A Securities Finance Times publication

RMA Securities Finance & Collateral Management Conference Daily

DAY 2

Wednesday, October 12

EquiLend discusses the increase in electronic trading and future cutting-edge technology

Day two agenda inside

THE FOUNDATION FOR SECURE MARKETS®

OCC Stock Loan Programs

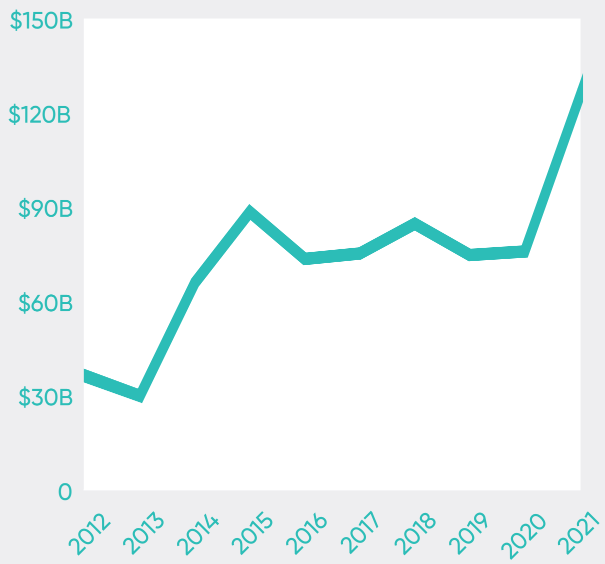
Key Benefits

- Counterparty disintermediation
- Expanded credit and trading allowances for cleared activity
- Risk weighted asset savings of approx. 95% compared to uncleared stock loans
- Margin offset
- Automation and streamlined operations

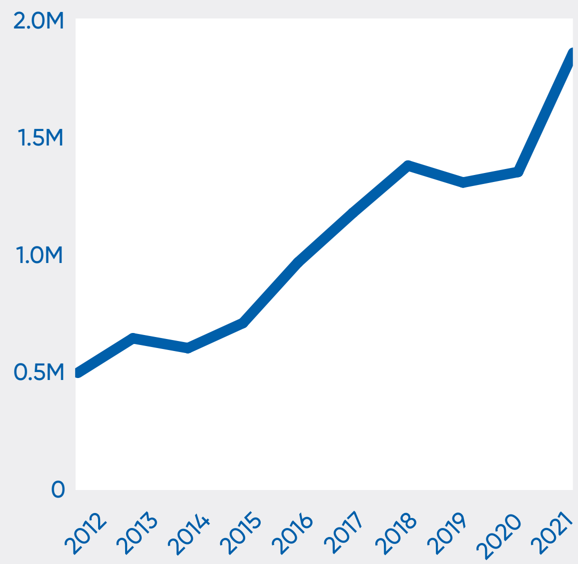
79
HEDGE LOAN PROGRAM MEMBERS

125B
AVERAGE DAILY LOAN VALUE AT YEAR END 2021

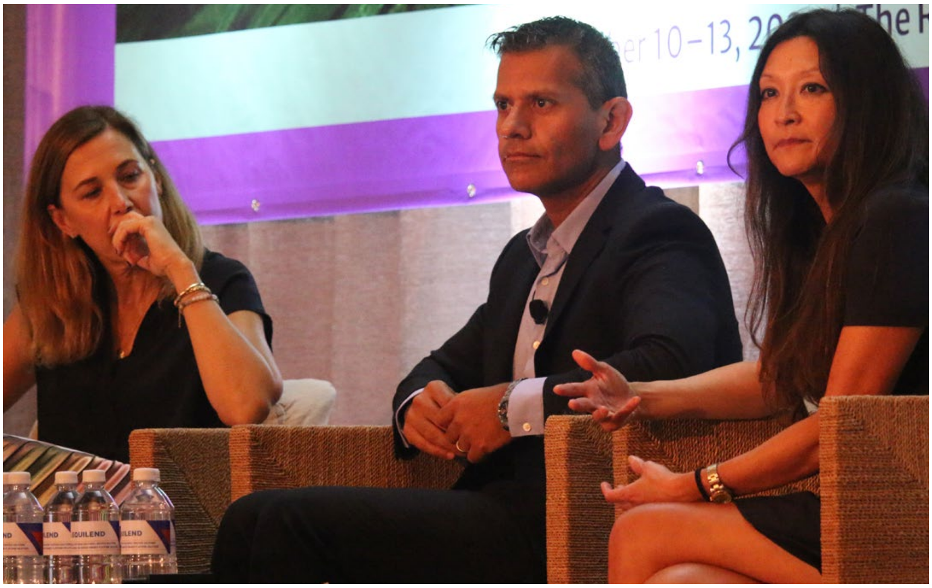
Annual Notional Value of Loans



Annual New Loan Transactions



For more information about OCC Stock Loan Programs, visit theocc.com



Pushing the envelope

Stakeholders are demanding more transparency from firms in terms of DEI initiatives, as analysis indicates that 77 per cent of consumers say they are more likely to purchase from companies that share their values.

