

profit loss

Vol. 4 / issue 40

www.profit-loss.com

April 2003

ISSN: 1467-2650

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This article first appeared in

Profit & Loss Magazine, vol. 4/issue 40, April 2003

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The 2003 Digital FX Awards Eye on the Client

After reviewing nearly 30 bank-offered websites, Profit & Loss magazine picks out some of the most outstanding services available to clients. On the following pages you will find the second Profit & Loss Digital FX Awards.

It would appear that the debate over whether it is better trading FX online or off has finally been settled. Clients are voting with their business and all respondents in the 2003 Profit & Loss Bank Guide to e-Services in our February 2003 issue reported an uptick in online trading volumes.

This begs the question then, where should clients be pushing their business? Whilst the debate on the multibank model is still active, the banks themselves have worked hard over the past two years to provide their clients with all the tools they need for online execution.

As we stated in the inaugural awards feature last April, it remains clear that the services offered online reflect the quality of the services offline. A good online offering is heavily dependant on the traditional services and quality of staff at each institution.

These awards, however, are based upon the tools and services provided by the banks as judged by the team at Profit & Loss who have reviewed the offerings of a short list of finalists. Here then, in the independent view of the editorial staff, are the 2003 award winners.

The first thing that strikes one viewing the multitude of bank systems on offer is how much they have improved over the past year. Although in terms of groundbreaking developments it has been a relatively quiet year (with a few exceptions), all banks have been working hard on adding to their clients' online experience. "A year of tinkering with the system" is how one survey respondent put it, a statement that seems to speak for the majority.

Last year we viewed two systems as standout offerings – UBS

Warburg and Goldman Sachs – and whilst this is still our view this year, the pack has closed and is hard on their heels.

There also seems to be a move to widen the product spectrum. There are many more banks offering online derivatives execution than previously, while much has been done to create multi-product platforms for clients who are, after all, increasingly looking to deal with institutions across the complete spectrum of products, not just FX.

As we stated last year, the reader is asked to remember that all things are relative and that in many cases the difference between a winner and a runner up is often the thinnest of margins. Our decisions have been based upon what we have been shown by the banks themselves over the past year, but we have also taken into account feedback of some of the clients themselves.

BEST MULTIBANK PORTAL (FX) – FXALL

We consider this to be a fairly easy decision because FXall appears to be establishing a healthy lead in this field. From the pre-trade process, through the (auto) pricing and execution, to post-trade services, FXall has evolved into a very rounded product for anyone looking to execute FX in a multibank environment.

The decision to break down their various services into "Centers", which was taken early last year, has also been a key factor in the platform's success in our opinion, for it has enabled them to focus much more clearly on what enhancements needed to be made to different areas of the trading experience. The platform has also benefited greatly from its foresight in insisting that all member banks auto-price to the platform and that they all publish research, thus enabling them to claim with justification that they are offering the widest possible service from the market's leading banks.

It is hard to define what a dominant market position is in terms of the portal market, purely because it is still a relatively small element of the overall market; however, we consider FXall to be the best FX portal for both buy and sell sides.

Honourable Mentions: Currenex, Hotspot FXi