

MarketAxess

Driving the change

This year marks the second consecutive year that MarketAxess has won the accolade of Best Bond Trading Platform in *Asia Asset Management's (AAM)* Best of the Best Awards. AAM catches up with CEO of EMEA and APAC, Christophe Roupie and Head of APAC, Riad Chowdhury to ask them what makes MarketAxess stand out from the crowd.

Chowdhury: One of our greatest strengths is our comprehensive offering of innovative trading protocols and data solutions. These have been instrumental in helping users navigate through the challenging markets over the past two years by providing access to increased pools of liquidity, highly accurate and transparent pricing data, and a resilient trading platform that can handle extremely high volumes. Examples of our offering include Open Trading® (OT), our award-winning all-to-all marketplace; Composite+ (CP+™), our AI-powered predictive pricing engine; and Axess IQ, a bespoke solution designed specifically for private banks and wealth managers. Last year we also launched a new channel that gives MarketAxess users access to China's \$17.5-trillion onshore debt market through the Bond Connect and CIBM Direct schemes. This brings our offering of EM local markets to 28, seven of which are Asian – CNY, HKD, KRW, MYR, PHP, SGD and THB – resulting in the most extensive local debt market coverage among trading platforms in APAC.

AAM: Can you tell us a bit more about the growth of the APAC business and what your growth plans are moving forward?

Roupie: Despite the bumpy ride, 2021 turned out to be another milestone year and the outlook for us remains positive. In the past year we have deepened the Asia liquidity pool, achieving record numbers by the end of 2021. We also achieved annual volume growth of 33%, along with a 20% increase in APAC clients trading on the platform. Requests for Quotes (RFQs) initiated by dealers in APAC grew 161% year-on-year too, demonstrating the confidence dealers have in our pricing and capabilities. Our plan is to continue expanding our business in new markets such as Japan, Korea and Taiwan, grow the team regionally and continue to focus on product innovation in partnership with our clients.

AAM: What would you say are the advantages of Open Trading for investors and dealers?

Chowdhury: OT allows both investors and dealers to trade directly with one another anonymously, helping to drive trading velocity, improve efficiency and pricing. It has empowered investors in Asia to overcome the liquidity hurdle and allowed us to develop the world's largest fixed income all-to-all trading network.

AAM: How are MarketAxess leading the field in terms of AI and other new technologies?

Roupie: Our AI-powered pricing engine, CP+, is designed



Christophe Roupie

Riad Chowdhury

to support a variety of trading functions including pre-trade price discovery, liquidity provision, transaction cost analysis, auto-execution and crossing. It outputs an unbiased, two-sided and mid-market price for over 32,000 instruments globally, covering 90-95% of trading activity in its markets and providing both traders and relationship managers with a real-time snapshot of where the market is trading. Combined with Liquidity Score, which provides a defined measurement of the current liquidity for nearly 20,000 individual bonds daily, traders also get an indication of liquidity before they go to market. This unparalleled level of insight not only supports price discovery, but also improves overall market transparency, enabling investors in Asia to transform their fixed income trading operations in an unprecedented time of change.

AAM: What does the future hold for bond trading moving forward?

Roupie: Geopolitical tensions and the Covid-19 pandemic have accelerated the move away from an extremely fragmented bond market dominated by phone communications towards electronic trading. Artificial intelligence (AI) is another area of huge potential for bond markets globally and specifically when applied to real-time pricing and predictive analytics. For example, MarketAxess' CP+ has become the main point of reference for many traders around the world and we are also now in the process of rolling out CP+ Total Markets, which extends our universe of accurately priced bonds to over 250,000. As the AI gets cleverer, so we continue to find ways to harness it to improve the trader workflow.

AAM: What's your vision as APAC leader at MarketAxess?

Chowdhury: The shift to electronic trading is now accelerating and in Asia the increase in volumes and the growing involvement by market participants on our platform have demonstrated this growing industry trend quite clearly. As we continue to expand in the region, MarketAxess will remain focused on helping Asia's bond markets to innovate, improve efficiency and attract greater global participation while bringing more liquidity and cost-savings to our users. ■