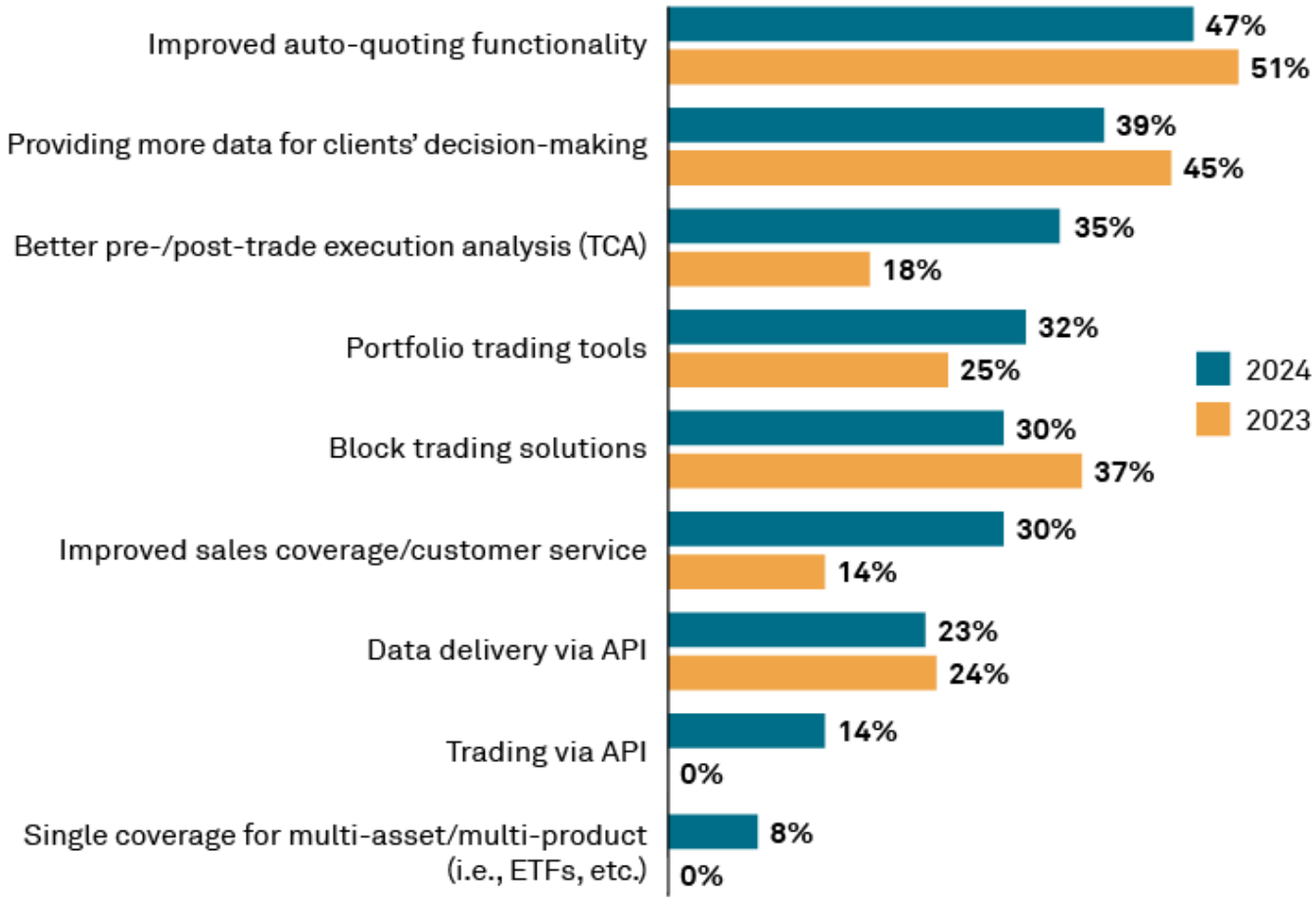
Crisil
Coalition
Greenwich

Bond investor demand for automation and APIs grows

March 4, 2025

For the corporate bond market, the last decade was about the growth of electronic trading. The buy side wants the next to be about automation. In December 2024 and January 2025, we asked 67 buy-side corporate bond traders in the United States and Europe what they'd like bond dealers to invest in next. An overwhelming theme arose: increased automation supported by more data and more APIs.

What should corporate bond liquidity providers invest in next?



Note: Based on 51 respondents in 2023 and 67 respondents in 2024. Trading via API and Single-coverage options were only asked in 2024.
Source: Coalition Greenwich Voice of Client – 2023 and 2024 Fixed-Income Market Structure & Technology Study

More data

Several of last year's big themes remained top-of-mind for the long-only, multi-strategy, systematic, and other managers in our study. The buy side wants their dealers to continue investing in auto-quoting,

expanding the universe of covered names beyond liquid investment-grade bonds into high yield and emerging markets. More data to help with execution decisions remained the second biggest ask, a reminder that the market color the buy side continues to crave now comes not only from phone calls and Instant Bloombergs (IBs), but pricing, execution and other trading data as well. These top two asks came from both U.S.- and EU/U.K.-based managers.

Continuing with the data theme, demand for transaction cost analysis (TCA) grew notably from last year, cited by over a third of our respondents, up from 18%. TCA for the corporate bond market is finally bridging the gap from art to science, with benchmark prices and historical execution quality data more readily available. The buy side appreciates the unique perspective of their dealers and wants them to share more of what they know as they work to quantify execution quality.

