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## Best liquidity management system: TraderTools

Since it was established in 1997, TraderTools has always focused exclusively on the foreign exchange market. Over the past year, the New York-based company has seen significant growth in its client base as increasing numbers of institutions face tightened technology budgets and look to a provider that can offer a full suite of customisable products.

TraderTools' liquidity management platform encompasses four separate modules: FX liquidity aggregation, FX pricing engine, FX white labelling and FX order management. Chief executive Yaacov Heidingsfeld classes the firm as a solution provider rather than a technology vendor, and believes the key to the platform's popularity has been its focus and consistency over the years.

"The value we add is in providing an integrated solution that is properly focused on the business processes of foreign exchange and is based on some very sophisticated core technology. Since the financial crisis, there have been cuts to technology budgets across the board and more than ever before,



Yaacov Heidingsfeld, TraderTools

institutions want fast and easy-to-implement products that will get them back into the market. Raw technology that has to be developed and integrated from scratch is no longer appropriate," says Heidingsfeld.

A key element of TraderTool's strategy has been to license technology from other vendors where needed. The liquidity management platform is based partly on technology licensed from complex event processing specialist Sybase and liquidity management

vendor smartTrade Technologies.

"I don't believe a successful technology company has to build everything in-house – it makes sense to focus on core competencies. We have used externally developed technology for parts of our platform, but created our own algorithms and packaging that has brought in the new business," says Heidingsfeld.

New clients added over the past year include German Landesbank LBBW and Luxembourg-based DZ PrivatBank. In April, TraderTools unveiled 'LightFX' in partnership with Citi's Prime Finance: a fully disclosed, relationship-based FX pricing and aggregation service that charges liquidity takers but offers them reduced up-front and operational costs.

"We've seen an encouraging reaction to LightFX so far. I think it is the right solution at the right time both for liquidity makers and takers. There's no question that for certain types of business, transparency is increasingly important and will be rewarded with better pricing," says Heidingsfeld. 