2014 U.S. Equity Investors - U.S. Electronic Trading

May 5, 2014

Executive Summary:

This report provides detailed information from investors in U.S. Equities in the United States, including helpful benchmark data such as:

- Annual U.S. cash equity commissions
- U.S. Equity tradig dollar volume excuted high-touch vs electronic channels
- Channel usage
- Commission rates: algorithmic/smart-order routing trades, crossing network trades

Graphic slides include:

- U.S. Cash Equity Commissions – Annual Spend into Q1 2014
- High-Touch vs. Electronic Mix of U.S. Equity Trading Dollar Volume
- High-Touch vs. Electronic Mix of U.S. Equity Trading Dollar Volume – Hedge Funds vs. Long Onlys
- Preference for Cash Equity Trading Coverage Across High-Touch & Electronic Trading
- Concentration of U.S. Algorithmic or Smart Order Routing Business
- Proportion of U.S. Equity Trading Dollar Volume Done via Algorithmic/ Smart-Order Routing Trading
- Proportion of U.S. Equity Trading Dollar Volume Done via Crossing Networks
- Most Important Selection Criteria for Algorithmic Trading

Methodology:

Research is based on personal interviews conducted from November 2013 through February 2014 with 316 equity traders. The data in this report is based upon aggregated results from individuals participating in the study. Buy-side institutional investors were asked to provide quantitative and qualitative evaluations of the brokers they use for U.S. Equities as well as detailed information on important market trends like commission rates, commission allocation, fund performance, and number of brokers used.

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