

MarketAxess

Leveraging data and liquidity for execution success

By Elizabeth Dooley



Christophe Roupie

Riad Chowdhury

For the third year in a row, MarketAxess has won the accolade of Best Bond Trading Platform in *Asia Asset Management's (AAM) Best of the Best Awards 2023*. For Christophe Roupie, CEO of EMEA & APAC, and Riad Chowdhury, Head of APAC, this is testament to the quality of the company's platform, and the value it brings to its Asian client base. It's also an achievement that represents the team's commitment to helping clients address their biggest needs, which Roupie says includes finding new pools of diversified liquidity, improving workflow efficiency, and accessing better pricing.

On what sets MarketAxess apart from other bond trading platforms in the Asia Pacific region, Chowdhury points to the challenges involved in trading fixed income over the last year or so, particularly where fragmented markets accentuate liquidity issues.

"Liquidity is where we've had a competitive differentiator. Our platform stands out by helping buy-side and sell-side firms navigate this complex environment through the right combination of execution protocols, liquidity depth, and access to relevant data and analytics," he tells *AAM*.

One example, is through Open Trading (OT), a unique trading ecosystem connecting the world's largest all-to-all credit liquidity pool. The OT network allows dealers to become liquidity takers, and buyside clients to become liquidity providers, vastly increasing both sides' ability to access valuable liquidity at a time when competitors struggle, he adds.

For Roupie, one of the key drivers to growth over the past few years has been on the data front, where MarketAxess has continued to support price discovery and aid liquidity providers on its trading system. The firm's AI-

powered pricing engine, Composite+ (CP+), was enhanced in 2022 to expand pricing beyond the 90% of most liquid bonds and now consistently prices over 250,000 bonds, covering 100% of eligible trade activity across global, corporate, and emerging bond markets. By combining both public and proprietary data, CP+ updates every 15-60 seconds to generate nearly 30 million levels per day.

"The range of data that flows into the pricing tool is what differentiates CP+. It sources data from public TRACE and TraX data, and data that only MarketAxess has full access to. It is integrated with the MarketAxess trading system and provides predictive data inputs to products such as Auto-X and Portfolio Trading," he explains.

Looking forward, Roupie predicts an accelerated focus on automation and digitisation in the fixed income markets in the region. With the increase in market volatility and also the focus on diversification, he sees market participants looking for more efficient ways to execute trades with transparency and better prices. Indeed, despite the challenges of 2022, he is heartened by a steady rise of over 13% YoY in the number of Asian clients and dealers using the platform.

According to Chowdhury, one key driver for MarketAxess in Asia over the past few years has been the continuous adoption of new trading protocols across its key global strategic accounts as well as the expansion of new business segments such as private banks. Much of this growth, he says, can be attributed to Axess IQ, MarketAxess's one-stop trading shop for private bankers and wealth managers that combines state-of-the-art trading technology and industry-leading market data. It is also a major component of the efficient, low-touch and sometimes no-touch automated execution tools offered by the platform. In the first quarter of 2023 alone, adoption by Asian private banks increased by close to 135%.

Roupie adds that he remains committed to continuing the firm's investment in Asia and expanding its product offerings, trading protocols and data analytics capabilities.

"In the past year, we launched Axess All Prints, which provides users with near real-time or real-time transacted price services. Enhancements were also made to our Switch Trading suite introducing the ability to settle in USD, our block trading protocol (Request-for-Market), and Auto-X, a rule-based engine that enables traders to automate all or part of their trading execution workflow now across both hard and local currency bond markets. Looking ahead, we plan to extend Open Trading to our local currency bond offering and we expect this to strengthen our regional business even further," he adds. ■