Panacea or Pipedream?

Europe’s Equity Market Readies for RFQ

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Vision

Europe's cash equity market is gearing up for the launch of several request-for-quote (RFQ) platforms — a popular method of execution for fixed income, FX, derivatives and ETF instruments. At first glance, the RFQ model seems ill-suited to cash equities, an asset class typically characterised as highly liquid, agency-based and appropriate for electronic, order-book trading.

However, regulatory changes in Europe, particularly the introduction of MiFID II, are promoting risk-based trading in equities, leading brokers and the buy-side to reassess how they deploy and access risk capital.

TABB Group recently spoke with key participants in Europe's equities market, including major sell-side, buy-side and market-making firms, including members of the Plato Partnership industry consortium. Our goal was to critically assess the impact and drivers of the RFQ protocol in Europe's equity market. We also considered key functionalities of each of Europe's equity RFQ offerings.

Our key findings were as follows:

- There was strong buy-side support for the adoption of the RFQ protocol, to simplify, automate and enhance the market structure around cash equity risk trading – an area often cited by the buyside trader as having the least governance associated with it.

- Non-bank risk providers, particularly those familiar with the RFQ protocol in European ETFs, also expressed strong support for its extension to cash equities. For them, it represented a MiFID II-compliant channel to deploy risk capital directly to the buy-side.

- Among the sell-side, attitudes were mixed. While the benefits of RFQ from a regulatory and workflow perspective were noted, that was coupled with concern over the potential for information leakage and a deterioration of buy-side relationships. Tier one banks were the most sceptical, expressing a preference for bilateral relationships to deploy risk capital and a reluctance to use RFQ platforms at their outset. Mid-tier banks were more optimistic, citing RFQ as a tool to better distribute their capital and automate parts of high-touch franchises.

- TABB Group's view is that there are many challenges to be overcome for a widespread adoption of the RFQ protocol in cash equities. However, through well-thought-out designs and buy-side support it is likely to become an additive source of medium-sized block liquidity over time, displacing some traditional high-touch/voice trading. RFQ's regulatory palatability compared to certain other MiFID II venues may prove critical to its success. In the longer-term, it could become the buy-side's entry point to a much bigger portion of the equity market, allowing them to take back greater control of their order flow.

Introduction

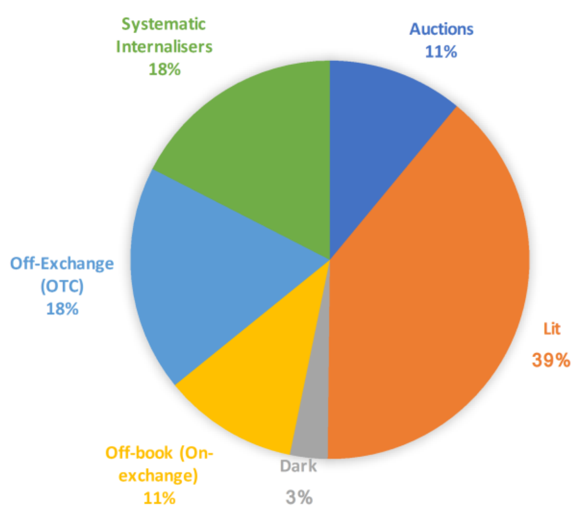
MiFID II has overhauled Europe's equity trading landscape, with the number of venues expanding considerably over the past two years (*see Exhibit 1*). Fragmentation is now one of the most-used adjectives when describing European equity market liquidity. To take advantage of this more complex execution environment - and meet tougher best execution obligations - the buy-side needs to understand the range of tools now at its disposal. This is particularly true of the new electronic RFQ systems that are emerging in Europe's equities market, which offer buy-side traders more direct control over execution compared with traditional liquidity sources.

Designed as a price discovery mechanism for illiquid securities, RFQ has been the dominant trading protocol in fixed income markets for many years. While increasingly used to trade European ETFs, it has not — until now — been widely used for cash equity transactions.

