



FIXED INCOME

Everything you ever wanted to know about Fixed Income EMSs but were afraid to ask

What is a Fixed-Income EMS?

An EMS is a software application used by investors to manage orders in an efficient and cost-effective way. The technology originated in equity markets, and while the fixed-income EMS is built on the same concept, it offers functionality tailored to bond markets, including a broad view of the market, access to multiple liquidity sources, automated execution tools, direct connections to dealers, advanced analytics and more. An EMS is a complementary overlay to an OMS, and it is tailored to the needs of traders, whereas OMSs are built for portfolio managers.

Why do investors and traders need fixed-income EMSs?

The changing dynamics of the fixed-income market, including the growth of data channels, liquidity sources, and trading protocols, have created a need for more advanced trading technology. An EMS enables traders to access pre-trade price transparency, streamline execution and automate parts of their execution workflow.

Does EMS technology benefit voice trading?

Yes! An EMS provides many benefits to assist voice traders, including comprehensive pre-trade liquidity analytics, the ability to action message based dealer liquidity, tracking orders left with dealers, snapshotting liquidity at the time of execution and more.

What are the advantages of using a fixed-income EMS?

Using a fixed-income EMS provides several advantages. It gives traders improved speed, aggregated liquidity, better trade compliance tools, scale, and ultimately, cost savings through improved execution quality. The system also allows for normalization of execution capabilities across venues and liquidity sources, as well as real-time and post-trade transaction cost analysis (TCA).

How does an EMS help with compliance?

An EMS can help with compliance by providing an accurate pre- and post-trade execution analysis. This can help compliance teams prove and automatically record best execution throughout the lifecycle of a trade.

How does an EMS impact liquidity provision?

Whether it's dark pools, order books or responding to RFQs, the EMS eases the pain points of liquidity providing activity embedded in today's commonly accepted workflows. It allows traders to look across all venues simultaneously and streamlines the recognition and engagement of all-to-all trading opportunities. No more managing multiple watchlists. This can unlock liquidity and drive more competitive pricing, benefiting the buy-side and the market overall.