

PRESS RELEASE – FOR IMMEDIATE RELEASE

E-commerce set to Grow, Reveals GreySpark Capital Markets Intelligence Research

- *E-commerce now covers all asset classes, with demand for a multi-asset capability growing*
- *Research indicates that banks' e-commerce offerings must cover the whole investment cycle, from pre-trade to execution to post-trade, in order to remain competitive*
- *New regulations are set to reshape key segments of the market, fostering more, not less, e-commerce*

LONDON – 23rd May, 2011 - E-trading has truly come of age, with the proportion of electronic tickets versus voice transactions increasing, both for cash products and derivatives. These key findings are contained in a new research report, *Trends in E-commerce and Electronic Trading*, published by GreySpark Partners, a London based capital-markets consultancy, in association with Best Execution.

The report, which examines e-commerce practices across multiple asset classes, has identified trends in this space and highlights forces that will shape the e-trading market going forward. GreySpark maintains that these need to be harnessed in order for sell-side firms to successfully tap into the opportunities offered by e-commerce.

Further key statistics from the research reveal:

- Over 60% of FX is traded electronically; this is expected to rise to more than 90% by 2014.
- E-commerce activity in fixed income expected to reach 60% from its current level of 40%
- Swaps e-commerce trading activity is expected to move from 15% to 50% by 2014.

GreySpark's research is the culmination of 10 months' of hands-on strategy work, backed by direct conversations and interviews with more than 50 buy- and sell-side firms including leading banks, hedge funds and technology vendors. It dispels some common industry myths. Highlighting the role regulation is likely to play in the evolution of e-trading platforms, the findings show that contrary to the general expectations for the death of the single dealer platform, the Dodd-Frank Act in the U.S. and the imminent MiFID II in Europe will in fact promote e-commerce across all platforms as businesses seek to transfer approximately 90% of voice transactions onto electronic platforms.

Lynn Strongin-Dodds, Editor, Best Execution, commented "The financial industry has long required quality and precise research that identifies issues, trends and future forces in e-commerce, supported with industry expertise. GreySpark has delivered cutting-edge research aimed to help firms respond to the growing demand for multi-asset e-commerce offerings from their clients. The finished paper, the first of many in a series of reports, is clearly presented, and will demonstrate the startling misconceptions in the industry, along with the projected importance of e-commerce on the financial industry as a whole".

The research paper, available for sale through GreySpark or Best Execution representatives, goes on to indicate that both single and multi dealer platforms continue to enjoy appeal among different market participants for different asset classes. Uniquely, the paper identifies the importance of user expectations of e-trading platforms, which is growing as a number of easy-to-use e-tools and services become available via the internet and through mobile devices. GreySpark reports that meeting these expectations remains challenging for an industry where changes in corporate systems require large cross-enterprise investments supported by senior management and where data models reflect underlying legacy systems rather than being designed around the way users work.

"Following the launch of GreySpark Capital Markets Intelligence earlier this year, we are very

pleased to announce our first research paper,” commented Frederic Ponzo, managing partner, GreySpark Partners. “We realised that e-commerce offerings should no longer be considered as a standalone product; moreover, we hope to educate how these should be developed, shifting from a product-centric to a client-centric approach. We are already working extensively with the sell-side and helping them achieve what we see as an important strategy”.

For further information and to purchase copies of the report, please email:
surveys@best-execution-world.com

About Grey Spark Partners

Grey Spark Partners is a London-based business, management and technology consultancy specialising in capital markets. The team has a demonstrable track record across the marketplace and a deep understanding of the industry. Grey Spark Partners works with investment banks, hedge funds and asset management firms to deliver solutions that work across all asset classes, with a particular focus on risk management and electronic trading. For further information please visit www.greyspark.com.

About Best Execution

Best Execution magazine is published by Financial-i Ltd. Best execution as a principle encompasses price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. Best Execution the magazine covers the issues and technology employed in pursuit of this principle across the asset class spectrum. www.best-execution-world.com

Press Contact

Charlie Morrow
Cognito Europe
+44 (0)20 7438 1100
greyspark@cognitomedia.com