Opening the panel discussions at the Risk Management Association's (RMA) conference, the Women in Securities Finance group — which is celebrating its fifth year anniversary — partnered with PwC to discuss Diversity, Equity and Inclusion (DEI) initiatives impacting the wider financial services sector.

Firms have become increasingly transparent. Producing statistics on women in the workplace from a number of PwC analysis surveys, the panellists indicated that women have made up the majority of the hiring rate for firms. However, in terms of the promotion rate, white men are taking the lead.

Financial Services External Hiring Rate for women was 60.6 per cent, compared to 57.6 per cent for white men in 2020. Despite these figures facing a strong decline during the following year, women remained ahead in the number of External Hiring Rates for 2021 at 28.6 per cent, compared to 25.7 per cent for white men.

However, there is a disconnect between the hiring numbers and the promotion rates for women and white men. The Financial Services Promotion Rate has increased year-over-year for 2021 in comparison to 2020. Statistics showed that white men have a 15.4 per cent Promotion Rate, while women were recorded at 10.7 per cent in 2021.

In their findings, one panellist pinpointed that "prejudice and polarisation is on the rise". The industry has to understand the working environment it is creating for women.

This is reflected by statistics which highlight that 50 per cent of employees have faced discrimination at work which led to them missing out on career advancement or training.

In addition, 66 per cent of business leaders have expressed disappointment that their organisation's diversity and inclusion commitments are not yet showing the desired results.

One panellist pinpointed that there is a clear gap between what leadership is saying, what firms are saying and between what people are feeling. A second panellist encouraged leaders to identify what is within their control as a business leader and see where they can push the envelope to aid employees, for example, providing more flexibility at work for caregivers — which are predominantly women.

The industry as a whole has also been encouraged to become more than just a mentor, but to advocate for their peers.

Defining the two, a panellist explains that mentorship is helping a person navigate through an organisation, whereas advocacy is helping to create new opportunities for someone else, even going as far as to be willing to take risks to do so.

Asking for a show of hands, the audience of the RMA panel revealed that a large portion of the room had acted as a mentor for a peer, however, only a few had actively advocated for a fellow peer.

There is a sense the securities finance industry is actively moving in a positive direction, only a number of years ago conferences would not have had sessions such as this bringing the issue to the forefront of an agenda.

Trade reporting for securities lending will come into fruition

The regulatory environment continues to evolve with the need to constantly assess the impact of the current regulatory landscape. A group of panellists discussed the upcoming SEC actions relevant for banks.

On 18 November 2021, the SEC requested comment on a proposed Rule 10c-1 that implements Section 984(b) of the Dodd-Frank Act.

The proposed rule would require lenders of securities to provide identifying data and material negotiated terms of securities lending transactions to a registered national securities association.

One panellist indicated that some form of trade reporting for securities lending is going to come to fruition. Questions will form around how much the regulators can tailor that in a way that allows firms to continue to do their business.

Agent lenders will play a critical role in this reporting environment that has been proposed, according to the panellist.

It is anticipated that the final rule may be published in April 2023, according to the SEC's regulatory agenda. The key outstanding issues that have been raised by the Risk Management Association (RMA), and consistently with all of the trade associations, shows how well they coalesce together.

The panellist continued to say that scope, liability, responsibility and pricing will impact every person in the chain of stock lending.

RMA committees look to revise best practices and discover the equal balance

The Risk Management Association (RMA) provided an association update in one of its afternoon panels on day one of the RMA conference, discussing the next steps for a number of its committees.

In 2021, the RMA formed an environmental, social and governance (ESG) Committee which encompasses representatives from the agent lender, broker-dealer and beneficial owner communities.

The Committee objective consisted of developing strategies to promote the use of ESG within securities lending. Education and collaboration with regional associations have been key themes for the Committee, which led to the formation of the Global Alliance of Securities Lending Associations (GASLA).

GASLA is a group consisting of five securities lending organisations, those are the International Securities Lending

Association (ISLA), RMA, the Pan Asia Securities Lending Association (PASLA), the South African Securities Lending Association (SASLA), and the Canadian Securities Lending Association (CASLA).

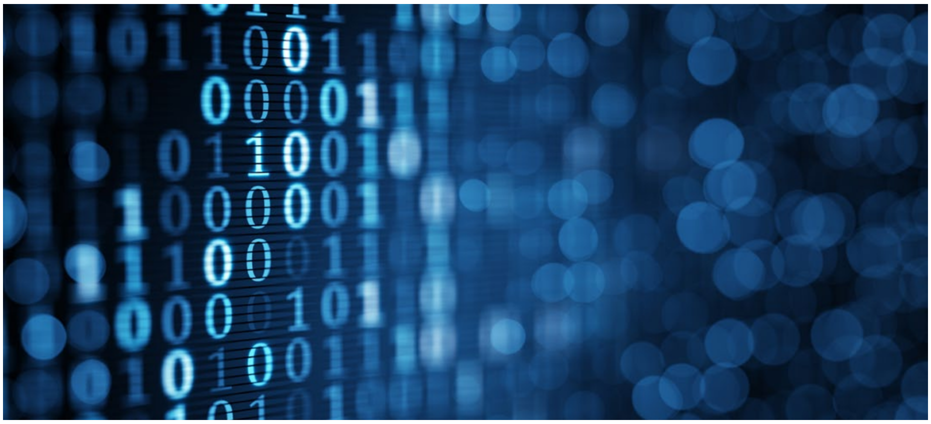
The group is now working to update its global framework for ESG and securities lending by revising its best practice recommendations around proxy voting, collateral and transparency.

