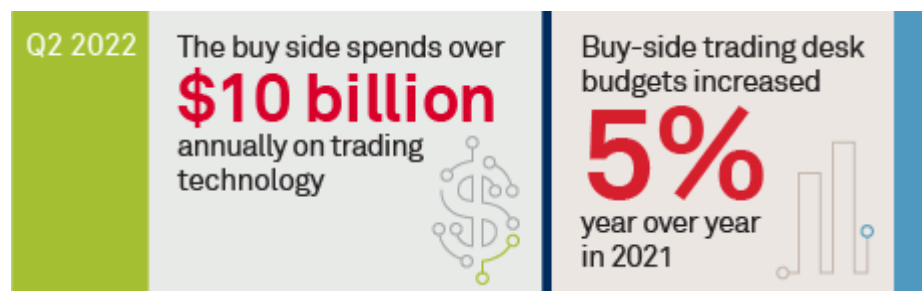


Buy-Side Technology Spending Continues Upward March

May 10, 2022

Executive Summary:



The average buy-side trading desk budget is just over \$2 million annually, inclusive of both technology and compensation, with roughly one-third allocated to technology spending. In aggregate, Coalition Greenwich data shows that buy-side firms spend over \$10 billion annually on technology.

To put these figures into context, it's important to understand the demographics of the respondents. Fixed-income trading desks in our study span across both rates and credit markets. Half the fixed-income respondents trade both rates and credit products, while the other half remain focused on a single asset class. In total, 56% of the fixed-income traders trade U.S. corporate bonds, 44% trade U.S. Treasuries, and 44% trade interest-rate derivatives. For equities, the respondents are primarily responsible for cash equity trading, although just under 50% also trade equity derivatives.

Methodology:

During Q4 2021, Coalition Greenwich interviewed 185 buy-side traders across the Americas and EMEA as a part of the annual Market Structure & Trading Technology Study. Respondents were asked a series of qualitative and quantitative questions focusing on the organization of their trading desk, budgets and the technology tools used.

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.

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