

The Fixed-Income Trading System Evolution

Creating Something Completely New

September 9, 2020

Executive Summary:



Trading desks run by asset managers and hedge funds have long been supported by a combination of portfolio management systems (PMS), order management systems (OMS) and execution management systems (EMS). These systems were each built with a very specific job function in mind—and often a single asset class—and then tied together with a combination of FIX messages, proprietary APIs and spreadsheet uploads. This trading workflow emerged in the 1990s, as technology and the internet pervaded capital markets. Since then, the markets have changed significantly, particularly those over-the-counter markets in which electronic trading is a new phenomenon. It is time for the trading workflow to follow suit.

Portfolio managers, traders, operations, and compliance staff all continue to perform separate functions and, as such, need screens that reflect those job responsibilities. But more than three decades of workflow improvements and technology innovation still require that individuals not interfere or diminish the needs of others—whether in the user interface or the system’s ability to process data.

Thinking about the progression of trading technology as simply combining the OMS and EMS into the long sought-after OEMS is misguided. Smartphones aren’t a combination of a corded landline and an under-the-desk PC tower, for instance, they are something completely new. The same should be true here. While the pace of electronification is unclear, particularly in the most bespoke and illiquid corners of the market, technology can still inject much-needed efficiency today.

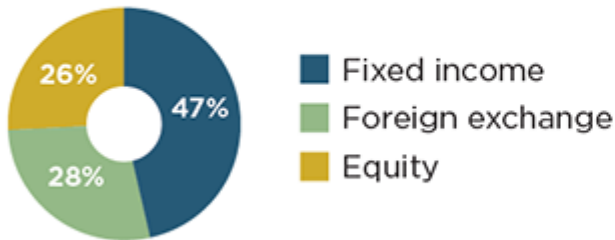
Institutional investors looking for new or improved trading desk technology should search for an enterprise trading platform and not necessarily what was historically viewed as an EMS or OMS. It would, of course, be naive to think that everyone can and will now buy a single solution from a single provider. The world is more complex than that, and good technology is available from many different sources. Nevertheless, the time has come to throw out long-held notions of what trading technology can do and how it has been packaged. Instead, consider what it should do and what you really need.

Methodology:

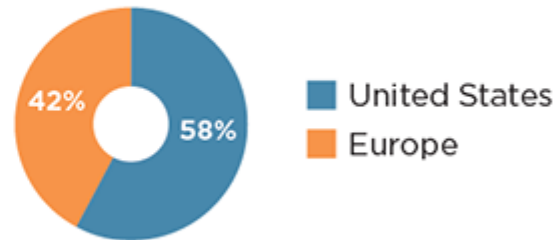
Greenwich Associates interviewed 349 buy-side traders across the globe in Q4 2019 working on equity, fixed income or foreign exchange trading desks.

DEMOGRAPHICS

Asset class



Region



Note: Based on 349 total respondents.

Source: Greenwich Associates 2019 Market Structure and Trading Technology Study



www.greenwich.com | ContactUs@greenwich.com

Coalition Greenwich, a division of CRISIL, an S&P Global Company, is a leading global provider of strategic benchmarking, analytics and insights to the financial services industry.

We specialize in providing unique, high-value and actionable information to help our clients improve their business performance.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. It is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide.

CRISIL is India's foremost provider of ratings, data, research, analytics, and solutions with a strong record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers through businesses that operate from India, the U.S., the U.K., Argentina, Poland, China, Hong Kong, and Singapore.

For more information, visit www.crisil.com

Disclaimer and Copyright

This Document is prepared by Crisil Coalition Greenwich, which is a part of Crisil Ltd, a company of S&P Global. All rights reserved. This Document may contain analysis of commercial data relating to revenues, productivity and headcount of financial services organisations (together with any other commercial information set out in the Document). The Document may also include statements, estimates and projections with respect to the anticipated future performance of certain companies and as to the market for those companies' products and services.

The Document does not constitute (or purport to constitute) an accurate or complete representation of past or future activities of the businesses or companies considered in it but rather is designed to only highlight the trends. This Document is not (and does not purport to be) a comprehensive Document on the financial state of any business or company. The Document represents the views of Crisil Coalition Greenwich as on the date of the Document and Crisil Coalition Greenwich has no obligation to update or change it in the light of new or additional information or changed circumstances after submission of the Document.

This Document is not (and does not purport to be) a credit assessment or investment advice and should not form basis of any lending, investment or credit decision. This Document does not constitute nor form part of an offer or invitation to subscribe for, underwrite or purchase securities in any company. Nor should this Document, or any part of it, form the basis to be relied upon in any way in connection with any contract relating to any securities. The Document is not an investment analysis or research and is not subject to regulatory or legal obligations on the production of, or content of, investment analysis or research.

The data contained in the Document is based upon a particular bank's scope, which reflects a bank's data submission, business structure, and sales revenue Reporting methodology. As a result, any data contained in the Document may not be directly comparable to data presented to another bank. For franchise benchmarking, Crisil Coalition Greenwich has implemented equal ranking logic on aggregate results i.e., when sales revenues are within 5% of at least one competitor ahead, a tie is shown and designated by = (where actual ranks are shown). Entity level data has no equal ranking logic implemented and therefore, on occasion, the differences between rank bands can be very close mathematically.

The data in this Document may reflect the views reported to Crisil Coalition Greenwich by the research participants. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Crisil Coalition Greenwich compiles the data received, conducts statistical analysis and reviews for presentation purposes to produce the final results.

THE DOCUMENT IS COMPILED FROM SOURCES CRISIL COALITION GREENWICH BELIEVES TO BE RELIABLE. CRISIL COALITION GREENWICH DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THIS DOCUMENT, INCLUDING AS TO THE VALIDITY, ACCURACY, REASONABLENESS OR COMPLETENESS OF THE INFORMATION, STATEMENTS, ASSESSMENTS, ESTIMATES AND PROJECTIONS, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT. CRISIL COALITION GREENWICH ACCEPTS NO LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT.

Crisil Coalition Greenwich is a part of Crisil Ltd., an S&P Global company. ©2025 Crisil Ltd. All rights reserved.

greenwich.com

ContactUs@greenwich.com

Ph +1203.625.5038