

FIX Usage: Adoption Statistics and Trends

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Adoption Experience (Buy Side)

- Selling FIX to Senior Management
 - Education → Trader’s strong commitment → Quick prototype (IOIs)
 - Once proven, strong push for FIX order routing, integration within custom OMS, allocations, program orders, integration to Algorithmic systems

- Stats
 - 12 initial connections to ~ 200 distinct, global destinations over 6 years
 - 3 connectivity providers, 18-20 FIX engine instances
 - Percent of FIX orders by region

	<u>% of Orders</u>	<u>Allocations</u>	<u>% Algo (shares)</u>
Americas	95%	(non-FIX)	5-12%
Europe	82%	82%	1-5%
Asia/Pac	97%	95%	0.5-1.5%

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Adoption Experience - continued

- Lessons Learned / Surprises
 - Support and assistance from top-tier brokers and FIX (vendor) partners
 - Cannot go back to manual process (sheer volume)
 - Variations in brokers' FIX implementation narrowing
 - Slow adoption in fixed income and foreign exchange

Adoption Trends for FIX

- Smaller firm
 - Instead of full-blown order mgmt systems go with FIX engine-only providers, i.e. many vendors provide Excel adapters.
 - Outsource to broker/dealers-provided system
 - Instead of allocation communication applications, i.e. OMGEO or TradeExpress go with outsourcing.
 - Autofaxing is not a STP solution.
- Larger firm
 - Consolidate various systems.
 - OMS broken down by product, i.e. have one for equity, one for F.I. & one for FX
 - Most likely multiple execution and allocation communication points exist, i.e. FIX in place for pre-execution and separate apparatus for allocations.
 - Ease of tracking.
- Middle-sized firm
 - Hybrid solution.
 - Buy and hold shop → connectivity is paramount.
 - Multiple asset classes, high turnover → order mgmt systems with 'baked in' FIX engine might be the answer.

Sell-Side Adoption & Challenges

- **Early Adoption**
 - Positioned with electronic trading and indications systems
 - Build versus buy mentality
 - Customer driven coupled with senior management support
- **Stats**

Tm(-)Tp.7529 g-0.000402 17752 121.0199 Tm(-)Tp.7529 g-0.024 Tc -0.0340 Tw 0 16.02

Next Sessions

Business Stream (3:15PM-4:00PM):

Extending the Reach of FIX: FIX for Allocations, Affirms and Confirms

Business Stream (4:30PM-5:30PM)

Reducing FIX Implementation Efforts: Update on FIX Certification

Location:

Salon AB

Technical Stream (3:15PM-4:00PM):

Extending the Reach of FIX: New Functionality in FIX Messaging

Technical Stream (4:30PM-5:30PM)

Reducing FIX Implementation Efforts: Standardizing the Standard

Location:

Financial Ballroom

5:30PM-7:30PM Cocktail Party at Roy's Restaurant (Music by The Lava Trading Band)

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