

2022: A YEAR FOR INNOVATION

Carlo Kölzer, CEO of 360T Group and Global Head of FX at Deutsche Börse Group, explains why he's excited for the year ahead.

Carlo Kölzer, CEO of 360T Group



2022 is set to be an interesting year as the world continues to grapple with the impact of new Covid-19 variants. The reactions to these will be more mature, considered and regionalised, but the pandemic will still influence how we work, the way that we travel and what financial markets expect.

For instance, the fact that we have shifted from a demand constrained global economy to a supply constrained one, something that hasn't occurred in decades, will impact everything from supply chains and the pricing of goods and services to interest rates and the general dynamic of capital markets.

One consequence of this is that we're likely to see a sharp uptick of interest in FX, which is always a positive development for the asset class. Another reason for optimism is that I see numerous

opportunities for new technological innovations to have a real, significant, and positive impact on this marketplace in the year ahead.

Perhaps the most obvious example of this is the digital currency space.

One of the big trends we saw in 2021 was that traditional financial services firms, most noticeably hedge funds, increasingly turned towards digital currencies as a means of diversifying their portfolios. Such a shift certainly makes sense for these funds; they are shifting capital from low volatility, low margin asset classes, to what is a high volatility and high margin asset class.

I expect this trend to not only accelerate in 2022, but also that a wider range of firms will look to access digital currency exposure. We are seeing this growing demand already across the diverse



community of 360T users, which is why we have an initiative underway now that will enable our clients to trade Crypto NDFs and Spot products on our platform before the end of the first quarter of 2022. This will enable traditional financial services firms to trade digital currencies via a regulated trading venue which offers reliable, proven, high-performance technology that they are already familiar with.

Interestingly, I often get asked whether cryptocurrencies should ultimately form part of the FX market, being traded alongside traditional fiat currencies, or whether they represent an entirely new asset class. And my response is always that it is a fallacy to think that they must only be one thing or the other.



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People keep trying to pigeonhole cryptocurrencies and narrowly define them, but the reality is that they can be more than one thing simultaneously. I see cryptocurrencies as forming an additional asset

couple on FX platforms like 360T, in addition to being an entirely different technology dimension within financial markets. The two are not necessarily mutually exclusive.

EXPANDING PRODUCTS & SERVICES

But while the digital currency space is attracting a lot of attention right now, when I look at what we're doing in the FX space I'm honestly very enthusiastic about all the new things that we are currently working on.

We have made significant investments in our research and development (R&D) capabilities, with a focus on developing what we're confident will be the best matching optimisation technology available in the marketplace. We continue to invest in workflow solutions, such as our Execution Management System (EMS), with our commitment to regular new technology releases throughout each year.

We are still expanding the range of products which we offer to our clients, with cryptocurrencies being just the latest example of this. We are also deepening our offering within existing product sets, and the successful launches of our Swaps trading platform 360T SUN platform and Streaming NDFs are a testament to this.

And finally, we are complementing all this with the continuing development of additional products and services, such as our market data suite or the listed FX Futures that we offer access to.



BEST IN CLASS

All this innovation has allowed us to diversify the 360T business and continue growing in new and exciting directions. And I'm deeply gratified that all the hard work that our staff have put into all these various projects is being recognised by the industry — both by market participants who are voting with their business and by well-regarded publications who gave us a number of prestigious awards last year.

Our market data suite, including our Swaps Data Feed, created in partnership with DIGITEC, our Forwards & Swaps offering and liquidity aggregation capabilities were all named as the best available in the market, our launch of Streaming NDFs was labelled as the best new initiative in the industry and we were voted as the best professional e-trading venue. In addition, Eurex, which is obviously an important part of the overall Deutsche Börse FX offering, was determined to be the best exchange for FX trading last year.

Looking to carry this momentum into 2022 the world is facing a lot of uncertainty. However, the one thing that I can be completely confident of in these turbulent times is that the technological needs and requirements of FX market participants will continue to evolve and become more sophisticated, and that 360T will continue to produce innovative products and services to meet them. And for me, that is reason enough to look forward to the year ahead.