

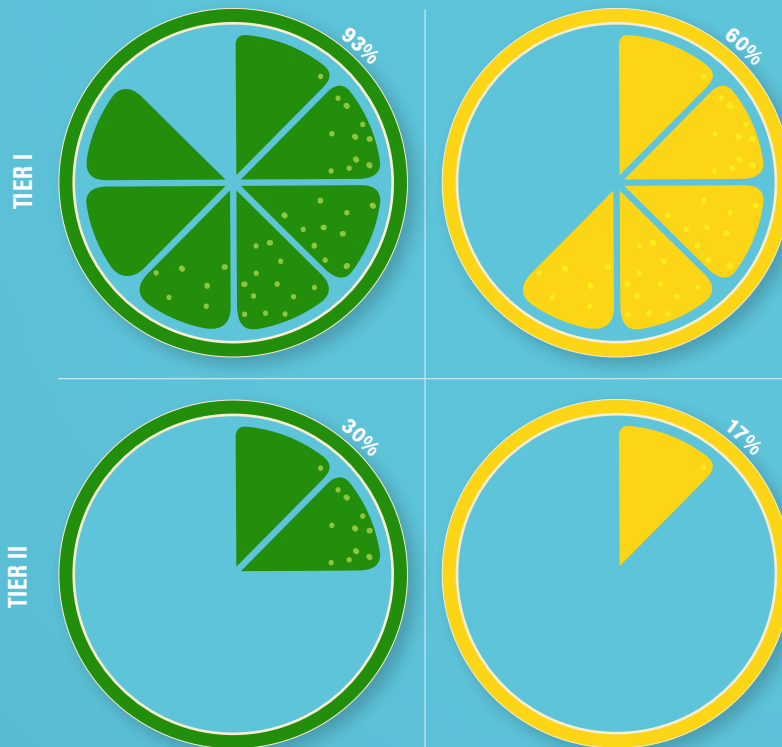
# TRENDS IN EQUITIES TRADING 2019

## THE JUICE RUNS DRY FOR THE SELLSIDE'S SQUEEZED MIDDLE

Since the financial crisis, Tier I – IV investment bank cash equity and listed derivatives franchises have faced a changed landscape, wherein regulatory and commercially drivers put the historic universal execution franchise under pressure. Combined with increased disintermediation of investment banks within the buysides' execution workflow and persistently high cost-income ratios, universal trade execution franchises are no longer viable for all but the largest global banks – the juice is no longer worth the squeeze.

### Business Model Retrenchment:

Share of banks offering the Four Service Pillars of Cash Equities Franchises – research, execution services, prime brokerage & post-trade services.

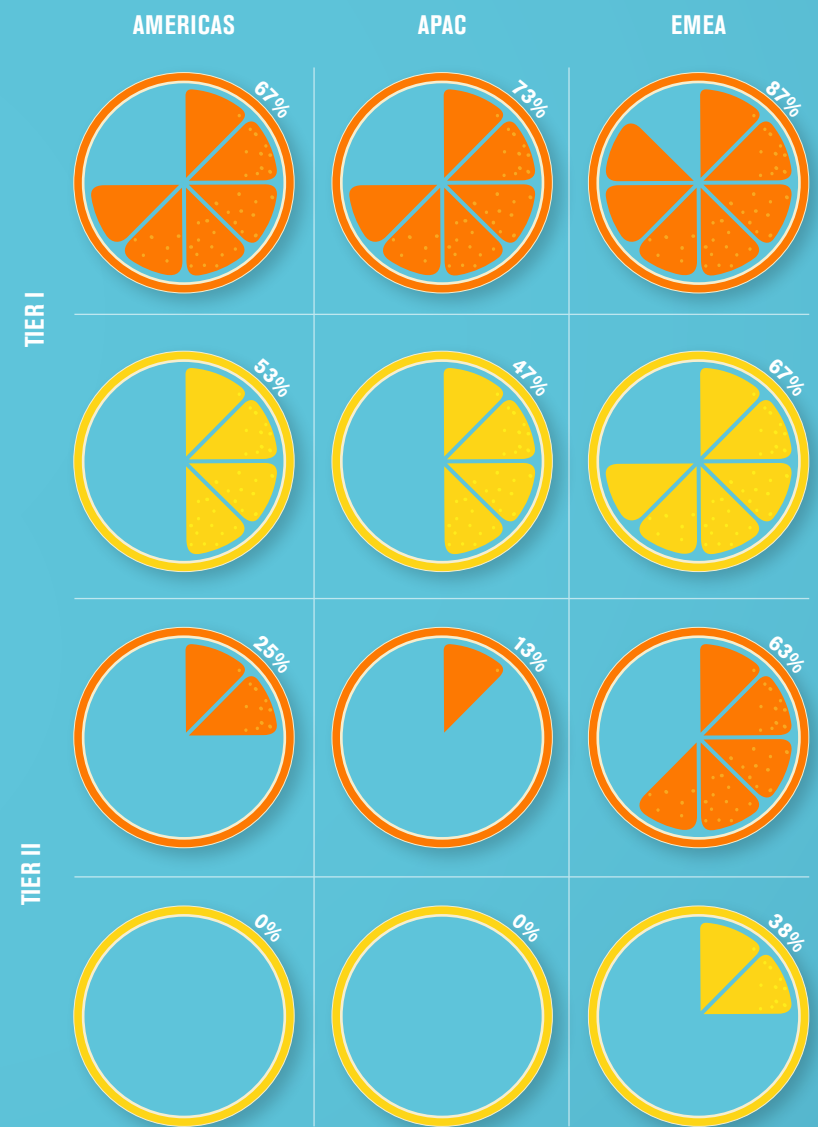


### Legend



### Geographic Retrenchment:

Share of banks with major capabilities & regional presence for a full slate of exchange traded / listed equities (cash equities, single stocks, futures, single stock futures, forwards, options, indices, indices futures, basket trading, TRS futures, DeltaOne derivatives, warrants, certificates, physical ETFs & synthetic ETFs).



### Legend



As investment bank cash equities and listed equities derivatives franchises bifurcate into super-flow monsters and niche specialists – the latter on either a product or geographic basis, or both – the technology requirements shift. With Tier I & Tier II investment banks now entering the third equipment phase, with an emphasis on fit-for-purpose low-touch-centric vendor offerings replacing incumbent systems, banks have the opportunity to reimagine the role of the sellside sales-trader in line the needs of a digital investment bank and its buy-side clients going forward.

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