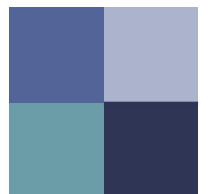




# LIQUIDITY AND TRANSPARENCY IN FIXED INCOME TRADING





Dear Reader,

The DESK tracks the trends, tools and techniques that buy-side bond traders can employ to deliver better execution while integrating into the broader investment process.

Buy-side trading desks are a focal point of risk and information. They are an invaluable asset for the smart investment manager. In fixed income, those trading desks are grappling with changing counterparties, new models for finding liquidity and execution while negotiating shifting regulatory sands.

Fixed income traders are evolving under considerable selective pressure. To function effectively they need access to wider and deeper streams of data. They need a range of execution platforms and systems for measuring their effectiveness. They must also retain tight relationships with the sell-side; scale is not the only reason for a dealer to work with a client. In stressed markets, trust is crucial.

With asset managers pushed to disclose ever greater amounts of information to both their investors and their regulators, the trading desk is a source of data that can ease the burden of compliance. For their firms they paint a picture of price, liquidity and risk. Information from the desk can support both the portfolio manager and risk manager in their decisions, at a time when yield is hard to find.

The trading desk is on the front line facing 'predatory' behaviour and abrupt volatility in the markets. These are factors that make end investors understandably nervous. We see the rise of the 'Mercator sapiens', or wise trader, as the natural evolutionary step, delivering a serious advantage for the investor.

*Dan Barnes*

Dan Barnes  
Managing Editor, The DESK  
dan.barnes@fi-desk.com

*Winner "Journalist of the Year - Investor Services & Technology" in 2011, 2012 & 2015 and "Highly Commended" in 2014 - State Street Institutional Press Awards.*



## What is The DESK?

The DESK is a quarterly publication providing news, commentary, insight and analysis into the world of fixed income trading.

## Why is The DESK important?

Capital adequacy rules and proprietary trading limitations have drastically reduced sell-side fixed income inventories. Pricing across corporate, municipal and government bonds is opaque, vexing buy-side traders. Asset managers need a new model of liquidity provision and price discovery.

The DESK exposes the ongoing evolution of the fixed income market from the perspective of the buy-side trader, bringing to light new efforts that will deliver liquidity, transparency and efficiency to bond dealers.

## The DESK's data-led journalism

At The DESK we paint a picture of the market based upon data, established fact and expert opinion. In order to make sure our picture is fresh, we believe in gathering the data from the market ourselves, checking numbers and surveying trading desks across the US and Europe, in order to establish what traders see and how they feel about issues.

Our annual Trading Intentions survey looks at the use of corporate bond trading platforms by the buy-side trading desks and also which platforms traders have an appetite to join over the next one-, two- and five-year period. Faced with up to 50 possible platforms to choose from, and several platforms having tried and failed (Bondcube and GSessions for example),

each trader needs some insight into how the rest of the buy-side is viewing the options available.

We know that our readers need figures to make any real evaluation of the market so we take publicly available data and proprietary data, where it can be sourced, in order to ground our stories in quantitative information.

## The DESK - Content

In this rapidly changing environment The DESK does not publish an in-depth editorial calendar in advance, however a detailed quarterly synopsis is available ahead of each issue on request [<editorial@fi-desk.com>](mailto:editorial@fi-desk.com).

Our Winter 2015 synopsis includes:

### On The Desk: Christine Kenny

Christine is managing director, senior fixed income strategist, compliance officer and head of the London office at Loomis, Sayles & Co. She discusses with Dan Barnes the dynamics of moving from a buy-side trading desk to management.

### Lead feature: The criteria-based order

As traders become more autonomous, portfolio managers (PMs) are increasingly able to entrust them with broader, criteria-based orders. Rather than looking for specific instruments, the trader can make an assessment of what is on offer and determine what is appropriate. Yet to make this level of autonomy effective requires a solid integration with portfolio management, considerable pre-trade information and most importantly the trust of the PM.



