

Actionable Ideas for the Power to Trade Smarter

Faster Settlement and Improved Liquidity for Loans Markets

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Mr. Kozich: In the last two months of 2018, the secondary market for leveraged loans faced a severe technical disruption. Amid record redemptions, daily liquidity ETFs and mutual funds faced intense pressure to settle their loan sales and raise cash. In this environment, Instinct® Loans, our electronic trading platform for syndicated loans, traded over \$1.3 billion. These heightened flows were driven by the platform's guaranteed settlement feature of T+3 on eligible trades.

Another feature, commission-free trades, also proved popular last year. This allows clients to reduce trading costs as an incentive for showing a minimum amount of trading inquiry during a session. It's available to those who submit at least \$25 million of bids or offers in any of the platform's twice-daily trading sessions. In 2018, the largest Instinct Loans counterparty was able to execute over 70% of trades commission-free. This is significant, because the feature doesn't simply reduce transaction costs for clients, it also increases liquidity to the marketplace, benefiting all participants.

Since Instinct Loans was first introduced in 2016, it's evolved to meet changing client needs. Customer inquiry and trading volumes continue to rise, and we remain committed to continually improving the platform.

For other actionable insights across asset classes, check out the rest of our Trader Insights series or contact your sales rep.