



SIFMA[®]

Securities Industry and
Financial Markets Association

3rd Annual European Fixed Income e-Trading Survey

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Table of contents

TABLE OF CONTENTS	2
1. BACKGROUND & INTRODUCTION	3
2. OVERVIEW OF KEY TRENDS	5
3. HEADLINE RESULTS	7
3.1 CONTINUED GROWTH IN E-TRADING	7
3.2 GROWTH BY PRODUCT	8
3.3 TRADING BY CUSTOMER TYPE	11
3.4 MOTIVATIONS FOR CHOOSING A DEALER	12
3.5 MOTIVATIONS FOR CHOOSING TO TRADE ELECTRONICALLY	13
3.6 REASONS FOR CHOOSING AN ELECTRONIC PLATFORM	15
3.7 PREFERRED METHOD OF ELECTRONIC EXECUTION	16
3.8 IMPACT ON BUY-SIDE / SELL-SIDE RELATIONSHIP	17
3.9 MULTI-ASSET TRADING	18
3.10 MiFID	19
3.11 CURRENT MARKET CONDITIONS	20
4. ADDITIONAL SURVEY DATA	21
5. DISCLAIMER	23
6. CONTACTS FOR MORE INFORMATION	24

1. Background & Introduction

For the 3rd Annual Fixed Income e-Trading survey, the Securities Industry and Financial Markets Association (SIFMA) again partnered with Concise Consultants (Concise) to conduct what is now widely regarded as the definitive benchmark of, and window into, the electronic trading fixed income market in Europe.

Market information and derived trends are the lifeblood of all industries, but none more so than capital markets. This year's survey builds on the approach from 2007 to assist the industry as it makes decisions based on relevant information and direct customer feedback, rather than perception.

Demographic snapshot of respondents

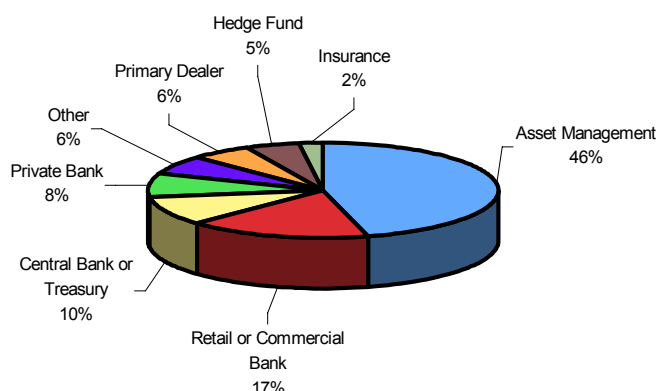
A total of 147 individuals from a wide spread of buy-side firms completed the 3rd Annual Fixed Income e-Trading survey.

The following 15 sell-side firms also completed a complementary survey to augment the buy-side's results: Barclays Capital, Calyon, Citigroup, Credit Suisse, Deutsche Bank, Dresdner Bank, Goldman Sachs, HSBC, HVB/Unicredito, JP Morgan, Morgan Stanley, Natixis, RBS, Societe Generale and UBS.

In addition, the following five trading platforms completed a survey that focused on the types of volume being executed on their platforms: Bloomberg, EuroMTS, Market Axess, Reuters and Tradeweb.

Overall, the buy-side survey was completed by an overwhelming majority (76%) of those who describe themselves in an execution role, with the majority at either an Asset Management firm (46%), or a Retail/Commercial Bank (17%) - see charts above and right.

Buy-side respondents split by type

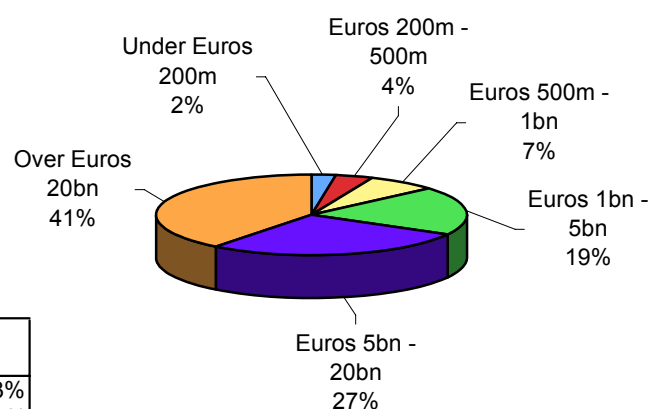


Buy-side split by reported job function	% of total responses
Primarily execution	61
Execute sometimes	15
Other	10
Operations	9
Market professional but do not execute	5
Technology	0

The buy-side respondents also indicated that they worked within firms with substantial Assets Under Management (AUMs) with 40% responding that they had over Euros 20 billion under management and a further 27% reporting their firm managed between Euros 5 - 20 billion.

Looking at the geographical spread of respondents, the proportion of those from the UK (23%) is relatively steady compared to last year. The representation from all other geographies remained reasonably consistent with last year with the exception of Spain, which jumped from 5% in 2006 to 11% this year.

Buy-side firms AUMs



Buy-side respondents location	% of total responses
UK	23%
Spain	11%
France	9%
Italy	9%
Scandinavia	7%
Switzerland	6%
Netherlands	6%
Germany	6%
Belgium	4%
Luxembourg	4%
Ireland	4%
Austria	4%
Middle East, Africa, Australia, North America, Latin America, Asia, Other	3%
Portugal	3%
Greece	0%

2. Overview of key trends

We have drawn out the key trends from the survey by way of an overview, further detail on each statement can be found within the main body of the report.

E-trading volumes in fixed income continued to increase despite the credit crisis

Market participants report an increase in e-trading of fixed income products in 2007 (this increase should be viewed in context of a growth in use of voice brokers post credit-crisis). For the buy-side, 53% of this year's respondents reported that they traded electronically more than 60% of their fixed income volumes in 2007. The increase is demonstrated by 38% of respondents reporting that more than 60% of their 2006 fixed income volumes were traded electronically. There is also an increase in buy-side firms trading electronically more than 85% of their fixed income volumes. On the sell side, 34% of volume was traded electronically in 2007 compared with 31% in 2006.