**Government / institutional / municipal bonds: From the source**

Liquidity provider Citadel has stepped onto Bloomberg’s government bond trading platform, offering an alternative to the traditional sell-side. In the equity markets high-frequency trading is accepted by many traders as a valid liquidity source. How ready are buy-side traders to look at HFT counterparties in fixed-income markets? What are the circumstances and measures that would build confidence?

**Corporate bonds: MiFID’s five trickiest clauses**

MiFID will be adopted by EU member states in June 2016; with six months to go and a year ahead of full implementation. The DESK looks at the five points that are most likely to trip up buy-side traders, and asks desks to rate their own preparedness and that of the rest of the industry. How will transparency and unbundling play out?

**Derivatives: Mind the gap**

ESMA is consulting on the difference between the margin regimes for the US and Europe; however gaps between the two regimes still exist. The DESK looks at the headache for buy-side desks on both sides of the Atlantic and asks how trading may be affected by the failure to find common ground.

**Technology: Post-trade – No room for failure**

Trade failure rates are up in several markets including US treasuries; The DESK looks at the improvements buy-side firms can make to their post-trade model in order to reduce both cost and risk of trade failure, from installed technology to outsourcing with third party providers.

**Data**

European Fixed Income Market Data, courtesy of Trax.

**Our editorial themes from 2015: ON THE DESK PROFILES**

In each issue we conduct a number of exclusive interviews with the men and women shaping the future of fixed income trading. In 2015:

- **Rob McGrath**, Global Head of Trading, and **Greg Moore**, Head of Fixed Income Trading, Schroders.
- **Gianluca Minieri**, Global Head of Trading at Pioneer Investments.
- **Nick Cox**, Global Head of Fixed Income Trading at J.P. Morgan Asset Management.
- **Nick Greenland**, Managing Director for APAC and EMEA, & Head of broker/dealer relationships for BNY Mellon Investment Management .

**FEATURES**

- **Lead Feature Q1.2015: The Trading Intentions survey** – With 50+ projects to generate liquidity in the corporate bond





markets, investment firms have a lot of choice. We surveyed buy-side traders to ask which liquid trading destinations / projects they currently favour, and which are seen as most likely to survive over one, two and five years.

• **Lead Feature Q2.2015: Model behaviour** – Following the Trading Intentions survey we asked market practitioners what the winning characteristics of a corporate bond platform will be. New entrants may deliver new models, but can they fund themselves for long enough to overcome the incumbent players? How much sway will buy-side and sell-side firms have in determining the victors?

• **Lead Feature Q3.2015: The great repricing, winners and losers** – The Bank for International Settlements (BIS) has warned that low interest rates had damaged the market maker model. Dealers are consequently repricing their provision of cash liquidity, while capital rules have led to a repricing of derivatives clearing, creating a new cost environment for the buy-side. Traders discussed the struggle to manage trading costs.

#### **Government, institutional and municipal bonds:**

- ‘Flash Boys’ for treasuries
- Liquidity drivers in government bonds
- Accessing municipalities – The US muni market is straining to reform
- Europe’s liquidity squeeze – QE bites the continent.

#### **Corporate bonds:**

- The search for liquidity
- Buy-side to buy-side: Finding the other buy-side
- Canadian Securities Administrators Market review: Six months on
- Joined-up execution – How dealer desks are reacting to a shift in execution models?

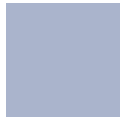
#### **Derivatives:**

- Futurisation: slow burn or fizzling out?
- Something’s got to give: Buy-side firms have got to seek out and exploit flexibility in the cost for derivatives trading and clearing.
- Losing dealers: fewer clearing brokers concentrates risk
- Structure – Can blockchain offer redemption for the OTC market?

#### **Technology:**

- TCA in fixed income
- Liquidity-finding tools in fixed income: The special source
- FIX Protocol in bonds: Will a common language and more transparent primary market create liquidity in credit?
- Pricing data – Who are your sources?

*The DESK’s coverage is driven by current events and market news and therefore we reserve the right to change any element of our coverage without prior warning.*



## Marketing

Our aim is to provide a trusted channel for our clients to gain access to their target market. Over the last twenty years we have witnessed how the use of media as a marketing channel has changed from one dominated by staid, conservative businesses to one in which small one-man operations can become publishing phenomena. The internet and associated technologies have empowered this revolution, but increasing fragmentation and the impact of social media are creating as many challenges as opportunities.

