



Build vs Buy? For Fixed Income, the Answer Is “Yes, and...”

Adaptive

In a Nutshell

Trading desks are under pressure from rising data volumes, complex instruments and legacy systems that were never built for current scale. The build versus buy question is no longer a binary choice. Firms are converging on hybrid models that combine proprietary infrastructure with modular vendor tools. Good architecture has become the real competitive edge, allowing firms to plug in, swap out and scale without rebuilding everything from scratch. Cloud, data governance and AI are reshaping how firms think about workflows, ownership and risk, but trust and explainability remain major hurdles. Scraping, data collection and connectivity are becoming commoditised. Differentiation is shifting to how firms integrate, orchestrate and act on that data.

A Closer Look

“Ten years ago scraping was the secret sauce. It is not anymore. I believe in buying.”

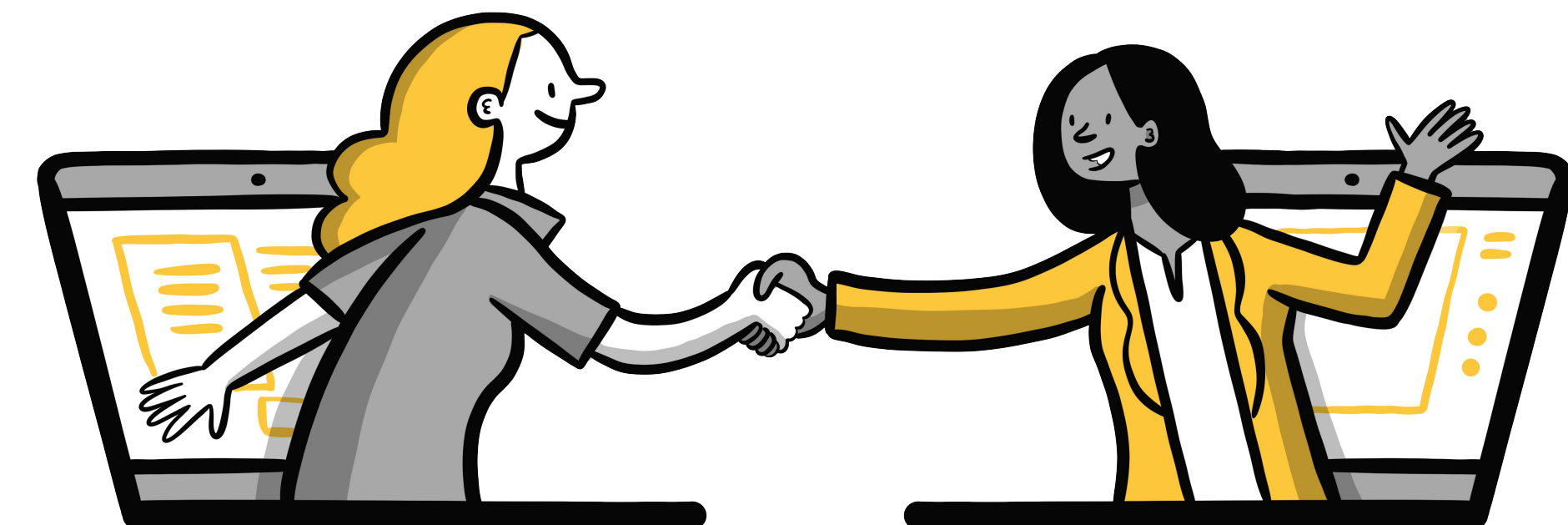
Modern fixed income trading desks face a stubborn problem. There is more data, more venues and more complexity than ever, but systems were built for a different era. Volumes are higher, instruments are more intricate and datasets are richer. The challenge is no longer just execution. It is the ability to process, store and interpret huge amounts of internal and market data in real time without the environment collapsing.

