

FX Week

360T eyes Clob rollout in Q1 2017

Over the next two years, 360T is set to release several products and services geared to risk mitigation and best execution, indicating the foreign exchange platform is positioning itself almost as a one-stop shop for its clients entering the fragmented market.

The firm is expected to launch a central limit order book (Clob) in 2017, and over-the-counter clearing for foreign exchange about a year later, *FX Week* has learned. The moves appear to be prompted by the industry's ongoing adjustment to new regulations, increasing credit constraints and the need to achieve best execution.

"Consequently, market participants are looking for greater transparency and standardisation, as well as a way to control their risk at all times," says Carlo Kölzer, group chief executive of 360T and global head of FX at Deutsche Börse Group.

"Together with Deutsche Börse Group, we developed an FX strategy, with the objective of maximising efficiency across the entire value chain, with the intention for 360T clients to have a single gateway to a market that is increasingly regulated and highly credit-dependent, achieving scale and transparency via a platform that has a high degree of technological competence," Kölzer adds.



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These developments are set to broaden customers' FX product choice, as they will be able to access a wealth of both liquid and illiquid products.

The Clob platforms offer a marketplace where users can specify their

maximum purchasing and minimum selling price, which aims to guarantee execution and visibility into depth of book.

"[These FX products] can be traded through request-for-quote on executable streams or in an OTC ECN model, where we help our clients to include liquidity from the ever-growing world of non-bank liquidity providers, and also exchange-traded products like FX futures and FX options," says Kölzer.

"In terms of depth, complementing the ability to transact entirely in the OTC market when they (clients) need, the combined group offering – [which] introduces CCP clearing by banks or Eurex Clearing house to mitigate risk within a portfolio that can comprise both OTC FX and listed FX transactions, and utilises industry utilities such as CLS for delivery – intends to ensure users have the ability to choose the right model for the trade they need to do, with this separate to decisions about the transaction mechanism," he adds.

360T says it already has the full OTC suite, except for the ECN/Clob.

"While we have clearing for futures in place, the group will deliver FX OTC clearing, which will be there in about a year," Kölzer says. 

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