



## TradeTech 2004



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**It seems as though we have come a long way since 2000 when the European FIX committee were approached by a little known conference company called WBR to work with them on a new conference concept to be branded as TradeTech.**

In 2001 at a Paris hotel, devoid of style, comfort and modern day amenities, several members of the European FIX committee attended the first TradeTech forum,, along with a few buy-side participants, (although you needed a magnifying glass to find them).

Fast forward to April 2004 and what a difference four years can make. With over 70 buy-side participants and a host of industry leaders, we welcomed TradeTech 2004.

The venue this year was the beautiful Hotel Intercontinental, one of the 'Grand Dames' of Paris. A well-known Parisian landmark, this former monastery is one of the city's most beautiful hotels, mixing the history of Paris with the modern requirements of a conference attended by hundreds of delegates. The conference was held in the beautifully ornate Impérial Salon. This spectacular 19th-century salon is one of the most famous rooms in Paris, with floor-to-ceiling ornate mirrors, gilt chandeliers hanging from the ceiling, and rich red curtains and carpets. We were also able to use the Salon

Napoléon, with it stunning friezes and glittering chandeliers; – it's a shame that much of it was covered by the exhibitors' stands! Surrounding these salons was a modern atrium, perfect for informal meetings and socialising. All in all, a spectacular conference venue for TradeTech 2004.

**The task was to bring together a number of industry leaders to provide thought provoking presentations and discussion forums.**

As in previous years, the European FIX Committee (through the Education and Marketing committee) worked with the TradeTech organisers to identify the 'hot' topics facing the industry from both the business and technology perspectives. Then the task was to bring together a number of industry leaders to provide thought-provoking presentations and discussion forums.



For the first day, the focus was on the topics of unbundling, Soft Commission and trading costs; all of which have been highlighted by the FSA consultation paper CP176 - 'Bundled Brokerage and Soft Commission Arrangements'. Unbundling is probably one of the most important issues impacting the UK's regulatory environment this year; it affects all sections of the industry including pension fund trustees, buy-side and sell-side. In this context, representatives from all of these types of firms were brought together, along with the regulators. The debate was lively and insightful, with each section of the industry being given the opportunity to put forward their current thoughts and ideas on how our industry might look in an unbundled world. The session that appeared to create the most interest was the deliberation between the fund trustees and the buy-side; – what exactly do the funds get charged and for what services?

The main conference started on Wednesday 28 April with an exhibition of vendors' and brokers' products,

covering all aspects of the trading cycle. Many FIX members were displaying the new global and regional FIX membership stickers, which we thank Chris Pickles of Radianz for providing.

Once again, FIX was given the opportunity to update the industry on the initiatives that are currently being addressed within the organisation. Again, one of the main changes that we have seen over the years of FIX protocol's association with TradeTech, is that we no longer need to do a presentation that was once labelled 'Motherhood and Apple Pie' i.e. 'What is FIX'. We have achieved one part of our mission statement, with FIX recognised as the standard in the electronic trading space and therefore our TradeTech participation was all about how to use FIX more effectively.

John White (Chair of the European Business Practices committee) looked into some of the practical issues that are commonly confused in implementing FIX, while Jim



Kaye and Lionel Goldberg clarified the allocations and confirmations component of the protocol, highlighting how this can provide absolute cost savings for firms. Silvio Oliviero then introduced the conference to FIX in the fixed income arena.

The subjects covered during the main conference were as wide ranging as dealing desk tools (what will the dealing desk of the future look like and what technology will these desks need to be able to do trades), and how algorithmic trading can be used to improve efficiency and best execution.

In another session, a number of senior buy-side dealing desk heads were brought together with a couple of sell-side sales traders to discuss the "optimal routing of trades – should this be DMA or ATS's?" As expected, the opinions here differed between never and the view that there is a time and place for their use, as part of the toolkit that every dealer needs.

One of the traditions of TradeTech's final day, is for the first speaker to be an academic working within the industry. This year was no exception and we were treated to Professor Dave Cliff – head of the Adaptive Systems Research Group at Hewlett Packard. He proceeded to rip apart the technology of the investment community and basically told us that none of us were needed and our current technology is way out of date!

The members of FPL who participated as sponsors or exhibitors this year included:

- Archipelago
- Bloomberg
- Cameron Systems
- Charles River Development
- Citigroup Global Markets
- Credit Agricole Indosuez Cheuvreux
- CSFB
- Deutsche Bank
- DST International



- E\*TRADE Financial
- Euronext
- FIX City
- FlexTrade
- GL Trade
- Goldman Sachs
- Instinet
- ITG Europe
- Latent Zero
- Lehman Brothers
- Linedata Services
- London Stock Exchange
- Macgregor
- Morgan Stanley
- Net2S Group
- NYFIX / Javelin Technologies
- Radianz
- Reuters
- Royal Blue
- SmartStream

- SWIFT
- Syntegra
- Thomson Financial
- Townsend Analysis
- TransactTools Inc.
- TNS
- UBS
- Virt-X

In conclusion, FPL looks forward to its continuing co-operation with WBR on TradeTech, because, despite the name, this conference is no longer simply about technology. It is a conference about the industry as a whole, highlighting the important issues including the regulatory environment, industry technology integration and how technology supports the industry.

Roll on TradeTech 2005 (26-29 April 2005), at the CNIT Centre, Paris. We look forward to seeing as many as possible of you there with us. [FIX](#)