

BUYER'S GUIDE: TRANSACTION COST ANALYSIS 2014

The first of two reports on TCA, *Transaction Cost Analysis 2014*, looked at buyside and sellside views of TCA over the coming three years and is based on a GreySpark survey of capital markets participants. This report analyses 12 technology vendor solutions in the TCA space.

Traditionally, TCA solutions are broker-provided or built-in-house. However, a renewed emphasis on trading transparency is causing a rise in the number of third-party offerings on the market.

VENDORS

Markit

FlexTrade

Abel Noser

Trading Screen

Bloomberg

KlarityFX

CovergEx

Fidessa

IFS

InfoReach

Oxial

Asset Classes

Many of the technology vendors surveyed are advancing their solutions for FX, fixed income, and listed futures and options. These advancements begin with post-trade and extend to pre-trade and real-time TCA.

The analysis of TCA solutions is split into functionality and benchmarks to more accurately describe the strengths and weaknesses of each solution.

Post-trade

- Cash equities 92%
- FX 75%
- Fixed income 17%
- Listed F&O 50%

Pre-trade

- Cash equities 83%
- FX 17%
- Fixed income 0%
- Listed F&O 17%

Real-time

- Cash equities 75%
- FX 25%
- Fixed income 8%
- Listed F&O 33%

Functionality

Functionality is concerned with elements of a TCA tool that fulfil tasks in addition to benchmarks and allow a tool to make additional use of the TCA data.

Benchmarks

TCA benchmarks are a cost-based standard point of reference that vary and are meaningful in different ways across the trade lifecycle and across asset classes. By aggregating multiple benchmarks, an indicator is developed.

For more information, please go to:
research.greyspark.com