

Press Release



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New service from Fidessa solves the MiFID II block trading problem

Provides intelligent access across conditional dark venues for best execution of large orders

13th March 2018 - Fidessa group plc (LSE: FDSA) today announced the launch of its new BlockShadow service. The service has been developed closely with one of Fidessa's longest standing clients, Redburn. This has enabled Redburn to successfully interact with the growing number of conditional block trading venues that have emerged in the wake of MiFID II.

As part of its broader ambition to create more transparent markets, MiFID II limits the activities of dark pool trading and prohibits broker dealers from running their own internal crossing networks. In practice, the effect of this has been to introduce new trading constructs such as block trading venues and Systematic Internalisers. Market participants now need to monitor and interact with a complex array of trading destinations in addition to their traditional sources of liquidity.

Fidessa's BlockShadow manages the whole process of placing multiple conditional orders on these venues whilst at the same time still sending slices to regular markets. When there is a match on a conditional venue, BlockShadow pauses the second 'worker' algo, waits for volume to be released, and then firms up on the venue concerned. This ensures the best possible execution outcome with zero over-fill risk.

Will Winzor-Saile, Execution Architect at Redburn, commented: "We have always worked closely with Fidessa to ensure excellence in our execution offering and the BlockShadow capability has been an exciting addition to our technology stack. BlockShadow not only allows us to provide access to a broader spectrum of liquidity, but also means we are able to post the same block volume on multiple venues simultaneously. Since going live with BlockShadow the additional volume from Turquoise, Cboe and Euronext has meant larger fill sizes, reduced market impact and better performance across all of our trading."

Dr Robert Barnes, CEO at Turquoise, said: "Products like Fidessa's BlockShadow are able to manage conditional messages while working algorithmic orders. This means Fidessa clients can now access award winning services like Turquoise Plato Block Discovery for Large in Scale business while working firm orders below LIS on innovations like Turquoise Lit Auctions to achieve the best result on a continuous basis, the very definition of best execution."

Mark Hemsley, CEO at Cboe Europe, added: "Cboe LIS has been very successful in helping firms execute large blocks given its unique functionality that brings together the block flow of both the sell-side and buy-side directly, which allows for greater crossing opportunities. We welcome initiatives like Fidessa's BlockShadow that facilitate block matching across the broader trading ecosystem."

James Blackburn, Global Head of Equities Product Marketing at Fidessa, commented: "Competition for execution business is fierce. One of the biggest challenges for brokers in the post-MiFID II world is demonstrating their relevance, whether that is in research or in execution. BlockShadow, together with our liquidity partnership with Virtu, are just some of the new ways in which we're enabling our customers to demonstrate a clear advantage. We will continue to invest in these tools so that they can really differentiate their services whilst also benefitting from the operational efficiencies of automated workflow."

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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 around \$26 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're listed on the London Stock Exchange and 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.

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