MiFID II has been the major catalyst behind the emergence of RFQ venues in the cash equity space, with its promotion of risk-based trading. RFQ platforms have been launched, or are planning to be set up, by Instinet, the London Stock Exchange Group (LSEG) and via a joint venture between Tradeweb and the Plato Partnership industry consortium.

The challenge for these venues is to create an RFQ structure that fits easily into buy-side equity trading workflows and balances the need to effectively source liquidity whilst limiting information leakage.

Exhibit 1: How the European Equity Market Trades under MiFID II



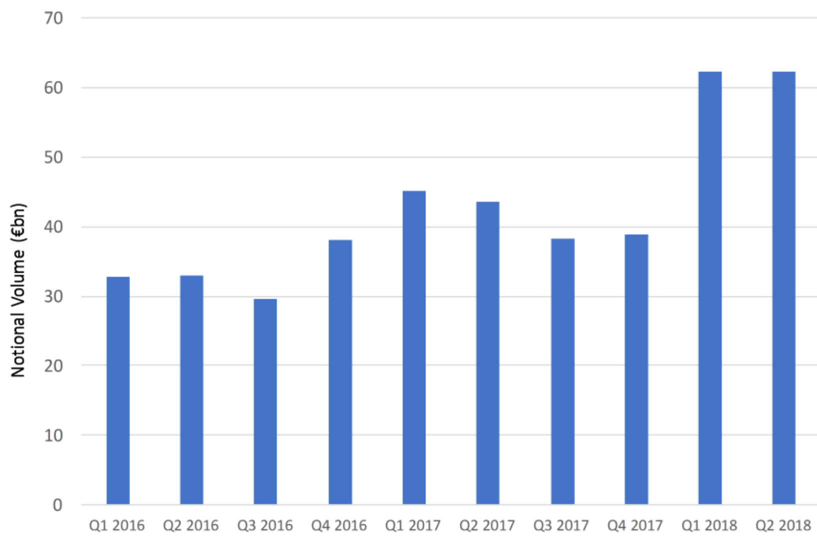
Source: TABB Group

What is RFQ and Why Now for Equities?

RFQ is the predominant manner of bespoke dealer-to-client risk transfer in fixed income markets. It is essentially a private auction, with buy-side firms simultaneously soliciting quotes from one or more named dealers. The buy-side firm provides the symbol, size and side it wants to trade, and risk providers respond with firm quotes. While the quotes are firm from the sell-side, the buy-side is not obliged to trade. The electronic RFQ protocol was popularised by venue operator Tradeweb in the late 1990s with its electronic US Treasury platform and is a method of execution with many benefits, ranging from limited pre-trade information disclosure to regulatory palatability. It is also highly effective at evidencing best execution by providing an electronic record of every trade and why a particular quote was selected over others.

The model has gradually been adopted in other regions and asset classes, perhaps most notably in European ETFs. Tradeweb opened a European ETF RFQ platform in 2012 which has enjoyed strong volume growth (*see Exhibit 2*).

Exhibit 2: Tradeweb's European ETF volumes traded via RFQ



Source: Tradeweb

Given its background, the RFQ model might seem ill-suited to the equities market, which is typically considered as highly electronic and liquid, and therefore appropriate for being traded on an agency basis via central limit order books (CLOBs). However, this characterisation is something of a misconception. In 2017, for instance, there were over 21,500 shares listed in Europe, of which just 1,495 were designated as liquid, according to the European Securities and Markets Authority (ESMA). For illiquid shares, and even for block transactions in liquid instruments, the use of principal capital, sales people and dealer networks play key roles in price discovery and execution. It is still the case that many of the largest equity trades are executed manually and have the least amount of electronic oversight.