While the methods for delivery may be changing, the objective is the same – to support and increase business. This can be achieved in a multitude of ways and for each organization the balance may vary, but our aim at The DESK is to listen to our clients, build relationships and provide a palette of marketing options to effectively meet their objectives.

## What are the objectives?

**Brand awareness** - for many established providers a campaign of brand awareness and brand reinforcement is core to their marketing programme, but in these fast moving markets it is equally valuable in demonstrating their association with new capabilities, as well as new markets. The same pace of change is behind the constant emergence of new players for whom brand awareness is perhaps more critically important, but requires a process of 'build' rather than 'maintain'. Expanding brand awareness and increasing visibility are key.

**Thought leadership** – the dramatic and fundamental changes of recent years have heightened the importance of becoming associated with new ideas

and demonstrating direction within the industry. Reaching the right audience and delivering an insightful and authoritative message can be hugely valuable for all market participants.

**Client information** – providers of services need to ensure that prospective as well as existing clients have a reliable, trusted channel providing news and comment, whether it is about the launch of a new product or service, key personnel changes, a client event, or just a reliable source of client news and contact information.

## What are the channels?

**Display advertising** - The impact of display advertising is key to meeting the objective of brand awareness. In print the value proposition is not just the amalgam of the quality of the publication and the quality of its readership but to an increasing degree, where it is seen. To that end we are negotiating a number of media partnerships with leading conference organisers at which The DESK will be distributed. Portable and more 'user-friendly' than reams of marketing literature in a multitude of formats The DESK is an excellent information vector for exhibitors and non-exhibitors alike.

**Thought Leadership** - Print is still the ideal medium to display thought-leadership. While there is an inexorable shift in people's reading habits, the time spent on mobile apps or the web is qualitatively different to the time spent reading print publications. For that reason we are strong advocates of running thought-leadership pieces in our magazine, but mirrored online to cater for all our readers. In addition to our profile interviews, which are exclusive and by invitation only, we also run Viewpoints.



Viewpoints are opinion pieces, but differ qualitatively from a 'Corporate Statement' (see below) in that they are developed together with the editorial team, adhere to strict editorial guidelines, and are only ever available as part of a package. Viewpoints can be supplied as soft or hard copy reprints for the client to disseminate via their own channels.

**Corporate Statement** – when display advertising is not enough. New product or service news, or a detailed announcement that needs a 500 or 1,000 word in-depth explanation - with the option of carrying charts and diagrams - is best served by a Corporate Statement.

**Directory** – traditionally we have always provided a print directory for all our clients, but online the options are multiplied. A new website we will satisfy almost all of the Client Information objectives in one channel. The options depend on the client, from a basic 'listing' to a virtual client 'microsite', hosting client video, press releases, whitepapers, multiple hyperlinks, and even client-related news syndication.

**eNewsletter / e-mail marketing** – targeted e-mails carrying client advertising and/or announcements, complements the online information and print advertising channels. Either standalone, or as part of our forthcoming eNewsletter.

**Social media marketing / Social media monitoring** – although this will not roll out until 2016 we are developing social media marketing strategies as more clients investigate the potential value in using these new channels. Added to which we will also be incorporating the means to measure the effectiveness of clients' social media marketing initiatives.

## ADVERTISING RATES

Cost per insertion	x1	x2	x3	x4
FULL PAGE	£5,400	-7.5%	-15%	-25%
HALF PAGE	£3,150			
DOUBLE PAGE	£9,000			
INSIDE FRONT	£8,100			
INSIDE FRONT-DPS	£10,350			
INSIDE BACK	£5,850			
OUTSIDE BACK	£9,000			

<b>Guaranteed positions</b>	+15%
<b>Approved agency rate</b>	10%
<b>Corporate statements</b>	As per ad rates
<b>Viewpoint/Off-the-shelf</b>	Only available to multiple insertion bookings at a surcharge of 50% to the applicable page rate.
<b>Directory listing</b>	£300 per entry or £1,000 for four entries
<b>Subscription</b>	£135 / \$225 per annum

Rates are in £ sterling – prevailing US dollar and euro rates apply at time of booking (based on the spot rate +3%). Additional charges apply for non-standard materials. All rates are exclusive of VAT, which will be charged at the appropriate rate, where applicable. Cancellations – space reservations cannot be cancelled except at the discretion of the publisher. All accepted cancellations revert to rate card and are liable to a 30% fee.