The association will update this by incorporating some of the best practices and information from its published papers discussing proxy voting and myths and misconceptions in securities lending.

In terms of the Operations and Technology Committee, this group is looking at where the equal balance is from operations, technology and from fintechs. The Committee will establish monthly conversations directly with each of the operational organisations, whether that be a beneficial owner or lender. In addition, vendors will have a chance to put forth their concerns and how the industry is designing for the future.

A panellist highlighted the importance of preventing anything “slipping through the cracks” and that organisations remain on the same page to help provide a holistic approach to all of the changes that are affecting the way that organisations operate on a daily basis.

Collaboration is a key focus for the RMA and will continue to be an important factor in the next few years as the industry adapts to the regulatory, technology and environmental landscape.



T+15 minutes could create knock on effects

Closing day one of the Risk Management Association (RMA) conference, the final set of panellists discussed the proposals submitted to the Securities and Exchange Commission (SEC) by the RMA Securities Lending Council.

The pending proposals included the increased disclosures around proxy voting (Form NP-X), enhanced transparency on daily loan activity (10c-1) and condensed settlement timing (T+1).

A “somewhat novel” set of priority areas has emerged from the SEC — including environmental and social reforms, fixed income and market structure, and market data reporting and transparency.

There will be relatively less focus on institutional market practices outside of USTs. However, there will be a big emphasis on “levelling the playing field” and controlling larger trades. Areas of impact for institutional securities markets include T+1, data reporting in terms of securities lending reporting, and environmental, social and governance (ESG) rules, to name a few.

In terms of the proposed settlement date for transactions, one panellist questioned the quality that can come from the data produced in the timeframe of T+15 minutes. Although it is possible for firms to produce a file every 15 minutes, the panellist warned that the data in that file may not be a true reflection of what is seen in the marketplace.

Under the 10C-1 proposal, which was proposed on 18 November 2021, a reporting party would be required to report transaction information to a registered national securities association (RNSA) within 15 minutes after each loan is effected.

According to the panel, information other than party identifiers and whether the loan is to close out a fail would be publicly disseminated as soon as practicable without charge or use restrictions. Loans that are outstanding and securities available to loan would be reported end-of-day.

Another issue raised by the panellist questioned who T+15 minutes will affect, for instance, will it only cover firms who are governed by the SEC or the marketplace as a whole. He continues to say that, conceptually, if a firm had a subset of data that is being reported every 15 minutes, that is not a perfect set of information, publishing that could potentially have knock on impacts to the marketplace.

Growth and beyond

EquiLend's global head of trading solutions Mike Norwood and head of trading for EMEA and APAC Rowena Brown discuss the increase in electronic trading within the securities finance market and what cutting-edge technology is in store for market participants

What are some of the recent trends you have witnessed in securities finance trading via the EquiLend Trading Solutions platforms?

Mike Norwood: Next generation trading (NGT) gained success in enabling market participants to automate the lending of equity, general collateral (GC) securities. As the vast majority of firms in the global lending market have migrated their GC flow onto NGT, we have continued to invest in expanding platform functionality to enable firms to tap into our global network to efficiently transact other types of lending trades — most notably, corporate debt, non-GC transactions and broker-to-broker trades. NGT has grown from an initial focus on straight-through processing of equity GC lending to become a trading network for all components of the global securities finance market.

We currently see more than 30 million records of inventory broadcast across our platform on a daily basis, with a daily average of 125,000 trades transacted on NGT in September 2022.

From a growth perspective, EMEA has seen a 47 per cent increase in trade counts on NGT since 2019, compared to a 10 per cent increase in the US market. As market participants optimised their businesses for Securities Financing Transactions Regulation (SFTR) and Central Securities Depository Regulation (CSDR) compliance, it became evident that electronic trade bookings set them up for success in terms of efficient settlement and reconciliation, and that has driven the push to automation through the roof. The trend is evident across all market segments. For example, the lending of European corporate debt is up 70 per cent year-over-year on NGT, and there is additional interest in migrating sovereigns onto the platform.

EquiLend has seen a significant increase in activity from the broker-to-broker market on NGT and within our ECS Loan Market. Non-GC balances (>50bps) have become a growing proportion of overall activity. Broker-to-broker flow in the US is up 700 per cent over the past four years to an average of 7,700 trades a day, currently on the back of demand for high-rate GC. Meanwhile, non-GC execution now accounts for 24 per cent of the total volume across our platform, an increase over the 13 per cent average in 2020. Off-platform execution is dwindling as firms see they are able to do more, more efficiently, across our platform. We are increasingly hearing from clients that they want to automate 100 per cent of their trade execution, and they want to rely on us to do it.

