The Forgotten Electronic Market: Mortgages

November 12, 2014

Executive Summary:

Electronic trading in mortgage pass-throughs is back. Sixty-three percent of MBS pass-throughs are trading on the screen in 2014, surging past pre-crisis levels after four years of steady declines.

E-trading in the MBS market is highly concentrated on a single platform, with Tradeweb capturing 96% of all electronically executed volume.

Greenwich Associates expects established e-trading platforms in other interest-rates products to begin investigating the mortgage market more closely.

Methodology:

Between February and April 2014, Greenwich Associates interviewed 1,067 U.S. institutional investors active in fixed income. Interview topics included trading and research activities and preferences, product and dealer use, service provider evaluations, market trend analysis, and investor compensation.

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