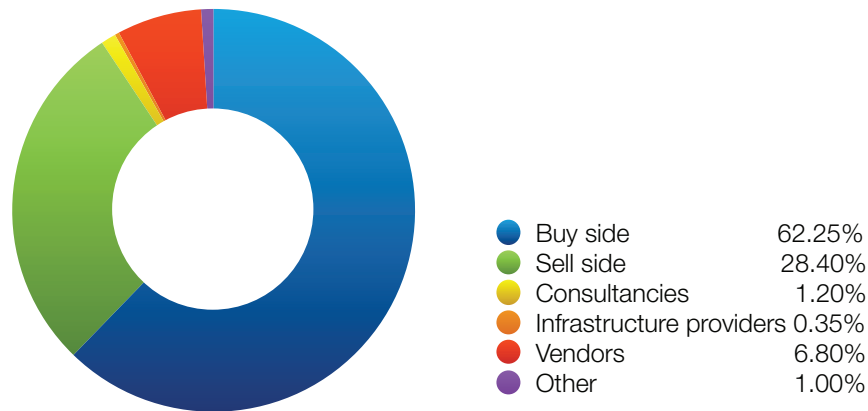
**ONLINE MARKETING OPTIONS** - prices available on application.

**Advertising contact: Scott Galvin, Director of Sales & Marketing**  
**e-mail: [scott.galvin@fi-desk.com](mailto:scott.galvin@fi-desk.com) | tel: +44 (0)20 7928 6796**



## WHO READS IT?

- Buy-side institutions [asset managers, hedge-funds, pension funds, insurance firms]. Jobtitle samples: Trading: Heads of trading, Heads of dealing, Analysts, Traders (cash, derivatives, SWAPS), Heads of Quantitative Strategy; Portfolio Managers. Operations: CEO, Heads of compliance, Head / Director / Executive director of fixed income, Heads of risk management.
- Sell-side institutions [investment banks / broker-dealers and their sell-side

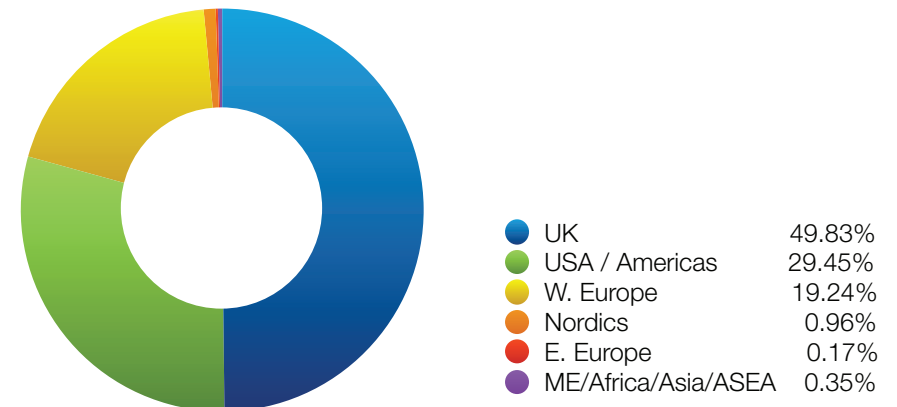


research arms]. Jobtitle samples:  
 Trading: Traders - cash, derivatives, SWAPS; Broker / Dealer / Sales; Head, Fixed Income Risk; Director, Brokerage; Director, eSales; Head, Quantitative Strategy; Head of eTrading; Credit Specialist, Rates Specialist; Head OTC Clearing and Fixed Income Prime Brokerage; Head OTC Derivatives Collateral & Repo. / Operations: Head Electronic Markets / eComs, Head of Risk Management; Head Fixed Income Technology; Head of eTrading Development; Head of Fixed Income Settlements

