U.S. Equities: Demand for Research Drives Uptick in Commission Spend

June 4, 2014

Executive Summary:

For the first time in five years, U.S. equity commissions are up 10%—a trend Greenwich Associates predicts will continue through 2014. In a low-volume trading environment, the rise is the result of investors' thirst for research content. And while commission management programs have driven down execution costs, a rise in "tack-on" rates for high-touch trades has moderated the decline.

Methodology:

Greenwich Associates conducted interviews with 316 buy-side U.S. equity traders and 225 U.S. equity portfolio managers regarding U.S. equity business.

Respondents answered a series of qualitative and quantitative questions about the brokers they use and their business practices in the U.S. cash equity space.

Quantitative flows reflect 12 months ending early in Q1 of each year rather than annualized projections for the current full year.

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