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SIFMA Releases Electronic Bond Trading Platform Report For U.S. Corporate and Municipal Securities.

New York, NY, February 17, 2016 - SIFMA today released the results of its survey of electronic bond trading platforms for U.S. corporate and municipal securities. The survey results highlight a fixed income market structure that is evolving and adapting given regulatory and market constraints, and reflects a significant market focus on electronic trading as an emerging part of fixed income market structure. At this stage, the survey revealed that the platforms have primarily focused on the corporate bond market which has approximately \$8 trillion outstanding and over \$1.4 trillion issued in each of the last three years. Platforms have deployed innovative solutions to improve pre-trade price transparency as well as address various dimensions of the liquidity challenges in fixed income markets.

“Fixed income electronic trading platforms are investing in new technologies and finding innovative and creative ways in which to both aid price discovery and to enhance access to market liquidity,” said Randy Snook, executive vice president, business policies and practices at SIFMA. “This report is intended to provide useful information to market participants about the existing and a number of emerging electronic trading platforms and trade execution protocols, as increased competition among the players shapes this space. The information from this survey will help to inform a constructive dialogue around fixed income market structure with both market participants and policy makers.”

The survey provides profiles of electronic bond trading platforms and includes information on the target markets, trading protocols, technology interfaces, planned enhancements and related capabilities. It is provided to give stakeholders a greater understanding of the changing electronic trading marketplace.

Key takeaways include:

- Several new entrants are offering or plan to offer electronic trading related services to challenge established players, seven of the 19 platforms interviewed have entered the market in the last 2 year, and four more platforms plan to launch in 2016.
- Enhancements are being made to established trading protocols and several new protocols are emerging to promote price discovery, including live order books, session based trading and independently determined midpoint pricing.
- The survey found that 14 platforms offer “all-to-all” trading which highlights efforts to increase market participation among a diverse universe of investors.
- The 19 electronic trading platforms surveyed offer 42 electronic trading protocols that have been structured in a variety of ways to address the differing demands of market participants.
- Electronic trading platforms are increasingly targeting larger sized trades and providing various methods to protect anonymity and to better protect investors. Platform innovation is also primarily occurring within the corporate bond market, while the municipal market is likely to shift more gradually due to its significant number of issues and CUSIPs and high direct retail participation.

The report is available [here](#).

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