The volume increase for 2007 on the sell side was not as high as was forecast but still double digit growth

Last year's survey respondents were bullish in expecting sell side e-trading volumes to increase by 38%. Actual levels were well short of this forecast, but despite the onset of the credit crisis and the increased use of voice brokers, sell-side volumes still rose by a reported 10%.

Overwhelming sense of expectation of a Single Trading Platform

85% of buy-side respondents expected to be able to use a single platform for all of their institution's wholesale electronic trading activity. The majority of those respondents (55%) expected this to happen within two years. This perhaps contrasts with the fact that the buy-side did not appear to consider "range of products" as such an important factor in the selection of a trading platform.

Gaps in perception across buy and sell sides and trading platforms

The leading factors for the buy-side in choosing whether to trade a product electronically are clearly streaming prices and market volatility. This is a big swing from last year (price transparency and best execution) and not one that has been picked up by the sell-side nor

trading platforms. This might be a response to the credit crisis with the buy-side now seeking a firm price rather than just an indication of the market.

Although depth of liquidity comes out overall as the most important factor in choosing an electronic trading platform, the trading platforms perceived range of products as the most important factor when this was seen as less significant by the buy and sell sides (trading fees and STP functionality respectively rating higher).

Market split on duration of market volatility

The fixed income market, on both buy and sell sides, is evenly split between those that believe that market conditions will return to normality in a few months and those that believe we are in for a prolonged run of volatility.

3. Headline results

The following section shows comparative data drawn from each of the buy-side, sell-side and trading platforms surveys as well as last year's results where applicable.

3.1 Continued Growth in e-Trading

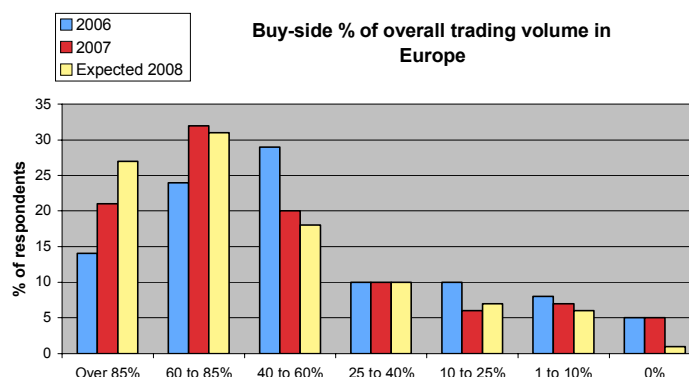
This year, 53% of buy-side respondents trade over 60% of their overall fixed income volume electronically, with 21% trading over 85%.

The percentage splits and overall growth trends year-on-year are similar to last year's survey.

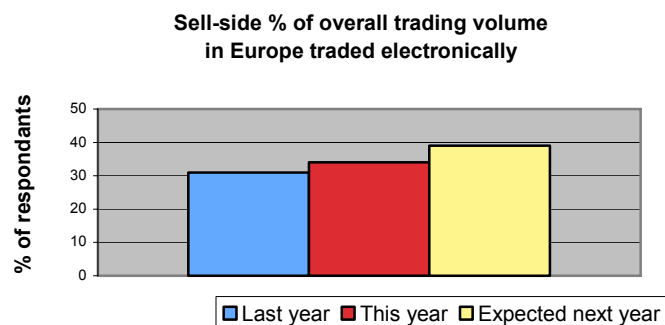
Of particular interest is the growth in the over 85% band which stands in contrast to all other bands which remain generally constant (apart from the 0% band which is predicted to fall to 4%). This leads us to the conclusion that there is a general increase through the bands of approximately 5%.

To support this view of growth, the sell-side respondents reported a 10% year-on-year growth in electronic trading from last year to this year, meaning that the e-Trading as a percentage of all trading volume now accounts for 34%. The sell-side goes on to predict a further incremental growth of 15% next year that will see this move up to 39%.

This contrasts with last year's survey, in which sell-side respondents were more bullish in their predictions of an increase of 38% of overall volume in fixed income assets traded electronically.



Volume traded electronically (Buy-side responses)	2006	2007	Expected 2008
Over 85%	14	21	27
60 to 85%	24	32	31
40 to 60%	29	20	18
25 to 40%	10	10	10
10 to 25%	10	6	7
1 to 10%	8	7	6
0%	5	5	1



3.2 Growth by product

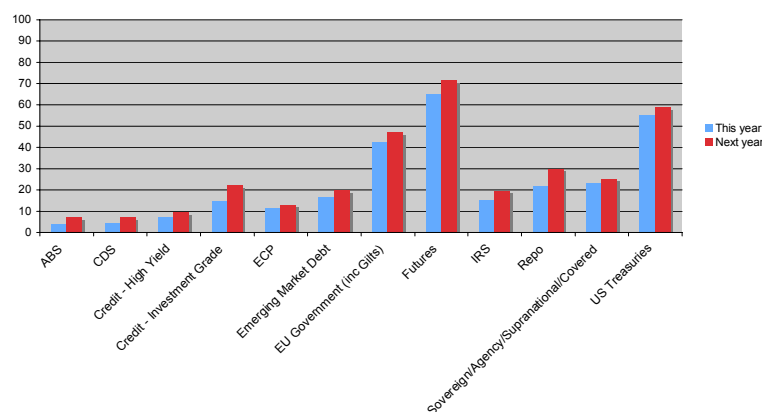
Sell-side

Sell-side respondents reported a general increase across all products currently traded in Europe, whether measured by tickets or volume. This growth sentiment reflects a similar trend from last year's survey.

