



Tradition's OTC derivatives platform Trad-X exceeds €112bn

Tradition, a leading global interdealer broker, today announced that Trad-X, its hybrid trading platform for OTC derivatives and other financial instruments, has attracted significant volume. The platform has matched approximately 1900 orders in Euro interest rate swaps with a notional value traded of over €112bn, since launch on 19 May 2011.

Achieving over €112 billion notional volume traded in Euro interest rate swaps represents a significant milestone, as Tradition seeks to improve transparency and efficiency in the OTC derivatives market. Trad-X has been developed to be regulatory compliant on a global scale. The platform was designed with the support of a diverse range of international banks, and currently eleven banks have agreed to provide two-way streaming prices to the platform including: BNP Paribas, Citi, Credit Suisse, Goldman Sachs, HSBC, Morgan Stanley, Nomura, Société Générale, Royal Bank of Scotland and UBS.

Trad-X utilises proprietary technology to provide an electronic multi-asset class trading platform for OTC derivatives which is fully automated and enables high volume trading capability in a low latency environment. Its hybrid functionality provides the flexibility to allow traders to combine electronic and voice execution methods, to generate the best results in any market conditions.

Mike Leibowitz, EMEA CEO for Tradition, commented: "Trad-X has made an excellent start to its trading life and highlights the importance of designing a platform specifically for the market and with the backing of the market. The flexible execution capability available on Trad-X, together with cutting edge technology and deep pools of liquidity, means that Trad-X is an extremely attractive proposition for the market."

Daniel Marcus, Tradition Managing Director – Strategy and Business Development, commented: "Trad-X was designed as a logical extension to Tradition's existing voice brokerage business rather than a platform solely created to provide electronic trading solutions. The platform offers both hybrid and fully electronic order entry which allows clients to trade the way they want to, rather than being pushed into a specific way of trading, whilst benefitting from a model that is entirely regulatory compliant. The Trad-X story has just begun and we will be working with the market to develop further trading solutions. These solutions include auction functionality which will be rolled out in a matter of weeks and thereafter other currencies as and when the market desires."

Simon Wilson, Deputy Head of EMEA Delta Trading at Royal Bank of Scotland, said: "Tradition appears to have taken a lead in the development of regulatory-compliant IRS trading platforms by managing to partner with a broad range of liquidity providers. As a result the liquidity available to trade on Trad-X is truly impressive and is reflected in the large volumes that have gone through the platform in the first few weeks."

Pierre Renom, Global Head of Rates Trading at BNP Paribas commented: "Trad-X has proven in a short period of time that it has the ability to provide enhanced liquidity, transparency, reduced risk and innovation to an evolving and changing regulatory environment for OTC markets. BNP Paribas continues to be committed to supporting Tradition in this leading electronic initiative, now and as the product capability increases beyond Euro IRS. We look forward to strengthening this partnership for the benefit of the industry and our clients."

Christopher Murphy, Head of Interest Rate Derivatives at UBS, commented: "We are very pleased with the progress that Trad-X has made since launch. The liquidity available on the platform means that Trad-X provides excellent execution capability and efficiency to the market. The volume traded within the first two months of its life, proves that Trad-X is already an important market infrastructure for interest rate swaps."

Yannis Theodorakakos, Senior EU Swaps Trader, Morgan Stanley , said: "Trad-X is off to a great start, providing exceptional liquidity to the European interest rate swap market through a wide pool of leading market makers. The high volumes traded since launch show the platform's strong potential and point to a bright future."

Elie El Hayek, Managing Director, Global Head of Rates, Global Banking and Markets at HSBC said: "Trad-X has brought improved transparency and efficiency to the OTC derivatives market and has had an impressive start since inception. HSBC is fully committed in supporting electronic initiatives to increase liquidity and transparency. We anticipate that Trad-X will contribute to increased volumes whilst controlling operational risk."

Jason Cohen, Head of Euro Swap Trading at Citi said: "Trad-X is off to a good start and by including a wide range of wholesale interbank dealers in a single liquidity pool, it has helped increase the efficiency and transparency of the euro swaps market. Under the hybrid model, the market has evolved quickly. Initiatives such as Trad-X are important as the industry moves toward central clearing for OTC derivatives."

Christophe Coutte, Co-Global Head of Fixed Income and Currencies at Société Générale Corporate & Investment Banking, commented: "Trad-X has had an encouraging launch. These numbers represent only one aspect of the platform's expected success. Trad-X differentiates itself not only thanks to its robust technology but mainly to its participants who provide consistent liquidity pools. The hybrid model is still a new paradigm for the wholesale swap market: the journey has just started and Société Générale is delighted to be involved".

Panos Korantzopoulos , Global head of Flow rates EUR, CHF and Scandi at Nomura stated: "Nomura are very pleased with the early results of Trad-X, to have 11 dealers streaming live executable prices is a significant achievement. We hope this will be a model that will satisfy many of the forthcoming regulatory requirements and look forward to further partnering Trad-X as the market evolves."

About Tradition and Compagnie Financière Tradition SA:

Tradition is a trademark of Compagnie Financière Tradition SA. With a presence in 27 countries, Compagnie Financière Tradition SA is one of the world's leading interdealer brokers (IDB). The Group provides broking services for a complete range of financial products (money market products, bonds, interest rate, currency and credit derivatives, equities, equity derivatives, interest rate futures and index futures) and commodity-related products (energy and environmental products, and precious metals).

Compagnie Financière Tradition is listed on the SIX Swiss Exchange (CFT).

Trad-X is a trademark of Compagnie Financière Tradition SA.

Trad-X is an MTF operated by Tradition (UK) Limited, authorised and regulated by the UK Financial Services Authority.

For more information, please visit www.tradition.com and www.trad-x.com.

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