You spoke about the increase in European activity and the emphasis EquiLend has on the region. What are you doing to focus on the European market?

Norwood: We have been expanding our coverage in EMEA and APAC to ensure we maintain our global standards and local expertise. We recognise that while we have automated execution of the bulk of securities lending volumes through NGT, bringing the remaining transactions done bilaterally onto the platform will require a close collaboration with the industry. Collaboration works best in person, which is why we built a London-based Trading Solutions team, headed by Rowena Brown, to spearhead the effort in Europe. Row was a natural choice to lead it, given her industry expertise, network of contacts across the Street and her institutional EquiLend knowledge. She did a fantastic job as head of our EMEA CRM team and was someone I leaned on heavily from Boston for a European trading perspective. I am very excited to work with her more closely as we refine and execute on our roadmap and set our strategy for how we continue to add value for clients in the region.

We have appointed financing expert Matt Zienau as a product specialist for Swaptimization — soon to launch as an organised trading facility (OTF) for the European market — and further expanded the team to better interface with clients and ensure we are translating feedback directly into requirements to be added into our development pipeline.

Rowena Brown: I have seen the evolution of many of our trading services at EquiLend — I was there at the inception of NGT and central to its success in the EMEA region.

A focus of our strategy is to foster collaborative relationships with our clients and so we would like to hear from the industry more frequently. In September, we hosted onsite working groups for fixed income and equity, and I am excited about revisiting this concept more regularly. Group forums allow us to hash out details around workflow and product features, which builds engagement and ensures we are putting together solutions that solve real problems. A core of our Post-Trade Solutions team and our new RegTech Solutions team are based in London. Having multiple solution verticals within a single office will allow us to work together to integrate our tools more effectively and to provide better user experiences to our clients.

I understand EquiLend is also extending its regulatory oversight with a new OTF for the EU. Why is it important for EquiLend to be regulated in jurisdictions around the globe?

Brown: Since opening our European location in Dublin several years ago, that office has increased in strength and importance. As our largest client base is in the EMEA region, this investment in resources was pivotal to focus and service our client needs and this is something we are looking to replicate in APAC as this region continues to grow from strength to strength.

Having recently been approved as an OTF by the Central Bank of Ireland for total return swaps activity in Europe, this enhances and completes our equity derivative and securities financing solutions. We take pride in our global regulatory status as a trading venue. From a resilience perspective, we believe that being a regulated entity is good for the market and gives assurances regarding the quality of our solutions. It is important to us to have a senior presence in each region to liaise with our regulators. Volatility, regulation, risk and compliance have highlighted the importance of automating and digitising workflows. We can see the impact of CSDR in our platform's trading activity, with total automated trade counts in Europe up 27 per cent ytd compared to the same period in 2021.

You mentioned APAC is also a region of increased activity and therefore a focus for the firm. How does Asia fit in with the trends you are seeing in electronic trading?

Norwood: We have always seen interest in automation out of Asia — Japan has long been one of our top markets globally in terms of volumes — but the region has seen an uptick in terms of automated execution. Over the past four years, APAC trading activity has increased 40 per cent — and 20 per cent ytd alone. Furthermore, we just hit a single-day high with 24,870 trades executed in the APAC region on 2 September 2022. Because we understand that there are nuances to the markets here that can not be overlooked, part of Row's role is to bridge the gap between our relationship teams on the ground in Hong Kong and Tokyo, and the rest of the Trading Solutions team of product specialists in North America. Having an overlap in operating hours will allow for more frequent daily communication, help to ensure we keep on top of developments in the region and continue to deliver value to our clients there.

What are some of the other enhancements you have planned for EquiLend Trading Solutions going forward?

Norwood: Our solutions going forward will focus on improving overall workflow for the industry. While NGT can handle trade agreements for most securities lending transactions, the ECS Loan Market handles trade submission to the OCC Market Loan programme, and Swaptimization is live in the US and soon to launch in Europe. We are now turning our attention to the next phase of growth and beyond. A key area of investment at our end is the concept of basket maintenance. Individual transactions, and even basket constituents, can be executed across NGT today, but the headache for traders picks up with the ongoing management of target balances, substitutions, recalls and returns. By integrating our post-trade data with our trading suite, we are looking to display and monitor open balances, automate maintenance where possible through Targeted Availability and automated bids via NGT, and put control of substitutions into the hands of traders. This facility has application across multiple asset classes, with GC, fixed income and equity-for-equity at the forefront.

Brown: We are excited about our upcoming competitive bid feature, which is a hybrid approach to NGT that should allow traders to have more interaction when transacting hard-to-borrow names. With improvements to the existing push list process, and by capturing deal names, competitive bid will intercept requests to borrow on a subset of availability (expected to be new names rather than a shift away of existing names) and put them into a trading screen for lenders to evaluate borrower bids as a whole and allocate supply across one or many.

Additionally, we are improving our chat scraping functionality to allow for digitisation of locates from borrowers to lenders. This has been socialised with a number of clients at present and we are optimistic that it will foster greater STP in the hard-to-borrow market. If clients want to get away from manual execution, we are ready with the solution that allows them to achieve that goal.

