

FX-Client

Buy-side focus

Online FX trading platforms seek new markets

Two FX firms are seeking new sources of client business by using online trading platforms, they announced in Q3.

Gain Capital, a New Jersey-based trading portal, said it is branching out to institutional investors, from its former retail client base. Conversely, inter-dealer broker Tradition in the US said it is hoping to win more retail clients with the launch of a new online FX trading platform targeting individual investors.

Mark Galant, chief executive of Gain Capital in New Jersey, said the firm had reached record volumes of \$25 billion in August, as a result of increased use by institutions. Competitive pricing, proprietary back-office products and a personalised service were Gain's key selling points to these clients, he said.

Gain is now looking to hire new staff to support its growth, specifically in technology and operations. The company is planning to add to "several" sales appointments made during September, Galant said.

The firm also launched four new currency pairs in September. Users can now trade A\$/¥, Sfr/¥, €/A\$ and £/Sfr, bringing the total number of tradable currency pairs to 14. Planned additions to the platform include currency

options "in the next few weeks", while stop-loss and limit-order capabilities will be added in October to the mobile service, Gain Wireless, said Galant.

Meanwhile, Tradition said its new platform, FXDirectDealer, will go live early next year. Ted Muller, chief executive officer of FXDirectDealer in New York, said: "We think the retail market is ready to start accepting foreign exchange as an investment product for a diversified portfolio. What has opened that door has been the crackdown on the so-called 'bucket shops', which has started to take most of the non-market-related risks out of the market."

The platform will support individual retail traders, smaller institutions, hedge funds and investment managers looking to hedge currency exposure or speculate in FX. Qualified introducing brokers will also be able to white-label the product to source liquidity for their customers, said Muller.

Users will be able to trade euro, US dollar, Canadian dollar, yen, sterling and Swiss franc on the platform, as well as view the total value of an account, daily and monthly trades, unrealised profits and losses, and remaining trading power. ■