360 of Trading in Asia Pacific –
A Buy Side Survey
Survey Background

- 17 Regional Buyside Surveyed
- 14 trade Asia Pacific and 3 trade Australia only
Trading Volume Compared with Last Year

- **More or less the same**: 13.3%
- **Decreased**: 60.0%
- **Increased**: 26.7%
How many emails do you get a day?

- 43.8% receive 100-200 emails.
- 25.0% receive 400+ emails.
- 18.8% receive 200-300 emails.
- 12.5% receive 300-400 emails.
- 0.0% receive <100 emails.
What percentage of your day do you actually spend trading?

- 0-25%: 20.0%
- 26-50%: 40.0%
- 51-75%: 26.7%
- 76-100%: 13.3%
The balance of time spend on

- Emails: 10.0%
- Maintaining broker relationships: 50.0%
- Market structure: 10.0%
- Internal meetings: 20.0%
- Client/marketing: 10.0%
Why has your execution style changed? (Accept Multiple Answers)

- Market volume: 57.1%
- Concern over predatory HFT: 28.6%
- Change in broker panel construction: 0.0%
- Better tools: 71.4%
How has execution style changed?
(Accept Multiple Answers)

- **Blocks trading facilities (e.g. Liquidnet)**: 10.0%
- **Algorithms**: 80.0%
- **Broker darkpools**: 50.0%
- **Broker facilitation**: 10.0%
- **Sales trader**: 20.0%
In the past 12 months what percentage of your orders were DMA/Algo?

- 0-25%: 58.3%
- 26-50%: 25.0%
- 51%-75%: 0.0%
- 76%-100%: 16.7%
Do you see buy-side firms developing their own algos rather than relying on brokers to do it for them?

- Yes: 31.3%
- No: 68.7%
How do you decide which broker to place your orders with? (Top 3)

- Access to corporate deals: 23.5%
- Research panel/PM directed: 52.9%
- Dark pool access: 35.3%
- Capital commitment: 11.8%
- Electronic execution suite: 47.1%
- Sales trading ability - the ability for a broker to seek liquidity: 41.2%
- Reactive to natural blocks: 41.2%
- Other services - OMS/EMS, data, TCA: 11.8%
What percentage of IOIs do you think are genuine?

- 0-25%: 33.3%
- 26-50%: 58.3%
- 51%-75%: 8.3%
- 76%-100%: 0.0%
Do you think dark pools diminish price discovery in the Central Limit order Book?

- 38.5% Yes
- 61.5% No
Will you directly benefit from more lit trading venues?

- Yes: 30.8%
- No: 69.2%
100% of respondents said using TCA. You are using?

- Provided by broker: 7.7%
- Proprietary: 30.7%
- A combination of both Proprietary and Broker: 46.2%
- Other Third Party: 15.4%
How have regulatory changes affected you (e.g. short selling reporting, best execution)?

- I spend a lot of time on this - I find too onerous: 15.4%
- I spend a lot of time on this - I think time well spent: 0.0%
- I spend some time on this - I find too onerous: 15.4%
- I spend some time on this - I think time well spent: 15.4%
- Hasn't affected me: 53.8%
What is the one thing the sell side can collectively improve?

• Manual execution quality. It's amazing how many traders at large sell-side institutions do not know how intelligently execute an order.
• Consistent (good) client service. Keeping communications relevant.
• Please do not come up with so many independent dark pools. Better to work together and form a few big ones with critical masses
• Quality of client specific actionable IOI's
• Use less algos when executing orders
• IOIs
• Sell side should do more training of their staff. They lack knowledge of market structure and what affects sales traders as a job.
• Value added content - less "spam"