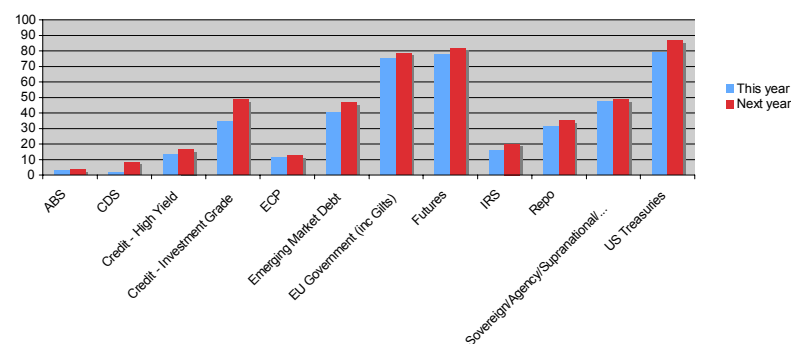
If we look at a product-specific view to discover where the 15% year-on-year anticipated growth will come from, it is apparent that the less electronically-traded products are predicted to have the highest rates of growth: ABS, CDS and Credit High Yield. The more established products in terms of electronic trade by volume are predicted to return more modest year-on-year growth. It is also worth highlighting the disparity between the percentage increase year-on-year in CDS tickets traded electronically and CDS volume, although this could be due to the relatively small base percentage.

By next year, Futures, US Treasuries and potentially EU Government will each trade over 80% of tickets electronically.

% of Sell-side volume traded electronically



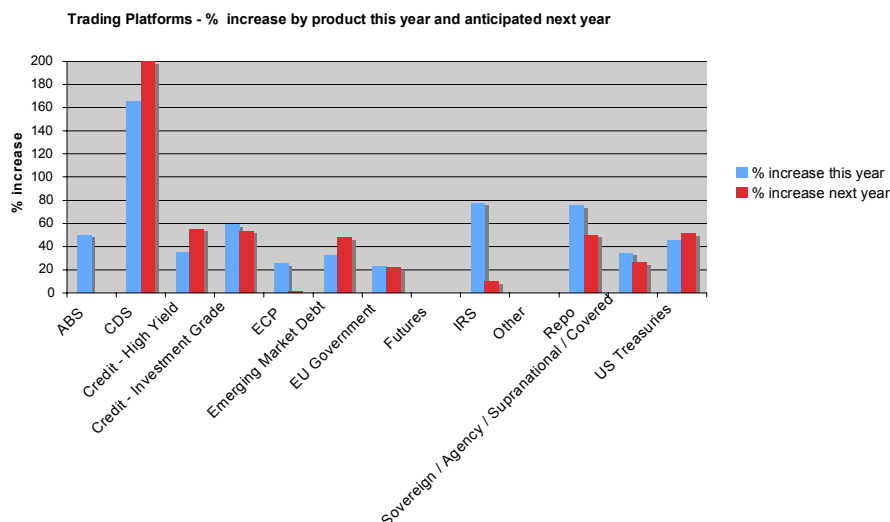
% of Sell-side tickets traded electronic.



Sell-side breakdown of products and anticipated growth						
Sell-side	% tickets traded electronically			% volume traded electronically		
	This year	Anticipated next year	% increase year on-year	This year	Anticipated next year	% increase year-on-year
ABS	3.0	3.3	11	4.0	7.0	75
CDS	1.7	8.3	382	4.3	7.0	62
Credit - High Yield	13.3	16.7	26	7.3	9.6	30
Credit - Investment Grade	34.6	48.5	40	15.0	22.2	48
ECP	11.3	12.5	11	11.6	13.0	12
Emerging Market Debt	40.2	46.8	16	16.6	19.8	20
EU Government (inc Gilts)	75.1	78.7	5	42.3	47.1	11
Futures	77.5	81.7	5	65.3	71.7	10
IRS	16.1	20.0	24	15.4	19.4	27
Repo	31.7	35.0	11	22.0	30.0	36
Sovereign/Agency/Supranational/Covered	47.3	48.6	3	23.0	25.2	9
US Treasuries	79.0	86.7	10	55.0	59.0	7
* percentages rounded to the nearest integer						

Trading Platforms

Given the small number of respondents in the trading platforms survey and the fact that the survey data is not weighted by individual platforms' market share across different products, it is difficult to draw definitive conclusions from the data. If market-share data was available, it would be possible to draw more significant observations from the data collected.



Trading platform breakdown of products and how they view this changing		
Trading Platforms	% increase this year	% increase next year
ABS	50.0	no responses
CDS	165.0	200.0
Credit - High Yield	35.0	55.0
Credit - Investment Grade	58.8	53.3
ECP	25.0	Not sufficient data
Emerging Market Debt	32.5	47.5
EU Government	23.0	21.7
Futures	0.0	0.4
IRS	77.5	10.0
Other	0.0	0.0
Repo	75.0	50.0
Sovereign / Agency / Supranational / Covered	34.6	26.3
US Treasuries	45.0	51.7

