

# **Bond Case Briefs**

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## **“The Fixed Income Dealer Evolution” An Overview of the Competitive Landscape for Regional Dealers.**

Bond Dealers of America and Greenwich Associates Release Report: “The Fixed Income Dealer Evolution” An Overview of the Competitive Landscape for Regional Dealers.

BDA is pleased to release a new report, created in partnership with Greenwich Associates, that provides an overview of the competitive landscape for regional broker-dealers. This is a first-of-its-kind report that highlights the issues that matter most to regional dealers compared to larger dealers.

In 2017, one of BDA’s key strategic initiatives is to continue to connect BDA members with market experts and consultants, like Greenwich Associates, who can deliver tangible business-focused strategic intelligence—to help BDA member firms grow and thrive. This report is part of that effort. Additionally, BDA staff will use this report to help educate Congressional offices about the role of middle-market dealers, fixed-income market structure, and the regulatory pressures on small-to-medium-sized dealers.

### **Fixed-Income Dealer Evolution**

The report, [“The Fixed-Income Dealer Evolution”](#) is based on the survey responses from BDA member firms and also from bulge-bracket firms that were surveyed by Greenwich Associates during the second quarter of 2017. Additionally, the report relies on survey data from Greenwich Associate’s annual buy-side survey

### **Report Highlights**

#### **Regional Dealer Market Presence:**

- 96% of high-grade corporate bond investors trade with regional dealers, trading on average 15% of their total volume with regionals
- 50% of middle-market dealers, compared to 33% of bulge bracket firms, believe they provide value by providing quality content to investors

#### **Regulatory Pressure:**

- 75% of regional dealer respondents cited regulation as the biggest challenge to success in the coming year, compared to 46% of bulge bracket firms that cited regulation as the biggest obstacle to success

#### **Market Transformation:**

- 63% of regional dealers expect the composition and focus of their trading desks to change in the next year
- 73% of bulge bracket firms expect their desk composition to stay the same

**Opportunities for Regional Dealers:**

- 45% of bulge bracket firms stated they had cut the number of clients they cover in the past two years
- 78% of regional dealers stated they had increased the number of clients over the same time frame

**Bond Dealers of America**

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