

# 2015 Global Foreign Exchange Services: Hedge Fund Practices in Electronic Trading

July 30, 2015

Executive Summary:

More than eight in ten hedge funds trade FX electronically, though demand for e-trading is effectively universal among the most active users. Excluding two large outliers, the proportion of total hedge fund volume traded online increased from 71% to 76%.

Graphic slides include:

- More than eight in ten hedge funds trade FX online (stable) and now execute 76% of their volume electronically
- Demand for e-trading remains nearly universal among the most active hedge funds and has sustained similar levels to last year with smaller volume accounts
- Demand for electronic execution has slightly increased in Asia Pacific, while levels in the Americas and Europe remain consistent
- Eight in ten hedge funds trade electronically - stable from last year but meaningfully higher than the levels from 2007-2011
- One in four hedge funds that trade online use algorithmic-based execution tools - a modest increase from last year
- Hedge funds and banks report an increase in the proportion of their volume traded electronically
- One in four hedge fund currency options users trade these instruments electronically
- More than one half of NDF users trade these instruments electronically
- Hedge funds are less inclined to use multi-dealer platforms, relative to other financials
- Demand for single-dealer sites is much higher than for multi-dealer platforms in Asia Pacific
- Most Important Factors for Prioritizing Single-Dealer E-Trading Platforms, cont'd
- Less than one in six hedge funds report using direct-to-dealer APIs
- On average, hedge funds trading electronically now execute a higher proportion of their volume on multi-dealer platforms
- About one in three hedge funds trading online expect to use multi-dealer
- FXall continues to be the most widely used multi-dealer platform
- J.P. Morgan (gaining) is now the dealer used most actively on third-party systems
- Barclays has the most widely-used single-dealer platform, followed closely by Citi gaining
- More than one in three hedge funds use Transaction Cost Analysis, with the most active traders continuing to have the strongest demand
- Across geographies, demand for TCA has increased
- Most hedge funds using TCA continue to utilize proprietary tools, though more report using broker-provided offerings this year

## Methodology:

Greenwich Associates interviewed individuals responsible for foreign exchange trading at 1,612 top-tier financial institutions and corporations globally, including 192 Hedge Funds and CTAs. Interviews were conducted in face-to-face meetings or by telephone.



---

[www.greenwich.com](http://www.greenwich.com) | [ContactUs@greenwich.com](mailto:ContactUs@greenwich.com)

Coalition Greenwich, a division of CRISIL, an S&P Global Company, is a leading global provider of strategic benchmarking, analytics and insights to the financial services industry.

We specialize in providing unique, high-value and actionable information to help our clients improve their business performance.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

## About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. It is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide.

CRISIL is India's foremost provider of ratings, data, research, analytics, and solutions with a strong record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers through businesses that operate from India, the U.S., the U.K., Argentina, Poland, China, Hong Kong, and Singapore.

For more information, visit [www.crisil.com](http://www.crisil.com)

## Disclaimer and Copyright

This Document is prepared by Crisil Coalition Greenwich, which is a part of Crisil Ltd, a company of S&P Global. All rights reserved. This Document may contain analysis of commercial data relating to revenues, productivity and headcount of financial services organisations (together with any other commercial information set out in the Document). The Document may also include statements, estimates and projections with respect to the anticipated future performance of certain companies and as to the market for those companies' products and services.

The Document does not constitute (or purport to constitute) an accurate or complete representation of past or future activities of the businesses or companies considered in it but rather is designed to only highlight the

trends. This Document is not (and does not purport to be) a comprehensive Document on the financial state of any business or company. The Document represents the views of Crisil Coalition Greenwich as on the date of the Document and Crisil Coalition Greenwich has no obligation to update or change it in the light of new or additional information or changed circumstances after submission of the Document.

This Document is not (and does not purport to be) a credit assessment or investment advice and should not form basis of any lending, investment or credit decision. This Document does not constitute nor form part of an offer or invitation to subscribe for, underwrite or purchase securities in any company. Nor should this Document, or any part of it, form the basis to be relied upon in any way in connection with any contract relating to any securities. The Document is not an investment analysis or research and is not subject to regulatory or legal obligations on the production of, or content of, investment analysis or research.

The data contained in the Document is based upon a particular bank's scope, which reflects a bank's data submission, business structure, and sales revenue Reporting methodology. As a result, any data contained in the Document may not be directly comparable to data presented to another bank. For franchise benchmarking, Crisil Coalition Greenwich has implemented equal ranking logic on aggregate results i.e., when sales revenues are within 5% of at least one competitor ahead, a tie is shown and designated by = (where actual ranks are shown). Entity level data has no equal ranking logic implemented and therefore, on occasion, the differences between rank bands can be very close mathematically.

The data in this Document may reflect the views reported to Crisil Coalition Greenwich by the research participants. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Crisil Coalition Greenwich compiles the data received, conducts statistical analysis and reviews for presentation purposes to produce the final results.

THE DOCUMENT IS COMPILED FROM SOURCES CRISIL COALITION GREENWICH BELIEVES TO BE RELIABLE. CRISIL COALITION GREENWICH DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THIS DOCUMENT, INCLUDING AS TO THE VALIDITY, ACCURACY, REASONABLENESS OR COMPLETENESS OF THE INFORMATION, STATEMENTS, ASSESSMENTS, ESTIMATES AND PROJECTIONS, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT. CRISIL COALITION GREENWICH ACCEPTS NO LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT.

Crisil Coalition Greenwich is a part of Crisil Ltd., an S&P Global company. ©2025 Crisil Ltd. All rights reserved.

[greenwich.com](https://www.greenwich.com)

[ContactUs@greenwich.com](mailto:ContactUs@greenwich.com)

Ph +1203.625.5038