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## 360T sets sights on becoming FX one-stop shop



**Does anyone** remember Mifid II, or the staggering amount of time, energy and resources that were being expended around this time last year? With that deadline now firmly in the past, market participants have been able to consider investments and innovations unrelated to the regulations, and go back to business as usual.

“The six months running up to January 3 had been dominated by preparations for the introduction of Mifid II, which meant that everyone’s time and resources were tied up,” says Carlo Kölzer, group chief executive for 360T and global head of FX for its owner, Deutsche Börse.

360T took the trophies for Best Professional e-Trading Venue and Best Vendor for Dealing Technology at the 2018 FX Week Best Banks Awards.

Since the start of this year, Kölzer has focused on pushing forward his plans for 360T to become a one-stop shop for FX. In May, it moved to acquire institutional ECN GTX, paying \$100 million to its owner, Gain Capital.

The deal, which closed on June 30, was a further step by Kölzer to widen the availability of liquidity on 360T, as users can now access prices from GTX, where active traders dominate, rather than from the platform’s traditional corporate client base.

The acquisition of GTX allowed Deutsche Börse’s FX unit to push into the US and Latin America – some 70% of 360T’s client base is in Europe. Meanwhile, volumes traded on GTX mainly consist of spot, while 360T’s traffic is primarily swaps due to its client base. As a result, 360T clients get better spot access, while GTX traders

benefit from swaps pricing and data.

“GTX is a highly complementary addition to 360T and initial feedback from clients is very positive,” says Kölzer.

But GTX is just one piece in the overall puzzle. In April 2017, it launched an ECN offering to provide an undisclosed liquidity pool to clients, adding another execution style to its over-the-counter FX offering.

This year, in mid-May, 360T went live with a central limit order book pool, providing anonymous liquidity on a no-last-look basis. In June, Deutsche Börse’s FX unit launched FX futures, both classic and rolling spot.

Now, Kölzer is eyeing the launch of the firm’s OTC clearing product, which is 95% ready with three to four banks. He hopes it will gain traction from next year. His plan is, after all, to offer listed and OTC products under one roof: “I have high confidence that we will go live with OTC clearing in the first quarter of next year.”

The co-operation between Eurex and Deutsche Börse will see the clearing house offer services for FX OTC spot, forwards swaps and cross-currency swaps. “Banks are very interested in clearing OTC cross-currency swaps, while clearing spot could offer a relevant alternative for clients to prime brokerage relationships,” he says.

As it broadens its offering, 360T has also widened its focus on client types. Revenues from institutional clients represented only 5–8% of the total in 2015, but increased to 15–20% within three years, on top of underlying growth on the platform.

Asset managers are firmly in focus with



Carlo Kölzer

FX 2.0, a workflow, integration and analytics offering. The two-year project is starting to see fruition and 360T scored its first major win earlier this year with UK-based manager M&G. “We’ve always had workflow solutions available for large corporates, and we’ve offered white-label solutions, distribution and auto-dealing tools for banks as well,” says Kölzer.

360T also launched a swaps data feed in September, which has seen rapid take-up, and it helped to raise awareness of the platform’s ambitions in the sector among asset managers and banks that previously had no access to data to construct a swap curve.

“Normally, things happen slower than you expect, but with the data product it was the other way around. Marketing the data feed is a big priority for us as it allows us to increase our footprint in the asset management space,” he says.

To succeed with asset managers, 360T had to build an EMS that allows liquidity aggregation besides internalisation.

“Without an EMS you don’t stand a chance in the asset management space. We started our push with going to the market with a cutting-edge product, the quality of which is reflected in the choice of a blue-chip client,” Kölzer says.

Then, the firm had to build out connectivity to the most frequently used order-management systems in the space and build functionality. Finally, it had to get liquidity on to the platform.

“It’s been a long process, but we have now done all the work and we are in a good place to make a splash amongst asset managers,” Kölzer says. [Eva Szalay](#)