



Press Release

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Panama

Olympia Tech Innovations Bearing Fruit for Our Corporate Bond Investors

Despite continued liquidity shortages in many global fixed-income markets, corporate bond execution venues and offerings that were a mere idea a few years ago are finally consolidating and starting to bear fruit—making it easier for Olympia Capital Exchange investors to execute certain trades and our trading desk to provide pricing efficiency.

However, don't expect the corporate bond market to follow the same path as equity markets, where regulations helped spur the aggregation of new electronic trading platforms into something that, from the investors' point of view at least, resembles a single virtual pool of liquidity.

With the newest transaction and search platform technologies developing rapidly in this space, Olympia's technical group is continually seeking upgrades to place our customer's interest first in a competitive bidding and execution market.

A new report, *Innovations Ease Corporate Bond Trading*, from Greenwich Associates suggests that direct competition with liquidity presented on a single screen, will still rely on Bids and Asks from each of several dispersed trading venues. These venues will still remain the primary point-of-entry for investors into electronic bond-market liquidity; for the foreseeable future.

"Native front ends bring with them a user experience (UX) that is perfectly suited for all of the features and functions within the new *single screen* platforms," says Cap Rodgers, Head of Market Structures at Olympia. "Platforms must seek to normalize all liquidity pools to create a single interface. Olympia is moving rapidly to implement these improvements."

The user experience will remain an important factor in the competition among electronic corporate bond trading venues. Currently, only 2% of buy-side traders utilize either a third-party or internally built standalone EMS to access the corporate bond market. The vast majority of traders rely on the front ends of the individual trading venues they use and *dealer deal shopping*.

Easier-to-Execute small trades as well as larger orders have remained a challenge. An expansion in all-to-all trading, coupled with an array of additional technical innovations, is making trading corporate bonds easier for the buy side. Although, 90% of credit investors still feel liquidity issues are hurting their ability to execute their strategies effectively.

Orders of \$5 million and up remain particularly tough to execute competitively through single channels as Olympia's Trading Desk expertise in "dealer shopping" still remains critical for our Institutional Clients.

Large and illiquid orders are, in fact, the main reason our buy-side bond traders look towards these new trading mechanisms as they are being employed "Helping to match those buyers and sellers is the holy grail of corporate bond trading technology and Olympia will remain on the forefront in implementing the newest platforms for our customer", assured Mr. Rodgers.

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