Norwood: Linking NGT to the ECS Loan Market, displaying returns and recalls to traders, and focusing on taking advantage of the vast amount of availability, requests to borrow and trade tickets we have within the platform — enabling EquiLend to provide useful insights back to our users — are all on the roadmap. We recognise the need for scale and have been focusing on improving our technology stack and looking into new user interface (UI) frameworks to allow for improved user experience. We have doubled the daily volume of inventory records flowing through our system in the past few years, and therefore need to ensure we are able to handle those loads without interruption.

We will be looking to create an entirely new look and feel for NGT. It is important we move away from just a blotter for activity and instead look to present actionable insights to our clients. Summaries, visualisation and dashboards will be the future, rather than the raw data extracts we have today. I am excited about the potential to integrate swaps, cleared lending and traditional lending into a single platform and look forward to partnering with Row and our client base to continue delivering exciting new products. ■

Providing colour on the markets

Mirae Asset Securities' (USA) head of repo, Lara Hernandez, head of securities lending, Keith Wright, and recently appointed head of prime brokerage, Rob Sackett, share their thoughts on competition in the financing markets and Mirae's ambitions as it builds its product offerings

Rob Sackett, after previously building out successful securities lending and prime brokerage businesses at other companies, what brought you to Mirae?

Sackett: I always followed the successful build at Mirae from a repo and securities lending perspective, but was less familiar with the greater asset management business and investment banking business Mirae has around the world. As I learned more about Mirae, I became convinced I wanted to join the team – especially after learning that we are the top investment bank in Korea from a research, corporate access, and syndicate standpoint and the largest retail broker for US flow from Korea. Additionally, we cover 15 global markets with over 50 offices globally. Mirae manages assets worldwide of US$545 billion (as of June 2022) through its asset management business and also owns Global-X in the US, Horizon ETFs in Canada, and ETF Securities in Australia.

While that is impressive, I was equally impressed with the current clearing and custody operation for the US, Canada, Korea, and 30 other European and Asian markets. We have a self-clearing prime brokerage product and also a correspondent clearing business and a growing team of execution traders. This wide-ranging and complex operation could not run smoothly without 100 per cent commitment from all of our support teams and our C-Suite, all of which maintain a heavy physical presence in New York City.

From a business building perspective, it helps that our operations, corporate actions, and asset servicing teams are fully available to support client growth and onboarding, yet are also accessible to speak directly to our clients and to address their needs in an efficient and cost-effective manner. The same goes for our client technology solutions and reporting teams. Speaking for repo and securities lending, both Lara and Keith are constantly engaging with our clients to accommodate bespoke funding needs and short-side exposure to reduce funding costs and remain highly competitive with pricing and margin.

How do you assess the current state of repo and securities lending markets?

Hernandez: It has been a volatile 2022 for interest rates. The Fed has been on an upward trajectory with interest rates, seemingly shifting the pace of the trajectory from meeting to meeting. Meanwhile, the levered community continues to search for the top of the market. By having an experienced desk, we have been able to help our clients to navigate these difficult markets. Not only do we provide daily colour to both prime brokerage and repo clients, but the trading desk is immediately accessible to clients to address their market questions. It is essential through these volatile markets that both the fixed income and stock loan desks communicate market colour to one another, and to clients, on a daily basis. Mirae's size and flexibility enables the repo and the stock loan desks to work closely together to support clients that are active across both sectors.

How are the financing teams working together and supporting the prime brokerage and correspondent clearing businesses?

Wright: Since its creation six years ago, Mirae's Securities Lending desk has evolved into a six-person trading desk, with each trader having an average of 15 years' experience. During that time, we have onboarded over 125 stock loan clients, most of which are major banks and broker-dealers in the US and abroad. We now manage a multi-billion dollar book consisting of funding, ETFs, specials and general collateral. In addition, we are also active in several foreign markets.

At this point in our development, Mirae's securities lending offering provides unique and highly competitive services as we add new prime brokerage clients. Although we are part of a large, global family, our support staff is local, responsive and working to personalise each client's individual needs. Our support infrastructure resides in the US, which enables Mirae to remain nimble and to make informed decisions on a timely basis.

Given our strong balance sheet, we have the ability to self-fund different asset classes and products. We are working closely with clients to implement their trading strategies in securities that may be hard to borrow by accessing supply and providing locates and pre-borrows. Our strong relationships with the Street also enables us to liaise with other prime brokers that our clients may employ.

More broadly, Mirae is now an authorised participant in several ETFs, enabling the firm to create ETFs in kind, as well as flexibility to lend stable ETFs either on an "open" or "term" basis.

What can you share with SFT readers about Mirae's development priorities?

Hernandez: With Mirae's parent having recently contributed significant additional capital — our capital in the US now stands at $512 million — we are well positioned to continue to expand. Recently we seeded capital for a recently launched Fixed Income ETF. I have personally been at Mirae for over five years and am confident that we have built an outstanding business platform that will enable us to continue to grow and collaborate with our counterparties — who I like to call partners.

