Actionable Ideas for the Power to Trade Smarter
How is Direct Connectivity Transforming Corporate Bond Trading?

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Ms. Theisen: Significant growth in corporate bond markets is transforming the landscape, driving an intense focus on direct connectivity. The U.S. market has expanded from around 10,000 investment grade CUSIPS 10 years ago, to over 18,000 today. At the same time, its estimated the number of prices being streamed into electronic bond markets has tripled over the past four years. These developments mean more instruments to track, and more data to collect, standardize and compare.

While bilateral APIs and client connectivity already exist within markets like equities and FX, they’ve only recently gained momentum for bonds. In the last few years, the ability to efficiently compare the right data has been helping reduce noise and improve accuracy. As a result, some of our key clients are now investing in direct connectivity, building out their capabilities with trusted partners like us. We’re innovators in the space of disseminating data directly to clients. They can receive real-time axe data over established channels order management systems like Neptune with almost 200,000 FIX messages sent each day. And with the recent introduction of executable prices, communication is not only one-way, this has the potential to promote even greater efficiencies.

For other actionable insights, please see the rest of our Trader Insights series or contact your sales rep.

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