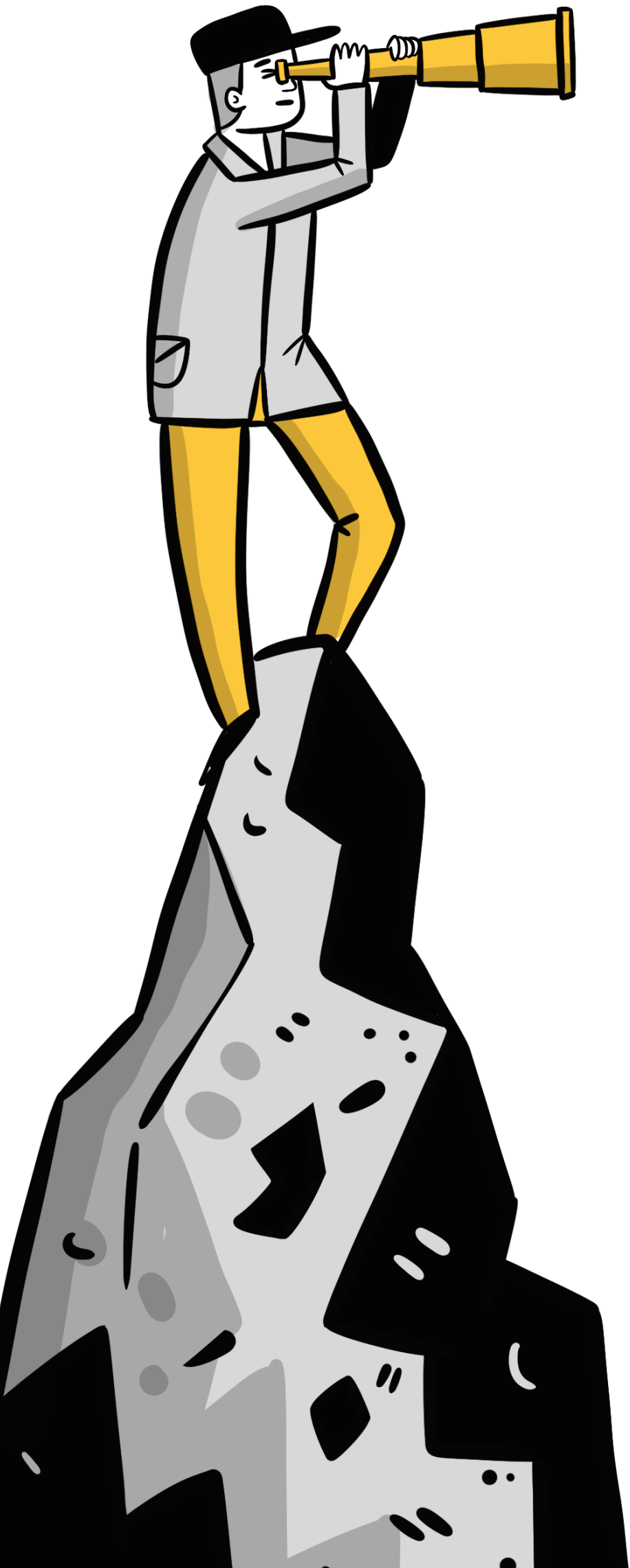
Desks agreed that scalability and automation are now basic requirements. Many have built pricing scrapers, pre trade analytics and even in house OEMS to stitch together fragmented workflows. That work used to be a differentiator. It no longer is.

The desks that feel most confident own the IP and architecture that truly matter but rely on external services for undifferentiated heavy lifting such as data collection, connectivity and core workflow plumbing. Adaptive embodies this approach by providing the foundational layer that lets clients plug into multiple venues, EMS and OMS platforms while retaining ownership of their data models, logic and code.

The Build vs Buy Reality

-  Proprietary builds offer control and customisation but demand time, talent and long term maintenance.
-  Vendor platforms deliver proven functionality and faster evolution but rarely fit perfectly.
-  The last ten percent of workflow differentiation often sits outside what vendors provide.





Architecture Becomes the Edge

The group repeatedly returned to the importance of architecture. Isolated databases and black box systems that trap data are now seen as dead ends. One firm described creating an innovative side database that became worthless because it was never integrated into the primary architecture. Another highlighted the limits of all in one systems where you only ever see a narrow slice of your own activity.

Key architectural lessons

- Point solutions do not scale
- Winning five years from now depends on flexible, open architecture
- Everyone in the firm needs access to crucial data, including custodians

Cloud, AI and Economics

Cloud adoption is reshaping the landscape. Centralising data storage and analytics creates a single source of truth and makes it easier to ingest new datasets, research archives and venues. At the same time it raises questions around cost, latency and governance.

AI was seen as both an opportunity and a warning. Natural language interfaces and LLM ready datasets are attractive, yet concerns about explainability, data leakage and opaque logic remain. The consensus was that AI is a long term enabler rather than a short term edge.

Economics and culture add extra complexity. Large firms can experiment. Smaller firms use the cloud to level up. Change management remains a quiet barrier. Some teams still respond to new tools with “why do you need that, it will be fine.”

Where the Market Is Heading

Clear themes for the future

- Hive** Hybrid models as standard
- Hive** Architecture as the main competitive lever
- Hive** Platform agnostic connectivity across EMS, OMS and venues
- Hive** Strong data ownership and governance
- Hive** AI ready workflows with explainability
- Hive** Collaboration between traders, engineers and compliance

The firms that succeed will treat architecture as a living system and invest in strong foundations that can support future waves of data, regulation and innovation.

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