Wright: As an illustration of Lara's point, our London affiliate recently expanded its securities lending capabilities by appointing Alasdair Sutherland as director of securities financing and Delta One, thereby expanding our global securities lending capabilities. In his new role, Alasdair will be responsible for leading the development of our UK affiliate's new securities lending, repo and Delta One offerings in London, while also working with our other business teams in the US and Asia.

Increasing our capital base and hiring Robert Sackett to run prime brokerage in the US, as well as expanding our global operations to include the UK market, is clear evidence of Mirae's permanent commitment to growing and refining these businesses.

Sackett: With the recent consolidation in the prime brokerage landscape, I am more bullish than ever about new entrants such as Mirae to the market. With hedge funds becoming more institutionalised, prime brokerage service providers no longer need to be "all things to all people" and clients can instead choose from "best-in-class" services. When I talk to clients, I feel more confident than ever that they can benefit from a partnership with Mirae. ■

A digital takeover

Wematch's co-founder and head of EMEA David Raccat speaks to Carmella Haswell about the search for digitised processes, battling through a volatile market, and going global

Gaining in momentum, digitisation is set to go global as far as Wematch is concerned, as the firm expands its footprint in the US and Asia-Pacific markets. It aims to extend its digital solutions to support the capital market, and tackle the pain points of the digital space with a click-based approach.

An acceleration in digitisation has been driven by multiple factors, which has placed an increasing significance on the search for digitised processes, according to David Raccat. Regulation, compliance and conduct risks, operational risks, and market risks have led to the increase in digitisation that Raccat has seen since the launch of Wematch in 2017.

The importance of digitised processes circulates around its ability to tackle all of the aforementioned risks and allow dealers, institutions and traders to feel more secure and protected in what they are doing. Therefore, Wematch is working to address the potential risks one-by-one by offering a digitised, STP, integrated and interoperable workflow.

"We tried to look into conduct and compliance risks by making sure that the platforms that we are releasing into the market are click-based," explains Raccat. "One of the important and key topics at Wematch is that there is no chat option, we are protecting the traders and the users from being exposed to writing something which could be used against them."

He adds: "We are very aware of those risks and any human behaviour is systematically turned into a click at Wematch, which allows us to respect the who, when, what — which means that each time the user is using Wematch there is a click, and each click triggers a log where we know who did what and at what time."

This is extremely significant from a compliance and regulatory standpoint to ensure that each action is time-stamped and that any trade, which has been facilitated by the platform, can be reconstructed from the moment the interest has been input until the moment the confirmation is sent.

Wematch seeks to protect its clients from market movements and extreme volatility, which has been a focus point for the financial world for the past few years. The financial technology company is plugging auto-protect features in the majority of its products, where clients can ensure they are protected in case the market is moving against them.

Raccat indicates: "We went through the periods of turbulent market conditions by keeping the pressure on our roadmap, developments, hires, and on structuring the company. The markets have been extremely volatile, we have been moving away from the COVID pandemic and into a geopolitical crisis with a war — so it is very hectic out there."

Charging forward with a community-based approach, Raccat plans to roll out Wematch's securities financing product to a maximum number of users, dealers and financial institutions in the marketplace. "As far as we are concerned, we see our numbers picking up again — every month is a record month in terms of activity and revenue," says Raccat.

Users of Wematch are focusing on managing the multiple crises impacting the world and financial markets. Raccat continues: "An impact for them is to make sure that if the revenues are impacted, then they have the right restrictions or policy on the expenses. We are offering solutions which can accompany the enhancement, or the replacement, of internal tools or solutions."

Going global

Wematch — which develops web-based solutions to deliver automated matching, negotiation and lifecycle management for transactions including securities lending and borrowing, total return swaps, interest rate derivatives and equity derivatives — has been beefing out its teams in the US since securing a further US$8.5 million in a second series B funding round in December 2021. Its CEO Joseph Seroussi has recently moved from Tel Aviv to New York in an effort to aid the firm's mandate to accelerate the Wematch footprint in the US, and to create the structure in America, which is already present in Europe.

The series B funding was led by the corporate venture capital arm of Deutsche Börse DB1 in October 2021. J.P. Morgan, Augmentum Fintech and Illuminate Financial were among the other companies to have invested in Wematch in the first close of the funding round. By the time the second round closed in December 2021, several companies had also become investors, including Barclays, CE Innovation Capita and Societe Generale. The funding rounds accumulated US$28 million in total.

Wematch indicates that these investors support the company's vision to help the capital market to adopt further digital solutions across markets globally and to apply this technology to internal and client-facing solutions.

According to Raccat, Wematch has appointed its first sales manager in APAC, based in Singapore. However, the push toward an expansion in APAC has not been smooth sailing owing to the recent financial climate. Current restrictions have slowed Wematch's efforts to sit down with its users and roll out its offers in the region. Despite the difficulties, Wematch is expected to go fully global over the next year.

Among its expansion, the securities financing products suite and product scope at Wematch remains a priority for the company. Raccat says: "We are coming to a point where our workflow and optimisation tools on equity swaps are becoming pretty mature, with a sizeable percentage of the market now using our solutions."

