



## Currency Network Talks to GAIN Capital's Mark Galant

**June 6, 2000 10:41:58 AM** - The burgeoning online FX market saw the emergence of a brand new player last week.

After months of testing, Gain Capital, a new web-based currency dealing service, finally stepped up to the plate with the launch of its own live FX trading system.

The arrival of GainCapital, one of the most professional and well-financed online FX trading services on the web, marks a new departure for the industry, which has long been plagued by allegations of mispractice and a lack of regulation.

Currency Network caught up with CEO and founder Mark Galant yesterday to find out more about the story behind Gain Capital, and the future of the online FX market generally.

"We've had some very strong feedback so far and are very happy with how things have gone," he says. "There are now a large number of demo accounts being used and more and more people are opening them on a daily basis."

Galant, a forex veteran, was formerly the number two executive at FNX, the trading and risk management systems vendor.

Before joining FNX in 1994, he was global head of foreign exchange options trading at Credit Suisse in New York and earlier ran the foreign exchange options desk at Chemical Bank before the merger with Chase Manhattan.

Galant says he was inspired to found Gain Capital after he himself tried trading currencies online.

"When I looked around to see what was out there last summer, I didn't feel comfortable with many of the companies that were offering online FX trading, or with the most of the technology that was available," he says.

Galant says he saw the opportunity to create a robust, professional online trading outfit that could fill this breach.

Almost a year later, and the system is finally live. Gain, which is based in Warren, New Jersey, provides 24-hour live trading in the four major currency pairs: Dollar/euro, dollar/Swiss, British pound/dollar and dollar/yen.

Additional currency pairs, including crosses, will gradually be added to the service.

Gain will continually publish real time prices via Gain's dealing software, and clients can hit the bid or lift the offer and instantly execute a trade.

Galant emphasises that trading is commission-free, and both institutional and retail traders can execute transactions of between \$100,000 and \$10 million over the system.

Customers can leverage their trades up to 50 times and the group is offering dealing spreads of 5 pips or less - competing with some of the largest players in the market. They can also keep track of their trades with a comprehensive record keeping and back office section.

One of the added attractions of Gain Capital is the anonymity of the system. "When you trade with Gain there is complete anonymity until after you have actually traded - so there is none of the 'reading' of clients that you often get at many banks," he says, referring to the way in which dealers often widen or narrow the spreads they offer customers according to the relationship they have with them.

As for the future of the market, Galant thinks its evolution to the internet environment has only just begun.

"I think there will be a dramatic increase in the FX volumes that are traded online in the next few years," he says. "The FX market is now following the shift online that we have seen in the equity market over the past few years."

He adds that with more and more major banks are offering their clients online trading, the entire process is accelerating.

In the light of today's announcement of the formation of an online partnership by seven different FX clearing banks, the speed of this transformation is becoming clearer still.

- Robin Pagnamenta, Currency Network

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