



The 2013 PROFIT & LOSS DIGITAL FX AWARDS

“Eye on the Client”

Best Banks Platform

P&L Report Card

We say it every year, but the fact remains that in all walks of life, servicing one's peers is always the hardest task, mainly because their background is similar, they could be potential competitors, and as far as service levels go, they are very demanding. This is also a very competitive space as more and more banks target what is seen as better access to a wider range of customers. In some ways, the white label concept – in banking terms at least – has morphed into this award.

Probably the biggest change in this segment of the industry has been the deployment of aggregators by second tier banks. This has led to less focus on the tools and functionality on a provider's platform and more on the quality of pricing being streamed. That is not to say that functionality is not important, and we would expect it to become so again as banks seek to expand their use of the top group's services to manage their own client relationships.

This trend does, however, mean that we have placed more focus upon the sales function at the client bank rather than the traders. Of course, for traders willing to look beyond top of book aggregated pricing there are some significant offerings out there, especially in the order management space.

The technology provided by the Royal Bank of Scotland, Deutsche Bank and Nomura in the order management space springs immediately to mind for traders seeking to manage their risk more effectively. Also of note in this space should be Credit Suisse, for just as it is very popular among the active trading community it is amongst bank traders seeking sharp pricing. It is more likely,

Winner – Nomura

The interesting thing about NomuraLive is that on first glance not a lot has been added over the past year. Of course plenty of work has been going on behind the scenes but the crux of the platform has not changed. Lucky for the bank then that it is such a good front end that shows the benefits of a well thought out and well executed plan.

The challenge for Nomura lies ahead as it was a pilot for Microsoft's Silverlight technology, from which Microsoft has now pulled back, thus the bank has to plan for a different future. That said, and to repeat ourselves, it is lucky that the platform works so well.

NomuraLive remains a visually outstanding platform that delivers a great deal of information in a small space, the result of sharp, easy on the eye, graphics. This level of information, delivered well, is what bank salespeople and traders are after.

In its dealing tile, NomuraLive offers a chart of the price action since the user logged on, as well as the ability to configure the dealing tile to the look of their choice. Orders that are entered into the system are displayed in the dealing tile, by proximity to market, so that a trader instantly knows where they are close to market.

however, that these banks will interact with Credit Suisse via the former's aggregators.

For sales teams the perennial giants in this space have been Barclays, Citi, Deutsche Bank and UBS and all continue to provide strong reasons to trade with them, from excellent research output as well as the ability to access a wider product suite.

One area that remains difficult for those seeking to create a strong and broad relationship with bank counterparties is the algo execution world. The range of algorithmic execution products offered by banks (aside from the aforementioned giants) such as Credit Suisse AES, Goldman Sachs and Morgan Stanley all offer good value for a bank desk looking to execute larger risk, but they come with a huge problem. Why, we have been asked, would a bank trader use another bank's algorithm to execute business when it inevitably would lead to him or her losing their job?

It is a valid question which is why we would suggest that those platforms that offer good execution functionality, in association with the ability to interact with the order, have the best chance of penetrating the bank space.

This means that Barx Gator has to be a challenger, even though our early intelligence on the product is that it is more popular with execution desks than banks as such, as do the algo suite of products offered by Nomura, JP Morgan and BNP Paribas, all of which allow the user to interact with the order.

Finally, this is about information, therefore those GUIs that offer the best information, in the best format, without too much clutter on the screen will also be winners. In this case step forward Goldman Sachs, last year's winner of this award, JP Morgan with its new GUI, and Nomura.

More pertinently, if a client is working a larger order or is time slicing it, the dealing tile has a coloured bar which shows visually how much of the order has been executed. This data is also available numerically, but given the range of information required by a trader, it is great to be able to instantly identify the progress of an order.

The bank's algorithmic suite of products remains outstanding and in the past year it has added Gamma trading, whereby traders can drop in their Gamma profile, set their parameters, and let it run all day if they wish.

The fuller GUI has links to the bank's research as well as a real time Dow Jones news feed and economic calendar. Traders can also connect to the bank's vol surface and analytics. The order management functionality allows users to suspend and resume orders as well as recalibrate in real time when partially filled orders are suspended or a balance is taken elsewhere.

Ultimately Nomura wins this award because it delivers the lifeblood of the modern day salesperson or trader (or hybrid) – information – in a clear, easy-to-access format. The role of the salesperson and trader is evolving into a hybrid execution advisory role, this means the availability of easy to read and access information is paramount – NomuraLive delivers that in heaps.