

Actionable Ideas for the Power to Optimize Your Trades

Tip 2: A Fresh Approach to Syndicated Loans

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MR. CALLAHAN: Until 2016, syndicated corporate loans were traded in a voice-based, over-the-counter market. But as volumes grew, so did the demand for a new approach. Specifically, an electronic platform designed to increase liquidity and efficiency. That's why we launched Instinct® Loans.

If you're ramping-up a new fund or a newly priced CLO, or raising cash across a broad set of assets to meet a redemption, discretion is critical. Information leaks can signal the market and negatively impact your pricing and execution. Trading electronically through Instinct Loans allows you to discreetly, or anonymously, bid or offer on a group of loans at the same time. Fixed, mid-market prices mean there's no price leakage, so you can get fast, bulk execution without moving the market.

Instinct Loans can also be useful for executing swap trades. Connecting participants through one platform eliminates the time and cost that comes with having to line up multiple dealers. Electronic trading is not only faster, but the low, fixed commissions often make it cheaper. Instinct Loans enables live bids and offers, plus expedited T+3 settlement, which means you can trade your portfolios more actively and efficiently.

For more tips on optimizing your electronic trading across asset classes, check out the rest of our Trader Insights video series.