Blurred Lines: Sales Traders Drift Toward Execution Consultancy

September 22, 2015

Executive Summary:

For institutional traders, the original “set and forget” approach to e-trading has been supplanted by a purposeful, spasmodic style where orders are released for a few minutes and then cancelled when they appear to be impactful.

As a result, block and algorithmic trading are no longer separate endeavors.

The growth and adaptation of low-touch trading has strongly influenced the roles and capabilities of institutions and their brokerage counterparts.

Sales traders who embrace this change and acclimate themselves to the value of execution consultancy are likely to take the pole position.

Methodology:

Greenwich Associates conducted in-person and telephone interviews regarding U.S. equity investing with 243 U.S. equity portfolio managers and 321 U.S. equity traders between November 2014 and February 2015. Respondents answered a series of qualitative and quantitative questions about the brokers they use and their businesses in the U.S. cash equity space.

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