- Consultancies
- Infrastructure providers
- Solutions vendors
- Other

## WHERE IS IT READ?

- The DESK is a full colour, small-format, controlled circulation, quarterly magazine that is distributed primarily across the Northern hemisphere to the UK, North America and Western Europe. 2015 Print-run = 5,000



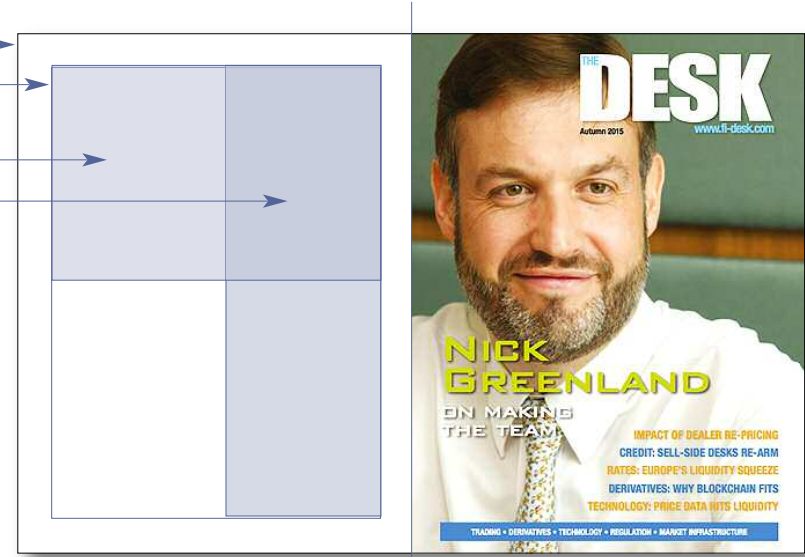
## WHERE ELSE IS IT SEEN?

The DESK is a media partner at an expanding number of industry events, with distribution agreements allowing extra copies to be made available to event delegates. Key events for 2016 include: AFME's European Fixed Income and FX Market Liquidity Conference – Feb. 25 / FIX Trading Community's 2016 EMEA Trading Conference – March 3 / WBR's TradeTech – April 12-13 / Fixed Income Leaders Summit USA – June 7-9 / Fixed Income Leaders Summit Europe – Nov. 8-10 / Euromoney Seminars Annual European Electronic Bond Trading Forum, date TBA.



**SPECIFICATIONS**

Full page	trim-size	w.170mm	x	h.225mm
	type-area	w.145mm	x	h.195mm
	bleed-size	w.176mm	x	h.231mm
Half page	horizontal*	w.145mm	x	h. 95mm
	vertical*	w. 70mm	x	h.195mm
Double page	Supply as two single pages. If text runs across gutter, allow at least 12mm text gap for gutter on both pages. <i>*Bleed option possible on request.</i>			



Printing requirements - we require digital files, which should be supplied as PDFs. No liability for colour variance will be accepted unless reference proofs are also provided.

The PDF should be output to **Pass4press** standards (a set of best practice guidelines that focuses on the complete workflow). For more detailed instructions we recommend you visit their website where guides and Plug-ins are available as free downloads for most operating platforms: <http://tinyurl.com/bvwshx9>

**The DESK CONTACTS:**

Editor: Dan Barnes | dan.barnes@fi-desk.com | m: +44 (0)7949 634 842  
 Publisher: Ian Rycott | ian.rycott@fi-desk.com | m: +44 (0)7800 913 005  
 Sales Director: Scott Galvin | scott.galvin@fi-desk.com | m: +44 (0)7852 138 926  
 Advertising data: production@fi-desk.com  
 Subscriptions: subscriptions@fi-desk.com  
 Address: The DESK Magazine, 117 Waterloo Road, London SE1 8UL. United Kingdom  
 telephone: +44 (0)20 7928 6796 | web: www.fi-desk.com

*Provisional publishing calendar:*

ISSUE	FEATURES DEADLINE	AD DEADLINE
SPRING 2014	04.03.2016	11.03.2016
SUMMER 2014	06.05.2016	13.05.2016
AUTUMN 2014	09.09.2016	16.09.2016
WINTER 2014	11.11.2016	18.11.2016