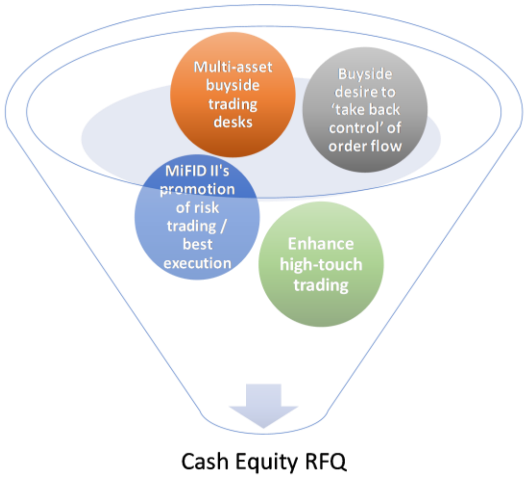
> *"Risk trading is more important than ever given the challenge in sourcing liquidity under MiFID II. However, it is the one area that has the least governance and most operational hazard associated with it."*
>
> - Head of Equity Trading, European Buy-side Firm

Furthermore, regulatory changes in Europe under MiFID II have promoted risk trading, demanding new protocols to facilitate dealer-to-client risk transfer. Overall, the rulebook takes a prescriptive approach to equity trading, with the aim of promoting lit trading. Double volume caps have been introduced on dark pools, though exemptions exist for block (or large-in-scale) orders, while broker crossing networks (BCNs) have been banned. A new share trading obligation means the majority of trading must take place on-venue or through systematic internalisers (a regulatory status for firms that commit capital for clients). The rules have promoted the RFQ model for many reasons:

- **It's lit.** RFQ is one of the five pre-trade transparent, or lit, trading systems listed under MiFID II's RTS1. Trades below the large-in-scale (LIS) thresholds are exempt from dark pool caps;
- **Risk on.** Risk trading is being promoted under MiFID II given the increasing attractiveness of SIs. This, along with the banning of BCNs, through which banks deployed capital to clients under MiFID I, has created need for protocols facilitating dealer-to-client risk transfer;
- **On-venue**. RFQ trades take place on-venue, allowing transactions to meet MiFID II's share trading obligation and providing an audit trail for MiFID II's tougher best execution rules.

Other factors have also prompted the emergence of the RFQ. Multi-asset buyside trading desks have become the norm in recent years, so familiarity with RFQ protocols is higher than ever. There is also a desire to improve high-touch practices, on both the sell-side and buy-side, to gain efficiencies.