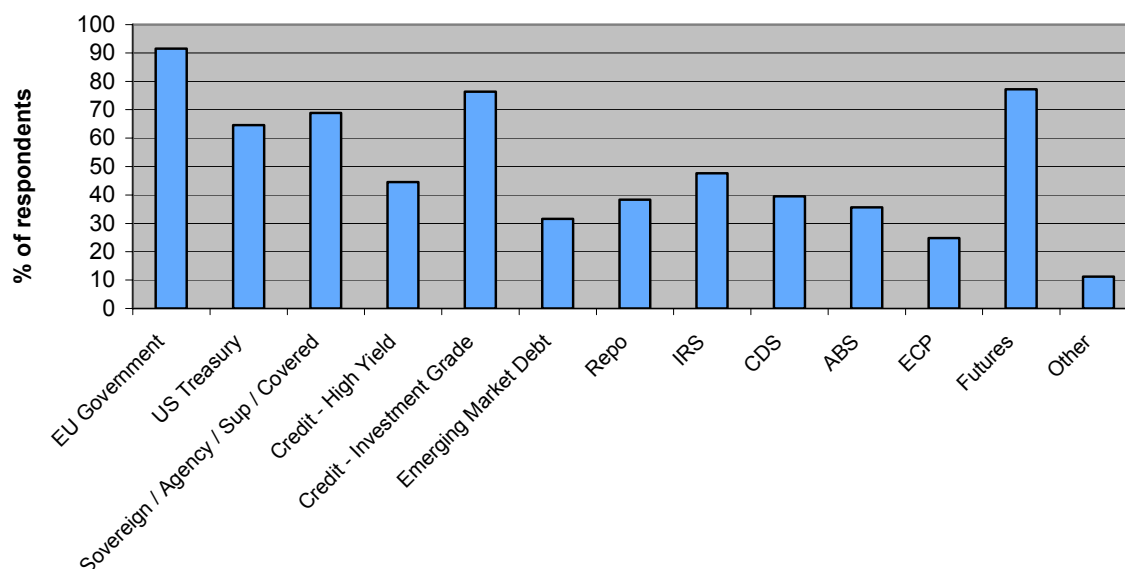
Bearing this caveat in mind when looking at this data, we can observe a significant growth in volumes on a product by product basis this year and additional further growth anticipated next year.

Mirroring the view of the sell-side, the trading platforms saw significant growth this year in CDS and Credit products and expect this growth to continue next year.

Buy side

The chart on the following page highlights the percentage of respondents from the buy-side that trade each of the following products (electronically or otherwise). This shows a good coverage from the respondents, while also highlighting areas for potential growth.

Products traded (electronically or otherwise) by Buy-side



When asked which products would see growth in volumes in the coming year, buy-side respondents echo the views of the trading platforms, and expect CDS, ABS and ECP to grow significantly from a small base.

See Section 4 - Additional Survey Data for further detail on other products and the buy-side's view on their predicted rate of growth.

Buy-side respondents % traded broken down by different products		
CDS	2007	Expected 2008
Over Eighty five %	2.0	4.1
Sixty to Eighty five %	2.0	2.0
Forty to Sixty %	3.9	2.0
Twenty five to Forty %	2.0	6.1
Ten to Twenty five %	0.0	10.2
One to Ten %	7.8	36.7
Naught %	82.4	38.8
ABS	2007	Expected 2008
Over Eighty five %	0.0	0.0
Sixty to Eighty five %	0.0	0.0
Forty to Sixty %	0.0	2.3
Twenty five to Forty %	4.4	4.5
Ten to Twenty five %	8.9	9.1
One to Ten %	6.7	22.7
Naught %	80.0	61.4
ECP	2007	Expected 2008
Over Eighty five %	15.2	9.1
Sixty to Eighty five %	0.0	3.0
Forty to Sixty %	3.0	12.1
Twenty five to Forty %	6.1	3.0
Ten to Twenty five %	6.1	12.1
One to Ten %	6.1	9.1
Naught %	63.6	51.5

3.3 Trading by customer type

When looking at trading by customer type, it is difficult to compare sell-side and trading platforms, as the sell-side is looking at the percentage of electronic trading by customer as a percentage of how that customer trades whereas the trading platforms are showing the percentage volume traded per customer type as a percentage of the total volume.

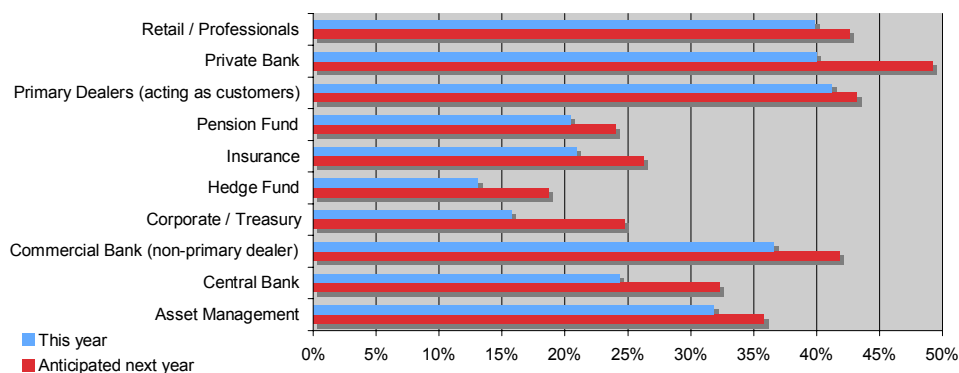
However, it is interesting to note that the sell-side anticipate a growth in Private Bank volume traded electronically whereas the platforms anticipate that the relative share of the Private Banks as a customer type will fall.

Sell-side % of volume traded electronically by each customer type	This year	Anticipated next year
Asset Management	32%	36%
Central Bank	24%	32%
Commercial Bank (non-primary dealer)	37%	42%
Corporate / Treasury	16%	25%
Hedge Fund	13%	19%
Insurance	21%	26%
Pension Fund	20%	24%
Primary Dealers (acting as customers)	41%	43%
Private Bank	40%	49%
Retail / Professionals	40%	43%

