


Derivative Investors' Expectations for Sell-Side Technology and Services

July 23, 2024

Executive Summary:



The top 4 interest-rate swap dealers accounted for **63%** of overall dealer revenue in 2023, up from 61% in 2022

The interviews confirmed some fundamentals about what the buy side cares about: pricing, service and helping scale their trading. For example, 31% of responses covered the quality of sales and trading.

The comments provided in the interviews reinforces the importance of getting these basics right and are a key to maintaining long-standing relationships. Additionally, the interviews reveal that there is a need for the dealers to balance the advances they make on the technological front with the need to staff their desks with top-quality talent.

Methodology:

Coalition Greenwich conducted interviews with 368 buy-side interest-rate derivative traders globally during 2023 to ascertain their views about key issues in the market, including where they wanted improvements in dealer technology and what might cause them to reduce their trade flow to a dealer. The answers were then categorized to highlight patterns in the buy side's view of their relationships with their dealers.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

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