FX Fixing Scandal Drives Adoption of Algos and TCA

June 8, 2016

Executive Summary:

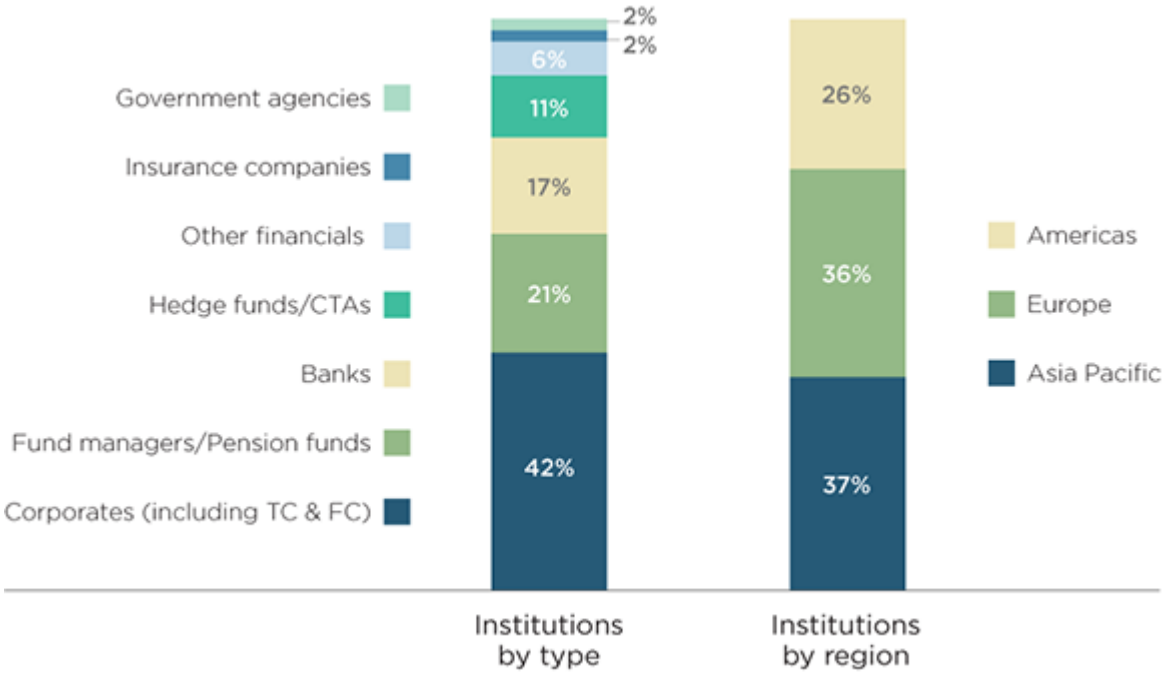
The fixing scandal of 2013/2014 sent shockwaves through the global foreign-exchange markets.

As traders and investors discovered that key benchmark rates had been manipulated by large dealers, they have shifted toward utilizing algorithmic trading and transaction cost analysis (TCA) tools to add transparency and accountability to their trading workflow.

The market for these tools is still developing, however, and as best execution standards continue to evolve in the FX market, we should expect to see further TCA and algo enhancements and increasing adoption by foreign exchange market participants.

Methodology:

Greenwich Associates conducted in-person and telephone interviews with 1,633 top-tier users of foreign exchange at large corporations and financial institutions in North America, Latin America, Europe, Asia, Australia, and Japan between September and November of 2015.



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