Equity TCA: Drive Toward Alpha Generation Continues

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Executive Summary:

According to the results of a recent study by Greenwich Associates, the majority of equity investors utilize transaction cost analysis (TCA), with high-volume equity trading desks being the biggest users, at 90%.

Roughly two-thirds of investors have consistently used TCA for oversight/reporting and post-trade reviews to measure trading effectiveness and idientify outliers. But as the equity environment changes, the buy side's focus on leveraging TCA for alpha generation will only increase.

Methodology:

Between August and September 2014, Greenwich Associates interviewed 199 buy-side traders across the globe working on equity trading desks to learn more about trading desk budget allocations, trader staffing levels, OMS, EMS, and TCA platform usage.

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