



FX Markets
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Awards 2020

**Best ECN/MDP
for forwards/swaps**

**Best market data
provider**

360T

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360T comes into its own in the quest to electrify the FX swaps space

Despite its shrinking importance in overall FX turnover, spot has long been the focal point of investment in the FX industry. In contrast, FX swaps, which now represent nearly half of the world's FX turnover, remain largely dominated by voice brokers and have not received that same level of attention and sophistication.

But that is changing. With the launch of 360TGT MidMatch in December 2019, the world of FX swaps made a leap forward in the electrified space. Geared towards the interbank market, the platform is a fully automated FX swaps limit orderbook with mid-rate matching capability.

"FX swaps is the last untouched market in the whole of liquid finance," points out Simon Jones, chief growth officer at 360T. "The FX spot market has been electronically priced, risk-managed and hedged for a long time. Yet, while electronic pricing of swaps has been around for an age, automated risk management is a recent development and growing rapidly, but any resulting hedge is still done largely via voice, in what is the world's largest market, which makes no sense."

360T could see that efforts inside banks to automate the trading of their traditional businesses was expanding well beyond FX Spot, and yet the services provided to these new businesses were not keeping pace, particularly in FX swaps.

For 360T, the journey began by filling a need of both their maker and taker clients, greater transparency of pricing, particularly in FX swaps, the largest part of their business.

Thus was born the swaps data feed (SDF). "360T had built a serious presence in the FX swap bank-to-client business, with significant volumes and, as importantly, access to the biggest and best

market-makers. And so we used that experience and those professional relationships to build with the largest swaps players a collaborative offering," explains Jones. "That's how we were able to get our foot into the swaps data feed business."

With 20 banks now contributing their FX swaps pricing to the SDF, the feed has achieved the critical mass necessary to provide a product of true value. As the contributors range from the largest tier one banks to regional ones, 360T is able to offer streaming FX swaps data for the Group of 10, local market and non-deliverable forwards for 60 tenors up to two years.

The genuine value of the SDF proved its worth earlier this year when Covid-19 volatility rocked FX markets. Those market participants that subscribed to the SDF's streaming data had access to a live, accurate midpoint across the FX swaps market, even on the most volatile days. Those without access to that streaming data were left trading blindfolded or reliant on manually updated voice broker pages, which naturally lag in busy times. "Once we got a foothold in the swaps data feed business, we then had a springboard to build products off the back of it," Jones points out. "MidMatch was a natural next step for us once we had built this unique product that was clearly bringing value to both contributors and consumers."

For Jones, the popularity of the SDF is a sign that the FX swaps market is ripe for change. He believes that, over the course of the next few years, it will no longer be



Simon Jones

voice-driven and all the functionalities that have been well established in the spot market for more than 10 years – iceberg and discretionary orders, mid-match execution, and so on – will become commonplace for FX swaps, electronically.

As the FX swaps market lends itself well to electronic trading due to the continuous flow of

trades at the major points along the curve, Jones expects the development of swaps trading capabilities to progress swiftly.

"I expect to see a liquid electronic market in FX swaps within the next 12 months," he says, "and, in three years' time, we'll talk about swaps algos in the same way we talk about spot algos today. The ability to algorithmically execute swaps trades is something our clients have been asking us about over the past 10 years because people now want that greater transparency and control over their execution processes."

In addition to investing in greater FX swaps functionalities, 360T is set to launch a new flows data feed later in 2020. The feed will aggregate the trading activity on its platforms and package into daily signals.

"This will add a natural new dimension to our market data offering with interesting insights that – at a time of massive uncertainty about the effects of global lockdowns on the real economy – couldn't be more relevant," says Jones.

360T was voted best electronic communications network/multidealer platform for forwards/swaps and best market data provider at the 2020 *FX Markets* e-FX awards. 