Exhibit 3: Factors Behind Emergence of RFQ in EU Equity market



Source: TABB Group

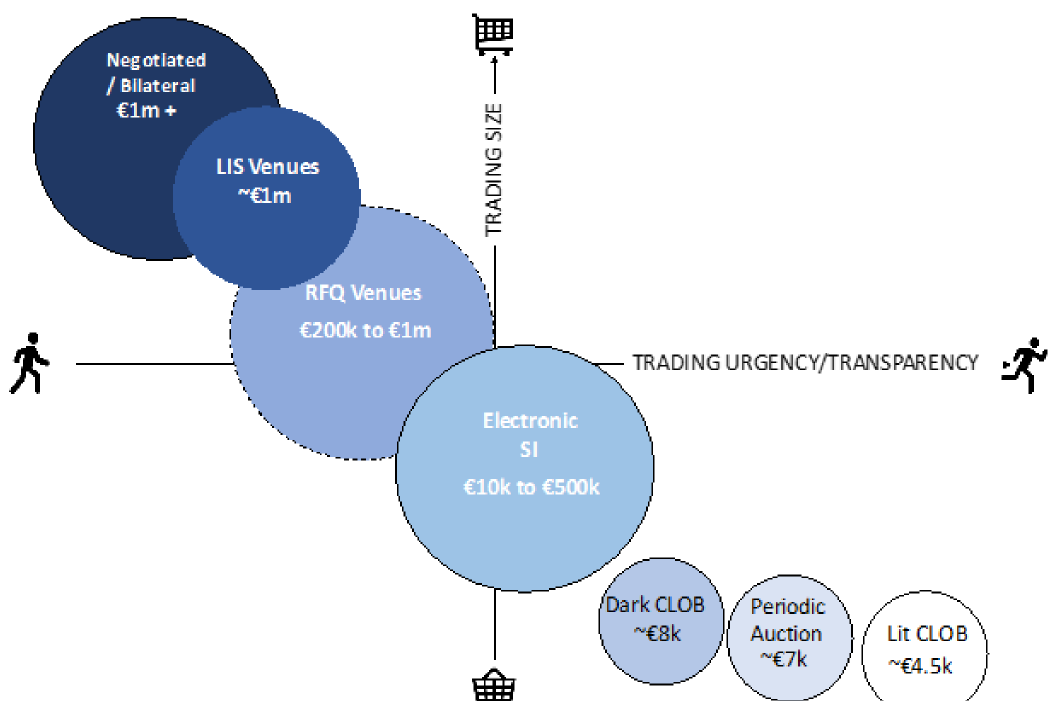
Equity RFQ's Sweet Spot

So, where might RFQ systems fit in Europe's equity marketplace? While buy-side traders welcome any new trading system that can assist him or her in seeking block-sized executions with limited market impact, they have truly become a victim of choice in this regard. Conditional block venues, SIs, periodic auctions, sales traders and actionable indications of interest (IOI) have all become popular avenues for block-sized transactions in the post-MiFID II landscape.

> *"RFQ will help with the whole swathe of orders somewhere in between the really big blocks and anything traded electronically. The really big clips we won't RFQ."*
>
> \- Head of Multi-Asset Trading, European Buy-side Firm

TABB Group's outreach indicated that RFQ venues will compete with all of these execution venues, except periodic auctions on which average execution sizes are fairly small. The liquidity being offered through RFQ mechanisms will likely start out at four to five times the volume being offered on lit exchanges, extending up to the LIS thresholds and beyond, potentially including trades worth up to €2 million, or 2% of a stock's ADV (*see Exhibit 4*). It was widely acknowledged that RFQ systems would not be useful for the biggest block trades, given the risk of information leakage, which will remain the domain of bilateral/negotiated execution channels.

Exhibit 4: EU Equities Execution Channels and Average Execution Size



Source: TABB Group

To understand why an RFQ would help in these situations, it is useful to consider the typical approach taken by buy-sider traders when handling new orders. Firstly, most look for natural counterparties within conditional block crossing networks, such as those operated by Liquidnet, ITG Posit, Turquoise Plato Block Discovery and Cboe LIS. If no counterparty is found or if an order is only partially completed, buy-side traders may then look for a risk price. This process will vary from firm to firm, but most buy-side traders will scan indications of interest (IOIs) — used by brokers to express their willingness to buy or sell shares at a particular price — listed via Bloomberg or their EMS/OMS provider.

IOIs have had a poor reputation in the past due to abuse by brokers trying to phish out client interest without underlying positions. In response, IOIs have become increasingly detailed, helped by guidelines drawn up jointly by the Investment Association (IA) and Association for Financial Markets in Europe (AFME). These require brokers to distinguish between IOIs that are backed by a client position and those that reflect a house position held or wanted internally by a broker. This helps to provide a predictable level of market impact. Those backed with a client position can have no impact, while those that require some post-trade unwind may result in a higher level of impact. EMS providers have also undertaken efforts to improve the quality of IOIs displayed through their systems, particularly actionable IOIs, which can be interacted with electronically. Some EMS providers now offer something similar to a level two feed of actionable IOIs, ranked by quality — a metric based on a broker's typical response time, hit ratio and whether they have quoted in that name before. Dealers have also begun to offer tradeable IOI streams that can be targeted to certain clients via EMS providers.

> *"If the RFQ systems become a portal for pre-trade price information, it will become really compelling. They can put more structure around an unstructured process and you can quickly become well informed."*
>
> \- Head of European Equity Trading, Global Buy-side Firm

Despite these developments, responding to IOIs can still be a manual and unstructured process, that involves multiple steps and lacks clear rules of engagement. It may also rub up against the buy side's stringent new best-execution practices under MiFID II, which require investors to provide strong evidence around their execution decisions.

In contrast, an RFQ process allows investors to automate enquiries to multiple risk providers simultaneously. While it may be hard for a trader to justify why he or she made a phone call, it is much easier to show why a quote was picked during an RFQ, given the electronic audit trail provided by the process. Some of the new RFQ platforms are planning to create a central, pre-trade portal that aggregates IOIs from sell-side central risk books. This structure creates an audit trail from the point the RFQ was undertaken, including screenshots of the IOIs at the point the order was raised, helping to show why a broker was chosen and enhancing the governance around that decision.

