Fixed-Income Desks Lead Increase in Tech Spend, Likelihood to Change OMS/EMS Providers

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Executive Summary:

Over the next year, 30% of buy-side institutions will actively explore replacing or supplementing the technology that services their trading desks.

Several factors are driving the desire to evaluate current systems for potential change, including the need to keep pace with new regulations that are changing the market structure in derivatives and imposing taxing new compliance demands across asset classes.With the fixed-income market arguably undergoing the most change at this point in time, it comes as little surprise that buy-side investors in this asset class are both more likely to be looking into ways to improve systems and to be spending more on technology.

The most recent check-in on the movement of the industry to integrated OEMS finds many buy-side institutions favoring OEMS, but few saying they currently use one—this in spite of several offerings in the marketplace and many institutions already using an OMS and EMS from the same provider.

While the increasing complexity of the market and rapid rate of regulatory change have no doubt increased demand for a powerful and efficient combined system, the transition to OEMS will continue to develop over a relatively long time horizon.

Methodology:

In September 2013 Greenwich Associates conducted online interviews with 486 head traders at buy-side institutions around the world: 132 equity traders, 162 fixed-income traders and 192 foreign exchange traders.

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