

## **Fidessa examines impact of liquidity fragmentation on Australia's broker community**

*Second white paper in Australia series looks at opportunities and challenges  
facing local sell-side firms*

Sydney, 12<sup>th</sup> October 2011 – Fidessa group plc (LSE: FDSA), provider of high-performance trading, investment management and information solutions for the world's financial community, has today published the second in its series of white papers looking at issues raised by the new market integrity legislation in Australia.

Entitled [Stuck in the Middle with You? A look at the future for brokers in Australia's new trading landscape](#), the paper draws on Fidessa's global experience to consider the challenges and opportunities brokers and banks will face and outlines the changes they need to consider if they are to take advantage of Australia's new trading environment. It builds on the themes of the first paper in the series, *Aussie Rules*, which looked at the impact of the arrival of alternative venues in Australia, the role to be played by smart order routing (SOR) technology and the lessons to be learned from other markets.

Steve Grob, Director of Group Strategy at Fidessa and the paper's principal author, says: "The Australian marketplace is entering a fascinating phase in its history, and there are plenty of clues about what brokers and investment banks can expect from similar developments elsewhere in the world. The journey towards a new shaped marketplace has begun and, as in other countries, although the changes will doubtless begin modestly, the effects on brokers are going to be far reaching."

Fidessa's white paper describes the likely challenges sell-sides will have to meet, including the need to deliver and demonstrate best execution across a dynamic spectrum of lit and dark venues, as well as establishing an optimal position in the queue for order flow in accordance with their size and technical capability. Grob adds: "Service providers on the sell-side will find themselves operating in a new ecosystem; every participant will need to find a position in which they can deliver real value, and those that can genuinely help their clients navigate the new Australian trading landscape will prevail. We believe there will be a degree of polarisation too as brokers opt for one of two business models: scale or specialisation. The middle ground in-between is something of a no-man's land, and those firms that remain there may find life pretty challenging."

Subsequent papers in the series will address the specific issues for retail and institutional investors, high-frequency traders and venues in more detail. [\*Stuck in the Middle with You? The future for brokers in Australia's new trading landscape\*](#) is available through the Fidessa website, [fidessa.com](http://fidessa.com), or by contacting [info@fidessa.com](mailto:info@fidessa.com).

- ends -

#### **About Fidessa group**

Exceptional trading, investment and information solutions for the world's financial community.

New technology, new regulation, new challenges: making money in today's financial markets is all about staying ahead of the curve. Having the capability to spot new trends and act fast turns change into opportunity. That's why 85% of the world's premier financial institutions trust Fidessa to provide them with their multi-asset trading and investment infrastructure, their market data and analysis, and their decision making and workflow technology. It's also why \$10 trillion worth of transactions flow across our global network each year. Because we're the market leader, we can also offer unique access to the world's largest and most valuable trading community of buy-side and sell-side professionals, from global institutions and investment banks to boutique brokers and niche hedge funds.

Fidessa is a global business with scale, resilience, ambition and expertise. We've delivered around 30% compound growth since our stock market listing in 1997 and we're recognised as the thought leader in our space. We set the benchmark with our unrivalled set of mission-critical products and services and, uniquely, serve both the buy-side and sell-side communities. Ongoing investment in our leading-edge, integrated solutions ensures Fidessa remains the industry's number one choice.

[fidessa.com](http://fidessa.com)

Fidessa® is a registered trademark of Fidessa group plc.

All product and company names herein may be trademarks of their registered owners.