

Actionable Ideas for the Power to Trade Smarter

The Evolution of Autoquoting in FICC Markets

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Mr. Allen As electronic trading of fixed income, currencies, and commodities continues to grow, auto quoting algorithms are taking on an expanding role, working in concert with our human traders.

Algorithms now provide pricing for U.S. Treasuries, interest rates swaps, investment grade bonds, and Mortgage TBAs. Over the past year, client-quoting algorithms have been deployed in the credit space, despite a historic lack of pricing clarity. This is significant because it demonstrates algorithm development in more complex areas. For clients, the rise of auto quoting means faster quote times, increased response rates, and in some cases, more accurate quotes.

To address the growing need to streamline client quoting, we're constantly improving our algorithms and working on expanding them to cover more products and increased sizes. Recent improvements include increasing quote rates in credit, trading larger sizes in mortgages, and improving valuations and cross-border trading in rates. Outside of client-quoting algorithms, we also offer execution algorithms in FX, where we continue development to ensure our algorithms are best-in-class.

The eTrading revolution makes staying up-to-date even more important. It's essential to ensure you're connected to the right electronic platforms for your trades, such as Tradeweb for TBAs or Bloomberg for U.S. Interest Rate Swaps. Contact your sales team for more information, and subscribe to our quarterly FICC market structure newsletter.

For other actionable insights across asset classes, check out the rest of our Trader Insights series.