The TCA request is also a close cousin of "data for decision-making." Reliable TCA is critical to execution automation—a huge growth area in the year ahead—with algorithms only able to choose the right dealers for an order if they can understand past performance.

Trading solutions

Demand for portfolio trading solutions grew, which is no surprise given the huge uptick of portfolio trading activity in 2024—76% in volume terms year over year. Block trading solutions don't necessarily equate to fully electronic execution, but instead, to workflow improvements that don't require manually entering what was discussed over the phone. Votes for this category dropped slightly from last year, but we wonder if this is less about a lack of interest and more because the buy side likes the improvements they've seen in recent months.

APIs for automation

While interest in trading and consuming data via API is still relatively small, we see the requests here as a sign of things to come. EMS adoption remains relatively limited despite tremendous innovation and competition between providers over the past few years. But such organic changes take years, and the more common that API-ready front ends become on buy-side desks, the more API access will be required. Why work across multiple windows when you can manage your whole world in one?

Interestingly, votes for dealer-provided trading and data APIs were more frequent from our European participants. Thirty-two percent voted for data APIs compared to 12% in the U.S., and for trading APIs, 15% vs. 9%, respectively. The European bond market has long been more electronic than the U.S. (largely because of geographic and language diversity) but has historically moved more slowly toward new trading protocols such as all-to-all and portfolio trading. Perhaps the European bond market's role as fast follower will now allow investors to skip the point-and-click step of electronification and move directly to APIs.

A relationship business

Last but not least: Sales coverage still matters. Thirty percent of respondents are hoping for sales coverage improvements over only 14% last year. As a point of reference, over half of equity investors in our recent study pointed to getting proper sales coverage as their biggest pain point—a sign that coverage remains

critical even as markets embrace e-trading and automation.

Notably, very few are hoping for a single point of contact across related products (8%). In other words, while ETFs and derivatives are increasingly important to the corporate bond market, buy-side traders prefer to work with product than asset class specialists. So, while dealers work hard to improve their e-trading efficiencies, they must also ensure they're adjusting their sales approach to match today's world, meeting each client where they want to be.

---

www.greenwich.com | ContactUs@greenwich.com

Coalition Greenwich, a division of CRISIL, an S&P Global Company, is a leading global provider of strategic benchmarking, analytics and insights to the financial services industry.

We specialize in providing unique, high-value and actionable information to help our clients improve their business performance.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. It is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide.

CRISIL is India's foremost provider of ratings, data, research, analytics, and solutions with a strong record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers through businesses that operate from India, the U.S., the U.K., Argentina, Poland, China, Hong Kong, and Singapore.

For more information, visit www.crisil.com

Disclaimer and Copyright

This Document is prepared by Crisil Coalition Greenwich, which is a part of Crisil Ltd, a company of S&P Global. All rights reserved. This Document may contain analysis of commercial data relating to revenues, productivity and headcount of financial services organisations (together with any other commercial information set out in the Document). The Document may also include statements, estimates and projections with respect to the anticipated future performance of certain companies and as to the market for those companies' products and services.

The Document does not constitute (or purport to constitute) an accurate or complete representation of past or future activities of the businesses or companies considered in it but rather is designed to only highlight the

trends. This Document is not (and does not purport to be) a comprehensive Document on the financial state of any business or company. The Document represents the views of Crisil Coalition Greenwich as on the date of the Document and Crisil Coalition Greenwich has no obligation to update or change it in the light of new or additional information or changed circumstances after submission of the Document.

This Document is not (and does not purport to be) a credit assessment or investment advice and should not form basis of any lending, investment or credit decision. This Document does not constitute nor form part of an offer or invitation to subscribe for, underwrite or purchase securities in any company. Nor should this Document, or any part of it, form the basis to be relied upon in any way in connection with any contract relating to any securities. The Document is not an investment analysis or research and is not subject to regulatory or legal obligations on the production of, or content of, investment analysis or research.

The data contained in the Document is based upon a particular bank's scope, which reflects a bank's data submission, business structure, and sales revenue Reporting methodology. As a result, any data contained in the Document may not be directly comparable to data presented to another bank. For franchise benchmarking, Crisil Coalition Greenwich has implemented equal ranking logic on aggregate results i.e., when sales revenues are within 5% of at least one competitor ahead, a tie is shown and designated by = (where actual ranks are shown). Entity level data has no equal ranking logic implemented and therefore, on occasion, the differences between rank bands can be very close mathematically.

The data in this Document may reflect the views reported to Crisil Coalition Greenwich by the research participants. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Crisil Coalition Greenwich compiles the data received, conducts statistical analysis and reviews for presentation purposes to produce the final results.

THE DOCUMENT IS COMPILED FROM SOURCES CRISIL COALITION GREENWICH BELIEVES TO BE RELIABLE. CRISIL COALITION GREENWICH DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THIS DOCUMENT, INCLUDING AS TO THE VALIDITY, ACCURACY, REASONABLENESS OR COMPLETENESS OF THE INFORMATION, STATEMENTS, ASSESSMENTS, ESTIMATES AND PROJECTIONS, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT. CRISIL COALITION GREENWICH ACCEPTS NO LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT.

Crisil Coalition Greenwich is a part of Crisil Ltd., an S&P Global company. ©2025 Crisil Ltd. All rights reserved.