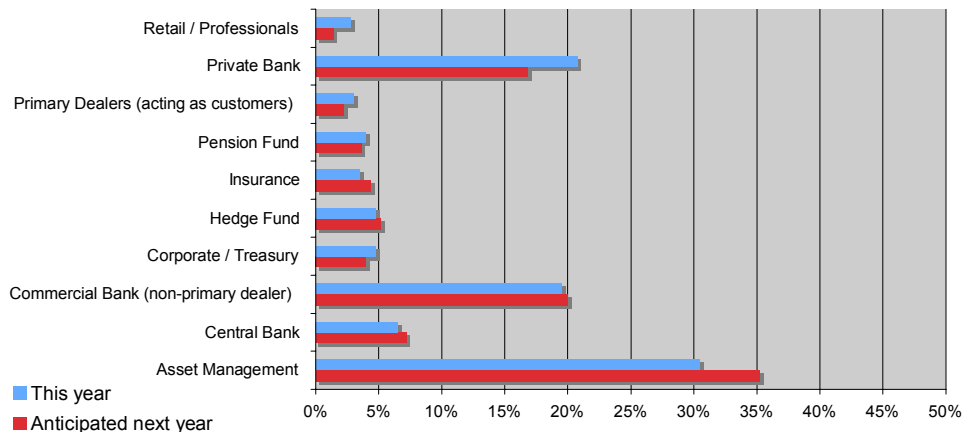
Trading platforms % of volume traded electronically by each customer type	This year	Anticipated next year
Asset Management	31%	35%
Central Bank	7%	7%
Commercial Bank (non-primary dealer)	20%	20%
Corporate / Treasury	5%	4%
Hedge Fund	5%	5%
Insurance	4%	4%
Pension Fund	4%	4%
Primary Dealers (acting as customers)	3%	2%
Private Bank	21%	17%
Retail / Professionals	3%	1%

Also, the sell-side respondents expect Hedge Funds to grow from 13% to 19% whereas the view from the trading platforms is that there will be little change.

% volume traded electronically - Sell side



% volume traded electronically - Trading Platforms



3.4 Motivations for choosing a dealer

For Government Bonds, Corporate Bonds and Derivatives, there appears to be good correlation between the buy-side and sell-side on the reasons for choosing a dealer.

Most important factors (and perceived factors) when choosing a dealer for traded products

Government bonds

	Buy-side (% of weighted response)	Sell-side (% of weighted response)
Research	8	9
Sales coverage	14	22
Time to price	21	19
Product depth	6	1
Pricing consistency	38	41
Settlement capability	5	3
Execution cost	7	4
Complex transactions	1	0

Derivatives

	Buy-side (% of weighted response)	Sell-side (% of weighted response)
Research	6	10
Sales coverage	13	21
Time to price	17	10
Product depth	6	8
Pricing consistency	44	39
Settlement capability	4	3
Execution cost	7	0
Complex transactions	2	9

Corporate bonds

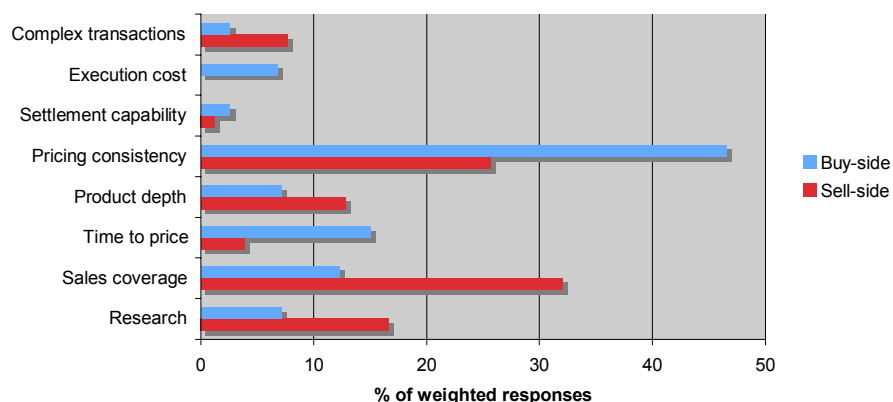
	Buy-side (% of weighted response)	Sell-side (% of weighted response)
Research	12	10
Sales coverage	20	21
Time to price	15	16
Product depth	9	10
Pricing consistency	35	41
Settlement capability	4	2
Execution cost	6	0
Complex transactions	0	0

Structured products

	Buy-side (% of weighted response)	Sell-side (% of weighted response)
Research	7	17
Sales coverage	12	32
Time to price	15	4
Product depth	7	13
Pricing consistency	47	26
Settlement capability	3	1
Execution cost	7	0
Complex transactions	3	8

For structured products however, there appears to be a mismatch between the buy-side and the sell-side on the importance of Sales Coverage and Pricing Consistency. The buy-side nominated Pricing Consistency (47%) as the most important factor, whereas the sell-side believed Sales Coverage was the primary motivation of the buy-side when selecting a dealer.

Reasons for choosing a dealer



3.5 Motivations for choosing to trade electronically

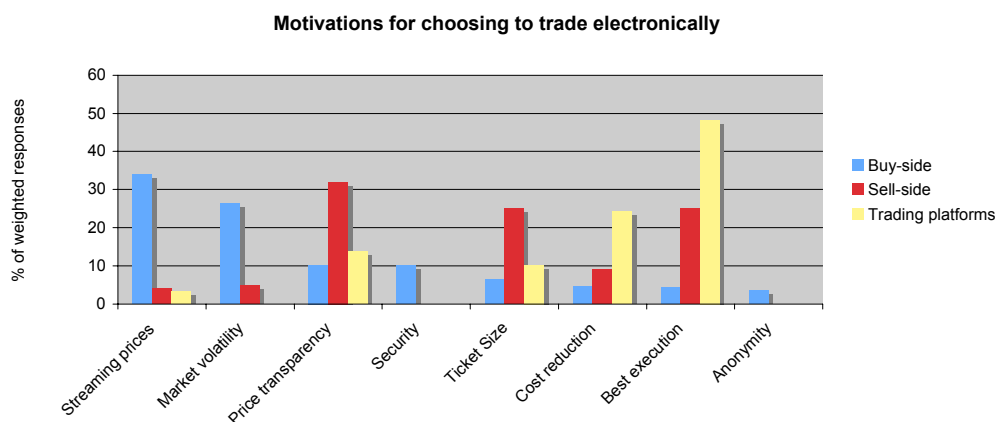
Comparing the reasons that the buy-side give for choosing to trade a product electronically with the results from last year's survey, Best Execution and Price Transparency (both equal top last year) have now been replaced with Streaming Prices (34%) and Market Volatility (26%) as the leading factors. This is a big swing from last year and not one that has been picked up by the sell-side nor trading platforms.