How Equity RFQ Systems Work

The ultimate success of the RFQ protocol in cash equities will depend to a large degree on the functionality of each platform, and how easily they fit into existing workflows. TABB Group has outlined the key attributes of the three main RFQ platforms in Exhibit 5, as their pros and cons.

Exhibit 5: Key Features of European Equity RFQ Venues

Initiative	Trading model	Disclosures during RFQ	Firm-Up Process	Clearing	Pros	Cons
eBlock A joint venture between the Plato Partnership and Tradeweb. Going live in Q4 2018.	Buyside can directly access platform through EMS/OMS, or via a broker, and request quotes from as many risk providers as they wish. Risk providers can stream IOIs into system, categorised by liquidity type (ie client natural, house unwind). All orders must be large-in-scale, MAQ accepted. Planning to introduce blotter scraping for order entry in 2019.	Fully disclosed protocol; client and risk provider will be identified to each other during RFQ process, but risk providers won't know who competing against. Buyside can choose to hide both side and size of order. Requestee can request to receive quotes by IOI type.	Manual-only firm-up at launch. Planning to launch auto-complete in 2nd phase (2019).	Bilateral settlement.	-Larger, bespoke quotes via disclosed model. -Tradeweb on many buyside desktops from other asset classes, plus support of Plato.	-No CCP, clients will need to be papered with each risk provider they trade with. -Buyside will need to disclose orders in annual RTS28 report, as 'direct order' rather than transmitted via broker.
Blockmatch RFQ A segment of Blockmatch MTF, which is operated by Instinet Europe. Went live in January 2018.	Buyside can directly access platform via EMS/OMS or via a broker, and request quotes from as many risk providers as they wish. All participants can stream IOIs into system, categorised by liquidity type (retail, institutional, principal risk). Accepts orders of any size, MAQ and MES accepted. Planning to introduce blotter scraping for order entry.	Clients and risk providers can choose to be fully disclosed to each other; partially disclosed (identify themselves by counterparty group) ; or fully anonymous. RFQ sender chooses who they want to disclose to - they can both choose who and how much information to disclose.	Fully automated as well as manual firm up options available.	Centrally cleared via interoperable CCP.	-CCP, clients do not have to be papered with each risk provider. -Client given control over info disclosed.	-Needs to build up membership base of buyside/sellside firms.
LSE Request for Quote Run by London Stock Exchange, going live in October 2018.	Order entry by any LSE member firm, via SOR or liquidity-seeking algorithm. Accepts trades of any size, from minimum of 25% of LIS. All trades are reported as 'on-exchange'. Designed to fit into existing sell-side automated workflows and not disintermediate the sell-side community.	Requestor can choose either named or unnamed model, and length of RFQ (3min max which is default). Under named model, requestor can choose specific counterparties to RFQ. Direction and limit removed from request before being presented to liquidity providers but no obligation for responders to quote 2-way to promote best pricing.	Auto-complete platform, requiring no manual intervention.	Centrally cleared via interoperable CCP.	-LSE credibility/membership base/CCP -Does not disintermediate brokers -Client given control over info disclosure.	-No pre-trade IOI support. -Relies on broker support as sponsored access only.

Source: TABB Group

The RFQ protocol has two main variations: A fully disclosed RFQ protocol developed by Tradeweb and an anonymous model devised by rival fixed income operator MarketAxess. Both are evident in the RFQ models being adopted in Europe's cash equities market.

eBlock will utilise the fully-disclosed protocol Tradeweb has pioneered in other asset classes. This means there is always full, two-way disclosure of counterparties, and trades will clear bilaterally between the two. In theory, this allows for more aggressively-priced quotes, in larger size, on the basis that dealers are more willing to quote to a buy-side firm they know and understand. To this end, eBlock stipulates that all trades must meet the LIS thresholds as stipulated under MiFID II. The downside is that the requestor and requestee must be contractually papered with each other to consummate a transaction. As a result of feedback from the buy-side, eBlock will also categorise quotes in line with the AFME/IA framework for IOIs, allowing them to distinguish between those that are backed by a client position and those reflecting a position held or wanted internally by a broker.

