

360T's winning formula of build, load and scale

Build, load and scale. Those are the three phases of development that Carlo Kölzer, 360T's group chief executive officer and global head of foreign exchange for its owner, Deutsche Börse, applies to the strategic initiatives rolled out on the platform.

"When it comes to futures, we are in the load phase. When it comes to over-the-counter clearing, we just finished the build phase and are starting the loading phase. And when it comes to asset managers as a relatively new customer segment – where we had to build functionality, liquidity and connectivity – we are also in the loading phase. So, we are in different phases of our product lifecycle," says Kölzer.

360T's process of maintaining a steady production line of enhancements has won it the support of clients, who voted it Best professional e-trading venue and Best vendor for dealing technology at the 2019 FX Week Best Bank Awards.

Kölzer says: "We always start new things that will get traction in, say, two years from now."

The platform's ongoing product initiatives include non-deliverable forward (NDF) streaming, leveraging acquired electronic communication network (ECN) 360TGTX in the spot market and developing a data offering that complements 360T's transactional business model.

"Data has to be good in order to be interesting to start with, but if you have interesting data then people will want to buy it. Data is now a huge new additional offering that derives from the success of the platform in the sense that we have so many valuable data points. I don't see that it will become the core of our business, as we stay focused on a transactional business model, but if we aggregate our data smartly then it has a valuable output," Kölzer says.

360T is also extending its multilateral trading facility platform with a new FX swap product offering aimed at the interbank community. Launching at the end of this year, 360TGTX MidMatch will deliver, via its Swaps Data Feed, a risk



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offset pool, providing members with the opportunity to reduce execution costs.

The limit order book will stream an FX swaps independent indicative mid-market rate in G10, emerging market and non-deliverable forward currency pairs, allowing members to submit their interest to buy or sell with intent protection. Neither the size nor the direction of the order is visible within the mid-book. MidMatch will provide access to firm bid and offer liquidity, enabling the interbank trading community to execute electronically via GUI or API connection.

New tools and functionality such as price streaming, partial fills, granular relationship management, automated credit models and full straight-through processing will replace the manual processes that exist in the FX swaps world today, according to 360T.

"We want to become the platform of choice where a customer goes, no matter

what FX products he trades and whatever trading mechanism he uses. It may be illiquid NDFs in a request-for-quote format, or more liquid stuff on a streamed basis via an ECN or an anonymous no last-look central limit order book," says Kölzer.

Cash-backed ambitions

The ambition is being backed by hard cash. As well as 360T's \$100 million acquisition of GTX – giving it a reach into an audience that includes systematic hedge funds – it has invested about €15 million into the development of 360T's FX futures and options offering, as well as 360T's execution-management system, the market data offering and 360TGTX.

In terms of the futures product, 360T went live just over a year ago, "which attracted other participants of the market as an alternative to the OTC market, as it doesn't depend on prime brokers but is cleared, and so leads to a diversification of the credit mitigation offering", Kölzer adds.

On a technical level, the GTX integration is 90% done, with all the APIs among the platforms the company operates complete, so liquidity can move fluently between them. Physically, GTX and 360T staff now work next to each other, and technology development and workflow integration is also 90% complete.

But Kölzer says the sales teams have a bit further to go in terms of their integration, which he puts at 70% currently: "It can still be improved in the sense of each side knowing the other's products well, and being able to present them to each other's audience."

With a conveyor belt of product improvements and 360T striving for continual improvement, complemented by robust self-examination, the platform believes it is well placed to continue satisfying client demands. **by Luke Clancy**

360T's awards tally

Best professional e-trading venue
Best vendor for dealing technology