Reasons to trade a product electronically	Buy-side (% of respondents)	Sell-side (% of respondents)	Trading platforms (% of respondents)
Streaming prices	34	4	3
Market volatility	26	5	0
Price transparency	10	32	14
Security	10	0	0
Ticket Size	6	25	10
Cost reduction	5	9	24
Best execution	4	25	48
Anonymity	4	0	0

In contrast, sell-side respondents viewed Price Transparency (32%), Ticket Size (25%) and Best Execution (25%) as the three most critical drivers for trading online.

Trading platforms on the other hand elected Best Execution (48%) and Cost Reduction (24%) as the most important factors.

It is also interesting to note that 10% of the buy-side responses featured Security as a motivation (equal third as a factor). Neither the sell-side nor the trading platforms registered this as an important factor.

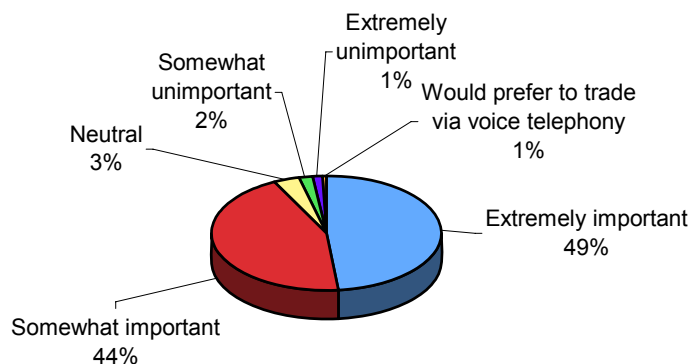


Overall, the importance of electronic trading over traditional voice and telephony methods was strongly affirmed by buy-side respondents, with 92% viewing the ability to e-trade as important.

Importance of the ability to trade electronically, compared to traditional voice / telephony methods for the Buy-side

Buy-side	% respondents
Extremely important	48%
Somewhat important	44%
Neutral	3%
Somewhat unimportant	2%
Extremely unimportant	1%
Would prefer to trade via voice telephony	1%

Importance to the Buy-side of the ability to trade products electronically



3.6 Reasons for choosing an electronic platform

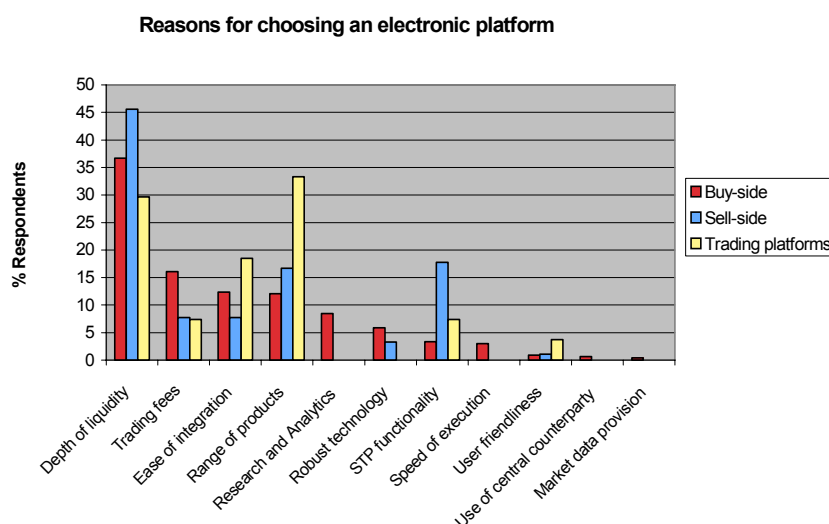
Common with last year, Depth of liquidity is seen as a very important factor when choosing an electronic trading platform by all respondent groups: those from the buy-side elected it as their most important factor (37%) as did those from the sell-side (46%), while trading platforms respondents saw it as the second most important factor overall (30%).

Most important factors that determine whether a product is traded electronically				
	Buy-side	Sell-side	Trading platforms	
Streaming prices	34	4	3	
Market volatility	26	5	0	
Price transparency	10	32	14	
Security	10	0	0	
Ticket Size	6	25	10	
Cost reduction	5	9	24	
Best execution	4	25	48	
Anonymity	4	0	0	

Trading platforms, perhaps unsurprisingly, believed that range of products would be the most important factor (33%). However this only achieved equal third place with the buy-side at 12%.

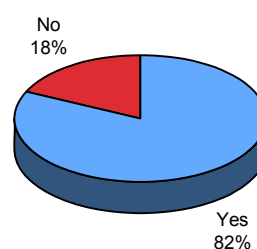
Sell-side respondents particularly viewed STP functionality as important (18%) though this view was not shared by the buy-side.

Compared with last year, user friendliness, which the buy-side ranked second last year, this year is almost irrelevant with only 1% of weighted responses. Depth in liquidity has grown in importance compared to last year whereas trading fees and range of products have remained constant.



Perhaps surprisingly, 82% of buy-side respondents indicated that they would still execute with a dealer that did not have electronic trading capability.

Propensity to trade if a dealer does not have e-Trading capability



3.7 Preferred method of electronic execution

Buy-side

The growth we saw last year in multi-dealer RFQ as the preferred method of electronic execution seems to have been arrested. Indeed if we look at last year's results in comparison with this year, there does appear to be a shift from multi-dealer RFQ to execution on exchanges for certain products (particularly ABS, ECP, Emerging Market).

Also the preference for single dealer streaming seems to have remained relatively flat as overall the least preferred method of electronic execution. Multi-dealer inventory remains in second place (broadly in line with last year). Common to the migration from multi-dealer RFQ to exchanges for ABS and ECP there appears to be a shift in preference from multi-dealer RFQ to multi-dealer inventory for these products.

Key changes are highlighted in red below.

