

Partnering to revolutionise the buy-side trading experience.

An MTS case study on delivering quality corporate bond data through partnership, collaboration, and integration.

This case study presents just one example of how a collaborative effort between MTS Markets International, Inc. ("MTS"), a data/liquidity provider, and TS Imagine ("TSI"), an EMS provider, helped a mutual client – Agilon Capital – optimise its corporate bond trading operation.

"Seeing the value that MTS streaming data & executable markets has added to Agilon's workflow, once within TS Imagine, is tremendously satisfying. Not only is it a win for Spencer and his team at Agilon Capital, but it serves as a great example of how a collaborative approach to solving a problem can result in an outcome that's far greater than the sum of its parts."

Sean Dzugan
Head of Sales MTS Markets



Market context

How participants capture and utilise high quality corporate bond data continues to evolve and mature. A richer pre-trade analysis process, and the ability to calculate performance metrics such as Transaction Cost Analysis ("TCA"), Best Execution ("BestEx"), and counterparty and security liquidity rankings are all improved by the highest quality data and the ability to manage it.

In turn, the reliability of these processes is enhanced when the data being utilised is live and executable. Live and executable prices not only provide more accurate information for analysis, but can also provide an outlet to quickly transfer risk into the market.

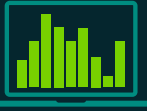
There are many different tools in the marketplace, and most would agree that no one workflow exactly matches any other – however similar the end goal of a higher performing trading operation may be. But an increasing number of clients in the credit trading space are beginning to use a dedicated modern execution workflow tool – also known as an Execution Management System or EMS – to serve as a conduit between the client and electronic markets.

That said, while it is understood that the majority of buy-side asset managers – up to 95% according to some estimates – use an Order Management System ("OMS"), a much smaller proportion uses an EMS. In modern electronic markets it is the EMS that allows flexible innovation, collaboration, and integration to take place – meaning many market participants are working without a tool that can provide substantial added value.

The need

To obtain and maintain a competitive edge in today's challenging market conditions, corporate bond market participants require an innovative electronic trading solution that delivers:

- ✔ **Market visibility** – Holistic overview of pricing data from across the market, aggregated in a single centralized space;
- ✔ **Pre-trade insight** – Decision level data that supports and enhances decision-making on each trade;
- ✔ **Execution** – Access to multiple trading protocols allowing for high quality, predictable, and integrated execution;
- ✔ **Post-trade reporting** – Full, automated confirmation and straight-through-processing ("STP");
- ✔ **Post-trade execution analysis** – Use pre-trade data to support & justify trade execution strategies in addition to fueling BestEx and TCA measurements;
- ✔ **Fast time to market & implementation** – a collaborative approach focused on swiftly delivering solutions to client needs, allowing for users to be competitive from day one.



The solution

- ✔ To meet such needs, MTS's and TS Imagine completed an integration to provide mutual customers greater visibility and access to the extensive liquidity and streaming price information available on BondsPro (MTS's SEC-registered Alternative Trading System, "ATS").
 - BondsPro consolidates executable liquidity across 20,000+ US and global bonds daily from a global network of over 500 institutional (buy- and sell-side) participants.
- ✔ TS Imagine clients benefit from a single view of all price, order, axe and RUNS data from multiple sources. From this they can choose to execute across a wide range of protocols and destinations.
- ✔ Via the partnership, market participants have a centralised point to view data from across the market on a simplified, level playing field. This allows for best execution to naturally occur through a quick and intuitive process.

" Thanks to the collaboration between TS Imagine and MTS, Agilon has been able to continue to enhance our view of the entire liquidity landscape. The unique data available on such a large number of CUSIPS sharpens our understanding of what is and is not available for immediate execution. Beyond the data, the actionability of the content allows us to be a liquidity taker and provider all from the ease of our home blotter in TS Imagine and really turns the MTS option into an easy button. This integration of our vendors has moved us forward considerably in the electronification of credit execution."

Spencer Lee, Founding Partner at Agilon Capital.

" TS Imagine fixed income buy-side clients enjoy the largest data, venue and dealer footprint of any EMS. When we're offered the opportunity to provide the infrastructure to integrate with the workflow and very actionable liquidity of a venue like MTS, we do not hesitate. Implementing this integration has benefits for both buy-side and venue, and clearly illustrates the power of TS Imagine's flexible, open, SaaS platform."

Paul Reynolds, Fixed Income Sales at TS Imagine

The outcome

Although such ideals are often discussed, it's less frequent to see a successful deployment that materially impacts the buy-side's workflow from day one. In the case of Agilon, TS Imagine served as the tool that enabled MTS's executable markets to match against Agilon's own live orders and watch-lists.

TS Imagine users are able to realise the full value of MTS's streaming data and executable markets in a seamless workflow.

TS Imagine seamlessly provided Agilon with integrated access to two MTS trading protocols:

- ✔ Click-to-trade liquidity on 125k+ prices across IG, HY, EM corps at any given time, 22hrs a day
- ✔ Functionality to be a price maker and trade for free

The combined solution has allowed Agilon to benefit from:

- ✔ Aggregated reliable pricing data to use throughout the full life cycle of a trade;
- ✔ Tailored offering that fits seamlessly into Agilon's bespoke workflow;
- ✔ Live, real-time liquidity and match alerts against Agilon orders and watch-lists;
- ✔ Increased trader confidence in pre-trade understanding of the market context and liquidity;
- ✔ Seamless access to MTS execution protocols;
- ✔ 100% operational confidence in post-trade confirmation & STP;
- ✔ The ability to capture pre-trade and execution data for post-trade execution performance analysis.

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