eBlock is being launched as a semi-automatic tool — buy-side traders are able to route orders electronically via their EMS/OMS but the RFQ broker selection and negotiation process is manual. However, eBlock has plans to launch blotter scraping functionality so orders can automatically be entered into the system from buy-side blotters, and to allow RFQ broker selection/negotiation to be completed automatically.

> *"Tradeweb is not familiar to all equity traders, but that is not an insurmountable challenge, and, in any case, trading desks are becoming more cross-asset in their approach."*
>
> - Head of European Equity Trading, Global Buy-side Firm

In contrast, Instinet's Blockmatch and the LSE's planned model offer users a choice between a fully disclosed or fully anonymous RFQ through a highly-automated, centrally-cleared model — accepting orders both above and below the LIS thresholds. The benefit of this approach is that it fits easily into existing electronic workflows: The RFQ becomes an execution destination just like any venue. Furthermore, it opens up the ability for asset managers to trade with a wider range of risk providers, even those they are not papered with, because all trades are centrally cleared.

> *"The price and sizes on offer will differ significantly between the disclosed and anonymous RFQ platforms. In the disclosed model, the dealer will have full visibility over our toxicity/loss ratio and may be able to aggressively price. The anonymous model may be useful for the sell side to reduce risk positions and show positions in which they are axed and clips may be smaller."*
>
> - Head of Multi-Asset Trading, European Buy-side Firm

All the platforms include measures to limit information leakage such as allowing the requestor to hide both the size and side of the transaction. This is known as a request-for-market and requires the risk provider to provide two-sided quotes.

The Case For and Against Equities RFQ

TABB Group's outreach found a wide range of views on the emergence of the RFQ protocol in cash equities, with many pros and cons. We summarise these in Exhibit 6.

Exhibit 6: Overall Pros and Cons of RFQ Adoption in Equities

PROs	CONs
Reduces market impact on large trades by restricting pre-trade disclosure to limited number of potential counterparts.	RFQ is an unfamiliar new trading protocol for many equity dealers and may be costly/difficult to implement into current workflows on both buy-side and sell-side.
RTS 1 Compliant. RFQ is 'lit' construct under MiFID II. Trades conducted on RFQ platforms that are below large-in-scale not subject to dark pool caps. May hold up better to regulatory scrutiny versus SIs/periodic auctions.	There is a high risk of information leakage associated with RFQ, particularly with large blocks, making it harder for the winning broker to unwind its risk. That leakage may automatically fed back into quotes, causing spreads to widen on RFQ platforms as a result.
Easy to evidence broker selection and best execution, as RFQ provides audit trail of quotes received and why one selected over the others.	Given technological cost/resource associated with implementing RFQ workflow, may be more difficult for smaller dealers/buy-side firms to use. Reinforces dominance of bigger houses.
Disclosed RFQ model makes it easier to police behavior and risk provider can understand risk profile of requestee, allowing for more aggressive quotes.	May disintermediate traditional sell-side providers, weakening their relationship with buy-side, leading to lack of colour around the market.
Automates execution of manual/phone trades and allows interaction with multiple risk providers at once, freeing up traders to focus on more difficult orders.	May be used to bring pre-agreed trades on-venue via an 'RFQ-to-one', which is not in spirit of rules.
Quotes received during RFQ are firm, therefore no opportunity for broker-dealer last look, unlike an SI. Also possibility for 'off-tick' pricing, whereas SI may be forced to adhere to tick size regime.	There is no guarantee of identifying liquidity during RFQ process and reputation of RFQ could be irretrievably damaged through misuse by dealers.
On-venue transaction, allowing investors to trade with a broader audience of risk providers, including non-SIs (e.g., Dutch principal trading firms), while meeting MiFID II trading obligation.	Could result in unnecessary repetition of process if sales traders follow up RFQ with a call to the client to understand the bigger picture and if more trading to be done.