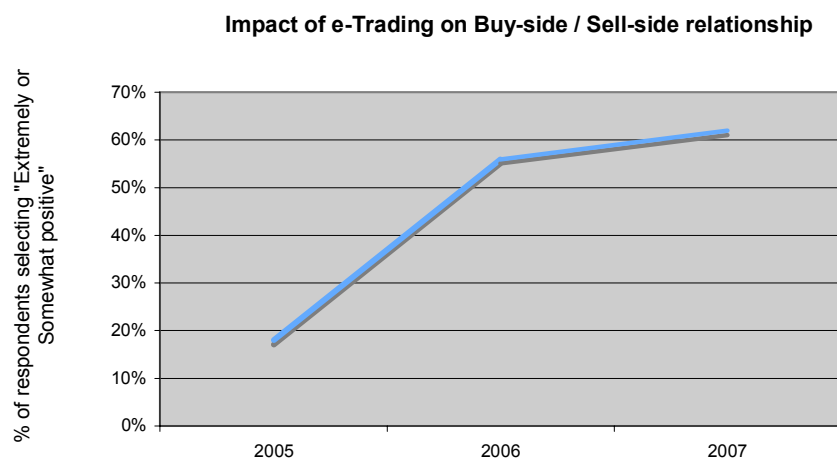
Buy-side's preferred method of electronic execution								
	Single dealer streaming		Multi-dealer inventory		Multi-dealer request for quote		Exchange	
	Last year	This year	Last year	This year	Last year	This year	Last year	This year
ABS	10.1	11.1	27.9	40.0	59.5	40.0	2.5	8.9
CDS	12.8	9.6	18.1	13.5	60.6	57.7	8.5	19.2
Credit - High Yield	3.9	7.9	32.6	34.9	59.7	50.8	3.9	6.3
Credit - Investment grade	6.0	5.8	24.7	33.0	65.9	55.3	3.3	5.8
ECP	12.0	11.9	25.3	38.1	60.0	40.5	2.7	9.5
Emerging market	8.2	5.9	24.6	31.4	63.9	52.9	3.3	9.8
EU Government (incl. Gilts)	4.4	2.4	10.7	9.5	79.0	78.6	6.0	9.5
Futures	17.6	22.8	3.0	2.2	15.2	10.9	64.2	64.1
IRS	11.4	15.0	17.9	15.0	64.2	58.3	6.5	11.7
Repo	12.2	9.3	21.4	16.3	53.1	58.1	13.3	16.3
Sov / Agency / Sup / Cov	4.2	3.0	14.7	22.0	75.9	67.0	5.2	8.0
US Treasuries	6.8	2.2	13.2	8.8	71.6	76.9	8.4	12.1

3.8 Impact on buy-side / sell-side relationship

Electronic trading is viewed by both the buy-side and the sell-side as having an overall positive impact on the buy-side/sell-side relationship in Europe. Only 19% of the buy-side viewed electronic trading negatively, while no responses on the sell-side registered a negative response.

This year's results continue the trend of the last two years surveys in growth of the buy-side believing that the growth of electronic trading is positive overall.

Effect of eTrading on Buy-side / Sell side relationship	Buy-side			Sell-side
	2005	2006	2007	2007
Extremely positive	2%	19%	17%	40%
Somewhat positive	16%	37%	45%	60%
Neutral	52%	23%	16%	0%
Somewhat negative	24%	20%	16%	0%
Extremely negative	6%	1%	3%	0%



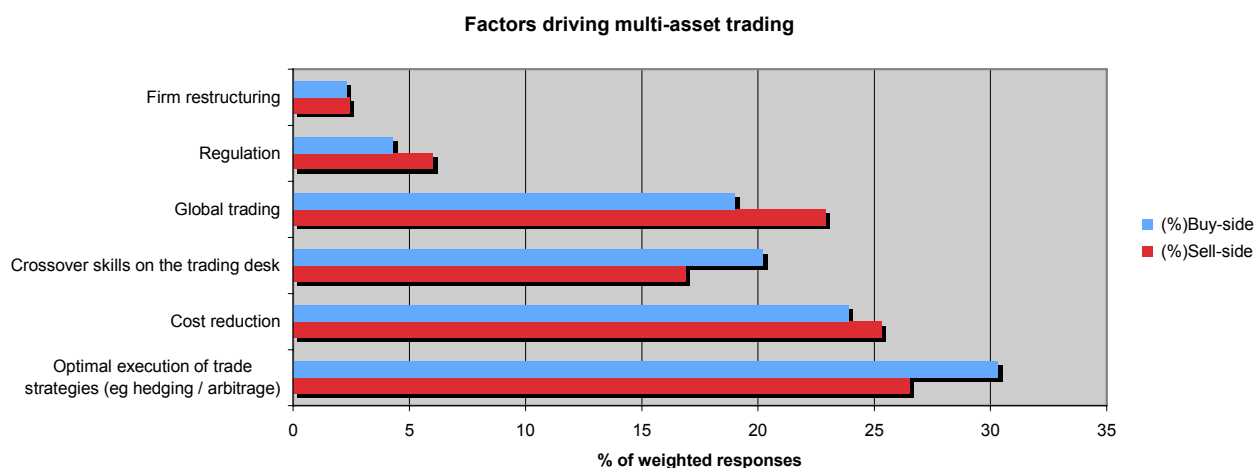
3.9 Multi-asset trading

Buy-side and sell-side responses followed a broadly similar pattern, with Optimal execution and trade strategies and Cost reduction the top two factors driving multi-asset trading for both groups.

Factors driving **multi-asset trading**

	Buy-side (%)	Sell-side (%)
Optimal execution of trade strategies (eg hedging / arbitrage)	30	27
Cost reduction	24	25
Crossover skills on the trading desk	20	17
Global trading	19	23
Regulation	4	6
Firm restructuring	2	2

Regulation and firm restructuring did not figure amongst the most important factors for both buy-side and sell-side.



