



Compagnie Financière Tradition

Trad-X US dollar swaps volumes top USD 50 billion to hit record high for June

- Huge leap in electronic trading volumes in USD interest rate swaps
- Banks globally traded over USD 50 billion through Trad-X in June 2014
- 750 trades (single count) with a notional volume of USD 50bn (single count) executed in June
- Increase driven by move from voice to electronic and Trad-X's reference page, which is based on tradable, electronic pricing, rather than indicative voice quotes

Trad-X, the market-leading platform for the trading of global interest rates swaps, has announced record trading volumes for US dollar interest rate swaps for June.

Trading volumes in USD interest rate swaps hit a record notional high of USD 50 billion, while the number of trades executed topped 750 trades. These electronically executed trades accounted for a third (33%) of all USD trades at Tradition.

Dan Marcus, CEO of Trad-X, comments: "Central Limit Order Book electronic execution of IRS was non-existent just 18 months ago and has had to start from zero. For it to account for a third of all trades at Tradition in such a short period of time is significant.

"Trad-X liquidity is provided across 268 price points by at least 12 of the largest banks in the world every trading day. The symbiosis between and successful integration of the voice and electronic liquidity pool in the new world of SEF trading is the real reason for the growth in Tradition's overall volumes.

Mike Leibowitz, Chief Operating Officer at Tradition, added: "Interest rate swaps are the most heavily traded derivatives on SEFs and are the most effective risk transfer products in the interest rate space. At Tradition we took the view that our reference pages for EUR and USD should be based on the purely electronic prices generated by the Trad-X Central Limit Order Book rather than any indicative pricing provided by voice. This creates an irrefutable price reference source that can be relied upon by the wider market.

"There is clearly a demand for change and we believe that if the whole market moves to our model, the trading environment would change beyond recognition for the better."

Note to Editors

The volumes stated in this release are calculated on a single count basis so that two matching orders are referenced as a single trade. Volumes are based on 21 business days in June.

Trad-X data, with best bid, offer and size, can be subscribed to via 'TRDX' Bloomberg pages. The pages show around 100 of the most liquid points on the USD IRS curve, to which 12 banks are streaming prices electronically. Trad-X public reference pages 'TTST1' on Thomson Reuters and 'TREU' on Bloomberg for Euro and TDOL 'TTST1' on Thomson Reuters and 'TIRS' on Bloomberg for USD levels that are calculated directly from Trad-X mid markets providing superior price formation based on real prices.

ABOUT Trad-X

Trad-X utilises Tradition's proprietary technology to provide an electronic multi-asset class trading platform for OTC derivatives with hybrid and fully automated rich functionality, low latency and - most importantly - the potential for attracting deep liquidity. Designed with the help of the trading community, Trad-X is a logical extension to Tradition's voice brokerage services. Trad-X enables fully electronic order entry, whilst leveraging the benefits of execution capability of Tradition's voice brokers. Trad-X can be accessed via its own fully customisable and configurable client GUI, by using its FIX API or through independent software vendors such as ION.

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Trad-X is an MTF operated by Tradition (UK) Limited authorised and regulated by the UK Financial Conduct Authority and is an integral part of the IRS Market offering by Tradition SEF which is authorized and regulated in the United States by the U.S. CFTC.

ABOUT TRADITION

Compagnie Financière Tradition SA, one of the world's largest interdealer brokers in over-the-counter financial and commodity related products. Represented in 28 countries, Compagnie Financière Tradition SA employs 2,400 people globally and its activities are overseen by global regulators including the FCA, SEC and CFTC. Compagnie Financière Tradition SA is listed on the Swiss stock exchange. For more information, please visit www.tradition.com. Tradition and ParFX are registered trade marks of Compagnie Financière Tradition S.A.

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