Source: TABB Group outreach, August 2018

Almost all respondents believed RFQ venues would help simplify the often unstructured, manual and lengthy process around risk trading. The bilateral nature of transactions was also cited as key benefit, encouraging more bespoke and larger quotes for the buy-side. Respondents also pointed out the benefits of RFQ versus SI transactions. While SIs are not obliged to trade at the quotes they advertise, RFQ quotes are firm. Furthermore, there is not always direct contact between a buy-side firm and an SI operator. SI interactions, particularly those involving electronic liquidity providers, typically take place via brokers and are regarded as an electronic channel for smaller orders. In addition, the fact that RFQ protocols take place on-venue allows investors to access a broader range of risk providers, including non-SIs, while meeting MiFID II's share trading obligation. For example, many Dutch principal trading firms have chosen not to register as an SI under MiFID II because of the onerous capital requirements that comes with doing so. RFQ mechanisms offer a way for these firms to trade with the buy side bilaterally, via a venue construct. That said, there are some limitations of the RFQ model, including the potential for information leakage. During an RFQ, an investor may effectively be signalling to several firms it is a large buyer or seller of a stock – while the winning broker may find it harder to unwind its position (assuming it takes the position against its risk book).

Buy-side View

The majority of buy-side respondents TABB Group spoke to were positive toward the emergence of the RFQ protocol. For them, it was seen as a way to automate risk trading in a MiFID II-compliant fashion, and gain access to a wider range of risk providers.

> *"The goal for any RFQ process is automation, to reduce workflows on the desk and improve efficiency. This helps the trader make better decisions in line with best execution."*
>
> \- Senior Equity Trader, European Buy-side Firm

The major considerations of any new trading system for the buy-side are ease of use and information leakage. In terms of ease of use, the level of familiarity with the RFQ protocol among the buy-side traders TABB Group spoke with was generally high, with some exceptions. In terms of information leakage, many buy-side traders said they had already provided feedback to many of the RFQ venues, stating what they would expect to see from the systems to limit information leakage (*see Exhibit 7*).

Exhibit 7: What the Buy-side Wants from RFQ Venues

- Ability to receive two-sided quotes to hide side of transaction
- Receive quotes filtered by underlying liquidity source (ie client natural, house unwind)
- To select specific RFQ counterparties, by name or type of firm
- Observe IOIs pre-trade, filtered by underlying liquidity source
- Observe execution quality statistics per broker (hit rates, toxicity, number of times winning RFQ) and automatically implement into RFQ selection
- Ability to automate order entry and auto-complete RFQ, under specified circumstances

Source: TABB Group

Sell-side View

Among the sell-side community, the benefits of RFQ from a regulatory and workflow perspective were noted. That was coupled with a strong sense of scepticism over the potential for information leakage and a deterioration of existing buy-side relationships. Tier one banks held the most concern, particularly over the issue that a winning broker in an RFQ process may be left with a position that it needs to unwind, with several other dealers aware of its situation, increasing the market impact as a result. If this higher market impact is automatically fed back into quotes, an investor may get a worse price through an RFQ then they would have done via a bilateral trade. There is a view that for particularly sensitive trades, a bilateral trading relationship works better because it limits information leakage. It was noted by some bulge bracket dealers that the amount of risk capital they had deployed to clients had declined under MiFID II, contrary to initial expectations. This had led them to be more selective about which clients they provided risk to – and more willing to use a bilateral relationship when they do deploy risk. There was also the concern that RFQ adoption may weaken existing sell-side/buy-side relationships by taking away calls in certain situations – reducing the colour being made available to the sell-side and making interactions worse as a result.

