

4 Key Takeaways from TradeTech FX Paris 2023



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360T was once again a proud sponsor of the TradeTech FX, held in Paris this year. For those interested in hearing what their industry peers were discussing during on-stage panel sessions, intimate roundtable discussions and various refreshment breaks, we have collected our top four takeaways from the event.

- 1. Workflow innovation can deliver immediate wins**
- 2. Quality Data is an essential component of auto-execution**
- 3. The FX Swaps market is changing**
- 4. Bigger, in this instance, was better**

1. Workflow innovation can deliver immediate wins

Access to liquidity, building investment strategies, analytics around execution and the impact of regulation - these are all topics which concern buy-side firms, but they are very much ongoing concerns.

Liquidity can always be further optimised, investment strategies are constantly being refined, analytics will continue to get more sophisticated and new regulations are just a fact of life.



By contrast, many of the buy-side firms that we engaged with over the course of the TradeTech event had specific pain points within their FX workflows that can be alleviated in the here-and-now, delivering immediate wins for their businesses.

For example, we got an opportunity to sit down with a group of senior buy-side representatives and talk about the new Mixed Givens workflow that is available in the 360T Execution Management System (EMS).

This helps trading desks by:

- 1) enabling them to put cross-currency “mixed givens” portfolios into competition
- 2) allowing for automated-pricing from their counterparties
- 3) providing full post-trade straight-through-processing (STP) whilst also eliminating some of the clean-up trades often associated with these portfolios.

2. Quality Data is an essential component of auto-execution

“Automation” is a broad term that gets widely (and frequently) used at conferences like TradeTech FX. It seems that pretty much every buy-side firm present at the event is trying to automate at least parts of their FX trading operations, and in some cases this just means that they are trying to streamline their workflows and ensure that there is seamless STP across their entire technology stack.

Increasingly though, other firms are going beyond this and actually auto-executing parts of their trading activity using customisable, rules-based automation tools.

And the common through-line which linked these firms tended to be that they have access to high-quality market data, across both Spot and non-Spot FX products, within their EMS platform.



It seems clear that the direction of travel amongst the buy-side is towards greater auto-execution, especially for “nuisance trades” which consume valuable time but don’t necessarily require the high levels of skill and expertise that traders on the desk offer.

However, what was made clear by buy-side firms at the conference is that while bespoke, pre-defined parameters can be used to determine if and how trades are auto-executed, trading desks also need data they can trust integrated into their execution platform to act as a price tolerance check to ensure that they are still meeting best execution obligations.

3.The FX Swaps market is changing

The big news from 360T around the TradeTech event was that streaming mid liquidity via APIs is now available on our Swaps User Network (SUN). For the first time ever we're able to facilitate two banks trading FX Swaps via API to match at the market midpoint, while 360T SUN is also currently the only Multilateral Trading Facility (MTF) which offers a continuous streaming mid-price for FX Swap instruments.



We don't flatter ourselves by thinking that this was the only, or even the main, reason why changes in the FX Swaps market structure were discussed so heavily at the event, but perhaps it contributed to the discussion.

The overall sense listening to the panel sessions and talking to attendees on the sidelines was that we've reached a point where the technology and data is now available to fundamentally change the way that FX market participants, on both the buy-side and sell-side, trade Swaps products.

The big question mark in recent years has been how quickly and to what extent the industry as a whole would adopt this technology.

Judging by our experiences at TradeTech (and, yes, what we're seeing on 360TSUN), it seems like this question is finally being answered.

4. Bigger, in this instance, was better

TradeTech FX has for some time now been the largest FX-specific event in the calendar, but I think that we were not alone in being acutely aware of just how big the conference was this year. It felt like the entire FX industry had de-camped to Paris, providing a real buzz and sense of community to the event.

The continued growth of TradeTech FX also suggests two things; firstly, that FX as an asset class is garnering much more attention amongst financial institutions — and especially buy-side ones — than it was during the low interest rate environment that existed prior to the pandemic; and secondly, that relationships and human interaction still matter in this business.

And from our perspective, it was fantastic to be able to once again catch-up with a diverse cross-section of our friends and partners in the industry all in one place.



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