He continues: "We are upgrading the product on a very regular basis, but it is moving to a more mature status now in Europe. We have been rolling out the product in the US over the past 18 months, and we are rolling it out in APAC as we speak. We aim to produce a global offer on our equity swap product suite."

The hard-to-borrow platform at Wematch has been live for the last six months in Europe, and is looking promising in terms of the flows the firm is seeing and the activity that is going through the platform. Wematch is about to release its minimum viable product in the US, and has already received queries and questions about it in APAC. The plan for securities lending is to produce a global footprint in Wematch products by the first quarter of next year.

In regards to the Wematch equity derivatives franchise, the firm is analysing regulation and observing prices in the equity derivatives markets, specifically, the Fundamental Review of the Trading Book (FRTB) regulation. "We are offering our clients the ability to have an observable marketplace, using API connectivities with the platform, allowing them to benefit from better capital treatment when they trade OTC products," concludes Raccat.

Blurred lines

In predicting the future of the digital space, Raccat anticipates that a number of emerging trends will continue to develop. For example, the Wematch co-founder identifies a demand to improve interoperability between multiple products in the securities financing space. The ability to navigate between over-the-counter (OTC) and listed, and the ability to navigate between physical and synthetic — where the lines are becoming more and more blurred — is going to increase.

"We see that some of the agent lenders, who historically have been heavily involved in sec lending, are looking at swaps at the moment and diversifying their products suite into synthetic," Raccat states.

"I believe it is a great area of opportunity for us to add new client segments in our current portfolio. The more we progress, the more the clients are going to be asking for sophisticated solutions around helping them optimise their negotiation protocols. Obviously, interoperability and STP processes are extremely important," he indicates. With this in mind, Wematch will continue its work to offer a front-to-back solution for its product set.

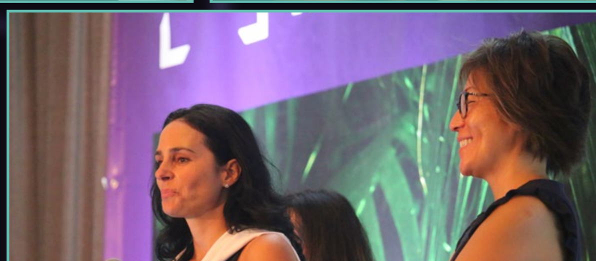
From a product standpoint, tools which allow banks to manage UCITs concentration limits, collateral inefficiencies, and environmental, social and governance (ESG) baskets on an automated basis, are becoming "extremely powerful" and attracting growing demand. Wematch has noticed this trend within its own equity swap product, which enables clients and banks to manage the complexity of the business in the exchange-traded fund synthetic space.

Moving on to its next stage of operation, Raccat plans to leverage its market solutions to facilitate exchanges and optimisation of collateral between multiple desks and regions within the same bank. Wematch has been rolling out a framework to support the interactions between traders, in addition to the interactions between sales and traders to facilitate relationships with end clients. Raccat believes this solution will become an attractive structure to customers as he anticipates strong interest from clients in the future.

David Raccat
co-founder
Wematch


EX
Don't mind the gap
Our repo markets bridge liquidity gaps. More than 160 European financial institutions are currently active on our Repo, GC Pooling, HQLA^x and eTriParty markets. They benefit from trading opportunities with fully integrated clearing and settlement.
Architects of trusted markets
EUREX


The Ritz-Carlton




cayne, Miami


, 2022 | The Ritz-Ca


October 10–13, 2022 | The Ritz-Carlton Key


Ritz-Carlton Key

Breakfast
Wednesday, October 12, 2022 7:30 AM to 8:45

Welcome
Wednesday, October 12, 2022 8:45 AM to 9:00

Keynote: Global Macro Environment and the Risks to the Industry
Wednesday, October 12, 2022 9:00 AM to 10:00

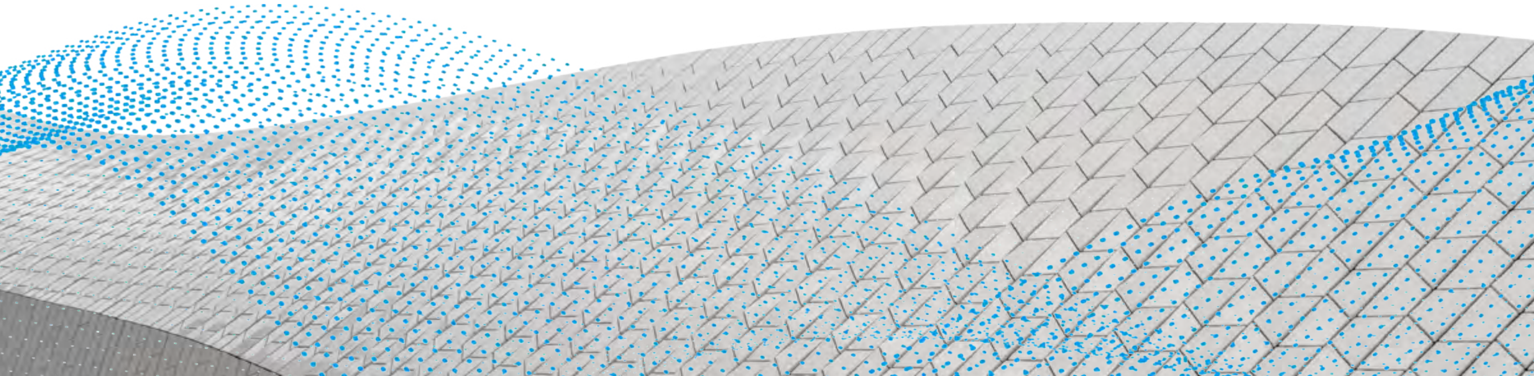
Speakers
Barrie Ringelheim
Managing Director, Citi
Michelle Girard
Head of US, NatWest Markets
Priya Misra
Managing Director, Global Head, Rates Strategy, TD Securities