> *"We are using less risk under MiFID II and being more selective about who we provide that risk to. We would rather have a bilateral relationship, and don't see the advantage of using RFQ. The risk of information leakage means our quoted prices would be worse than those provided bilaterally."*
>
> \- Managing Director, Equities, Global Sell-side Firm

That said, mid-tier banks were more optimistic, regarding RFQ venues as a way to better distribute their capital and automate elements of their high-touch franchises. It was noted that tradeable IOI streams among some of these banks might not be as sophisticated as at bigger houses, making RFQ venues more appealing to them. Furthermore, resource pressures appeared to be more acute at mid-tier firms, making the need to automate some elements of high-touch functions more pressing and enabling sales traders to be focused on higher-value, more difficult transactions.

> *"RFQ won't change the equity world completely but it will automate high-touch workflows and will take away calls on a number of stocks. We're being squeezed everywhere, and people are our biggest cost. We want those we have left to concentrate on high-quality conversations."*
>
> \- Global Head of Cash Equity Execution, Mid-Tier Sell-side Firm
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> \-

Non-bank View

The Non-bank risk providers TABB Group spoke to expressed strong support for RFQ systems. Such firms lack traditional sales trading functions, and RFQ systems represent a new way for them to distribute their liquidity to the buy side without the need for significantly more staff. These firms cited their preference for the direct/disclosed nature of RFQ transactions, which would enable them to offer liquidity in larger size. It also benefits those risk providers that want to deploy capital without adopting SI status. Such firms can use RFQ protocols to deploy capital whilst meeting MiFID II's share trading obligation as transactions take place on-venue from a regulatory perspective.

> *"We're an SI but do not see that as an avenue for trading blocks. We would be more willing to provide size via RFQ because we know who we are quoting to."*
>
> \- Senior Executive, Electronic Market-Maker
>
> \-

Conclusion

Developments in cash equity markets are typically adopted by other asset classes over time. It therefore seems counterintuitive that the RFQ protocol – a popular form of execution for fixed income and derivative instruments – is now being unleashed on Europe's equities market.

But in many ways buy-side equity trading desks are facing the perfect storm in Europe. The volumes they are being required to handle continue to climb, costs and compliance pressures are rising and accessing liquidity in an increasingly fragmented post-MiFID II landscape is challenging.

When viewed through this lens, the emergence of RFQ trading systems represent a much-needed and highly plausible innovation. There is clearly an increasing role for any alternative trading model that assists clients in seeking block-sized executions with limited market impact. Where RFQ platforms may become especially compelling is in being able to pull together the vast amounts of information on inventories held by dealers and other risk providers in a single portal – and automate enquiries to these multiple sources of risk simultaneously. This will enable medium-sized flow to be handled in an automated fashion, freeing up resources for more difficult trades.

As a bilateral trading model at heart, the emergence of the RFQ reinforces the view that the concept of a centralised marketplace for equities is breaking down in Europe, as well as the desire among the buy-side to take back control of their order flow.

The question is where this development leaves the sell side: If RFQ displaces sales traders, traditional sell-side/buy-side relationship may weaken – leading to a flight to quality. Bulge bracket providers say they are getting closer to their biggest and best clients and would prefer to deploy capital to these clients through existing voice and electronic channels. Ultimately, if RFQ systems prove useful for the buy-side, the sell-side will have to follow. For some smaller brokers, RFQ may even be a way to deploy capital to clients they have not dealt with before.

About

TABB Group

TABB Group is a financial markets research and strategic advisory firm focused exclusively on capital markets. Founded in 2003 and based on the methodology of first-person knowledge, TABB Group analyzes and quantifies the investing value chain, from the fiduciary and investment manager to the broker, exchange and custodian. Our goal is to help senior business leaders gain a clearer understanding of issues and trends within financial markets, so they can better grow their businesses. TABB Group members are regularly cited in the press and speak at industry conferences. For more information about TABB Group, visit http://www.tabbgroup.com/.

TABB Group Equities Practice

TABB Group's Equities Research Practice, led by TABB Group Founder and Research Chairman Larry Tabb, examines market structure, trading, regulatory and technology issues impacting global equity markets. TABB research is a critical decision-support tool that provides financial institutions and the support ecosystem with proprietary data and analysis on trends within the community of equity market professionals. Our research is used by legislators, regulators and market participants worldwide to make strategic and policy decisions surrounding equities trading.

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