European Fixed Income: E-Trading Growth Continues

March 25, 2015

Executive Summary:

Greenwich Associates recent research finds that 35% of the total volume traded in the major fixed-income products in Europe was electronically executed in 2014, according to over 1,200 institutional investors interviewed.

This support of e-trading is broad-based and sustained across government, investment-grade and high-yield credit markets, with the first two segments seeing more than half of their volume executed electronically in 2014. The trend is clearer than ever: Bond markets are migrating toward a more electronic model, with voice trading more often reserved for less-liquid markets or large-sized trades.

Firms wishing to compete will find that a well-thought-out e-trading strategy is the foundation for sustained profitability.

Methodology:

Between July and September 2014, Greenwich Associates conducted 1,261 interviews with senior fixed-income investment professionals at banks, fund managers/advisors, insurance companies, corporations, central banks, hedge funds and other institutions throughout Europe and the Middle East. Countries where interviews were conducted include Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Israel, Italy, Jordan, Latvia, Lithuania, Luxembourg, Malta, Monaco, the Netherlands, Norway, Oman, Poland, Portugal, Qatar, Romania, the Russian Federation, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Tunisia, Turkey, the United Arab Emirates, and the United Kingdom. Interview topics included service provider assessments, trading practices, market trend analysis, and investor compensation.

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