The global outlook heading into 2023 remains subject to significant downside risks including inflation and rising rates leading to potential financial stress. Additionally, policy makers will need to balance the need to support the recovery while safeguarding price stability and fiscal sustainability and continue efforts toward promoting growth-enhancing reforms. If so, what does this mean for the securities lending industry? Geopolitical risk, in addition to Russia/Ukraine, there are other issues such as US, China/Taiwan, Supply Chain Issues, Outlook for energy and nationalism/populism affecting elections.

Structural Changes to Cash Reinvestment
Wednesday, October 12, 2022 10:00 AM to 10:45

Speakers
Will Goldthwait
Portfolio Strategist, State Street Global Advisors
Mark Cabana
Managing Director and Head of US Rates Strategy, BofA Securities
Eric Hiatt
Managing Director, BlackRock
Jennifer Imler
Head of Capital Markets Liquidity Management, Wells Fargo
Justin Mandeville
Senior Portfolio Manager, Invesco

Inflation, global instability, and rising rates have resulted in nervousness throughout funding and cash markets. How has the availability and use of cash collateral been impacted and what do we expect in the near future amidst the unwind of ultra-easy monetary policy? With another round of money market reform on the horizon, has the model shifted for the cash reinvestment space?



Insights and Actions to Transform the Potential for the Future of Work

Wednesday, October 12, 2022 11:30 AM to 12:15

Speakers

Chris Reardon
Head of Securities Lending, Vanguard
George Rennick
Managing Director, J.P. Morgan
Tia Adams
Global Head of Securities Lending Operations, Global Markets Division, Goldman Sachs
Andrea Pfenning
President and Chief Operating Officer, BNY Mellon
Elaine Hannigan
Director, Scotiabank

The past two years have forced us to think differently about the way we drive workforce engagement and productivity. As we embark on what's hoped to be the post-pandemic environment, how do we ensure the industry is prepared for a "new normal" that embraces the advancement of technology, attracts new talent, and enhances the DEI agenda. Join business leaders for an open and honest discussion about the challenges and opportunities we face as an industry as we look to adapt to this changing environment.

Tokenized and crypto assets: Where are the tangible sources of value and what is possible in the current regulatory landscape?

Wednesday, October 12, 2022 12:15 PM to 1:00

Speakers

Victor Laughlen
Managing Director, Digital Business Leader, BNY Mellon
Tobias Krause
Senior Managing Director, Head of Risk and Collateral Optimization, State Street Global Markets
Ramine Bigdeliazari
Director of Product, Fidelity Digital Assets
Chen Xu
Counsel, Debevoise & Plimpton LLP

The market continues to push to find opportunities to gain exposure and reuse these assets for financing, lending, and other value-added activities. What is possible and how is it contributing to the real economy?

MIRAE ASSET
Securities

Providing Clients with Insightful and Secure Financial Solutions

Mirae Asset Securities (USA) Inc. ("Mirae") is a non-bank financial institution with significant resources and a highly experienced team, allowing us to closely connect with clients and offer them unique client-centered solutions as they navigate ever-changing and challenging market conditions.

Mirae, a New-York based entity founded in 1992, operates an institutional capital markets platform servicing professional investors with complex global needs. The firm specializes in offering Prime Brokerage, Securities Financing, Agency Execution, Correspondent Clearing, Global Portfolio Trading & ETF Solutions.

Mirae Asset Financial Group (which includes Mirae) is an independent financial services group headquartered in Seoul, South Korea. Mirae Asset Financial Group provides comprehensive financial services including asset management, wealth management, investment banking and life insurance. Operating in 15 global markets, and across 5 continents, the group manages assets worldwide of $545 Billion (as of June 2022).

Lara Hernandez
Robert Sackett
Keith Wright

Global Fixed Income (212) 407-1004
Prime Brokerage (212) 407-1022
Securities Lending (212) 407-1003

EQUILEND

SOLUTIONS POWERING THE FULL SECURITIES FINANCE ECOSYSTEM

- TRADING
- POST-TRADE
- REGTECH
- DATA & ANALYTICS
- SECURITIES FINANCE PLATFORM

OUR INNOVATION. YOUR ADVANTAGE.

EQUILEND.COM