between these?
- Provider consolidation, Integration costs and times, trader career risk and lack of quantifiable differentiators are all inhibitors to platform innovation.