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New Survey of Traders Finds Liquidity and Volatility Trump International Expansion

- 83% of traders are accessing a greater number of dark pools over last year
- More than half freezing expansion of their international trading capabilities in 2009

New York – 23rd February 2009 – TradeTech USA, the largest North American event covering institutional equity trading strategies and technology, today announces the results of the annual buy-side equity trader survey. The survey was conducted amongst TradeTech’s buy-side trader community ahead of this year’s conference on March 2nd-4th and addressed how key market and economic issues have affected and influenced decisions in IT and trading strategy.

With the proliferation of dark pools, in response to the growing need for liquidity and an increasingly fragmented market, 82% of respondents have indicated that their connections to different sources of liquidity are increasing. About a third of respondents indicated that they currently access between three and five, and nearly 20% indicated that they are currently accessing more than 14 dark pools.

Other key findings include:

- In order to manage increasing volatility in today’s market, more than half of respondents cite algorithmic trading capabilities as their chief tool. More than 26% of respondents are using Direct Market Access, which enables traders to have more immediate access to liquidity.
- In contrast, moving beyond the borders of domestic trading has been put on the back-burner for most firms. The majority of traders stated they are looking to keep global trading capabilities at current levels. Of those looking to expand, however, Asia emerged as the top market for 2009.
- Indicating a new dynamic in the trader/broker relationship, 76% of traders have cut their broker lists. Surprisingly, only 12% cited concerns about credit risk, despite the heightened level of concern around risk permeating the industry.
- From an IT perspective, 35% of traders stated the key area in which they are looking to invest is upgrades to their Order Management/Execution Management Systems. In addition, 30% are looking for added algorithmic trading capabilities.
- On a positive note, 55% of traders do not expect additional lay-offs at their firms

“Navigating the downturn successfully has really boiled down to a few key concerns for most traders,” says Adam Honoré, Senior Analyst, The Aite Group. “We’re finding that brokers you

can trust, having greater access to liquidity and getting in and out of trades quickly are paramount. International expansion and new products are going to be less important as firms' appetites for risk and experimentation continue to diminish."

"There is no doubt that current market conditions have left today's traders re-evaluating the strategies they have in place and the types of technology necessary to keep them on top of their game," says Sara Wessman, Executive Director, TradeTech North America. "The results of this survey are an informative benchmark on how the industry's challenges are shaping the evolution of buy-side trading in the US."

For more information and the full results of this survey, contact:
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Notes to Editors

About TradeTech USA

TradeTech USA is the largest North American event covering institutional equity trading strategies and technology. With over 250 senior-level buy side traders and technologists in attendance, and over 600 attendees total representing the top investment banks, investment advisors, hedge funds and electronic trading providers around, TradeTech USA is the only event where equity industry leaders can gain a balanced perspective on the future of the equity market landscape and ensure long-term profits regardless of market conditions. TradeTech also holds major global events in Paris, New York, San Francisco, Toronto, Mumbai, Tokyo and other international cities.