3.10 Mifid

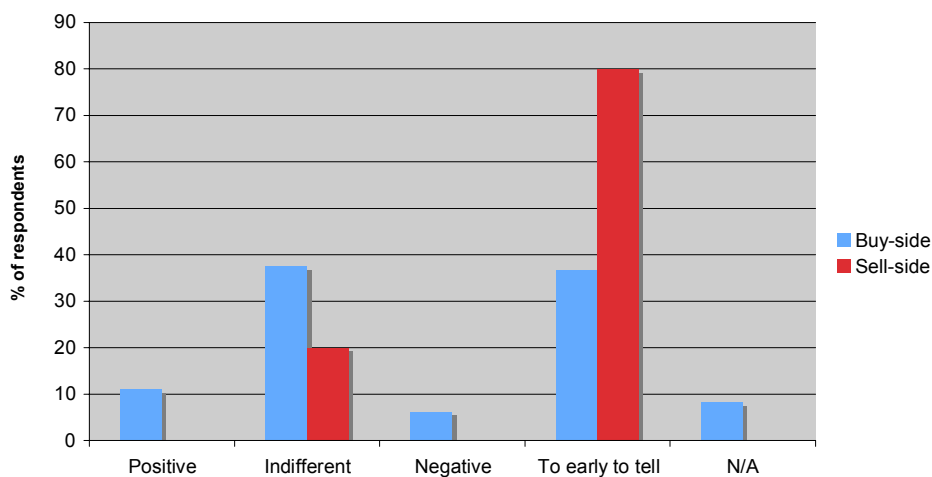
A significant majority of the sell-side (80%) declared that it was still too early to tell the impact of MiFID on their business.

Impact of MiFID on business

	Buy-side (% of response)	Sell-side (% of response)
Positive	11	0
Indifferent	38	20
Negative	6	0
To early to tell	37	80
N/A	8	0

The buy-side for their part were also non-committal, with a combined total of only 17% suggesting that MiFID had any impact (positive or negative) on their business. The most common response for the buy-side was one of indifference (38%).

How Mifid has impacted surveyed businesses



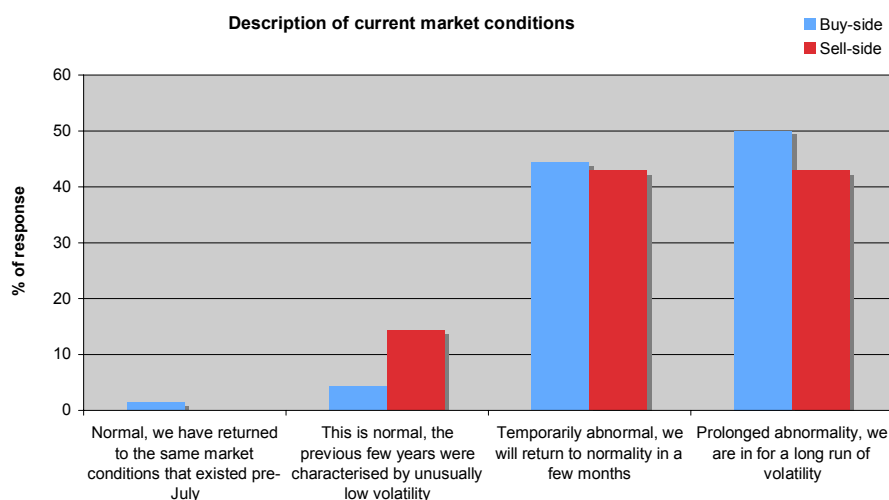
3.11 Current market conditions

This year's survey included a question regarding market conditions, in light of the current "credit crunch" financial scenario. A clear majority (90%) of combined buy-side and sell-side respondents viewed the current market conditions as abnormal.

However, the combined group was evenly split as to whether these conditions were a temporary aberration (44%) or an indicator of long-run volatility in the market (47%).

Description of current market conditions	Buy-side (% of response)	Sell-side (% of response)
Normal, we have returned to the same market conditions that existed pre-July	1	0
This is normal, the previous few years were characterised by unusual low volatility	4	14
Temporarily abnormal, we will return to normality in a few months	44	43
Prolonged abnormality, we are in for a long run of volatility	50	43

This sentiment is mirrored almost exactly in this year's SIFMA Equities e-Trading survey of both buy-side and sell-side respondents.



4. Additional survey data

The following charts and tables form the remainder of the survey not shown in the above headline data.

Buy-side volume this year and expected next year split by product

EU Government (inc. Gilts)	2007	Expected 2008
Over Eighty five %	48.4	52.8
Sixty to Eighty five %	27.3	24.8
Forty to Sixty %	7.8	8.8
Twenty five to Forty %	3.9	5.6
Ten to Twenty five %	4.7	1.6
One to Ten %	4.7	4.8
Naught %	3.1	1.6

US Treasuries	2007.0	Expected 2008
Over Eighty five %	48.8	47.5
Sixty to Eighty five %	17.1	20.0
Forty to Sixty %	6.1	8.8
Twenty five to Forty %	3.7	5.0
Ten to Twenty five %	6.1	3.8
One to Ten %	6.1	7.5
Naught %	12.2	7.5

Sovereign / Agency / Supranational / Cov	2007.0	Expected 2008
Over Eighty five %	27.2	28.9
Sixty to Eighty five %	17.4	18.9
Forty to Sixty %	14.1	16.7
Twenty five to Forty %	12.0	10.0
Ten to Twenty five %	12.0	11.1
One to Ten %	7.6	11.1
Naught %	9.8	3.3

Credit - High Yield	2007.0	Expected 2008
Over Eighty five %	6.9	7.3
Sixty to Eighty five %	8.6	9.1
Forty to Sixty %	12.1	14.5
Twenty five to Forty %	8.6	9.1
Ten to Twenty five %	12.1	10.9
One to Ten %	15.5	23.6
Naught %	36.2	25.5

Credit - Investment Grade	2007.0	Expected 2008
Over Eighty five %	11.5	14.9
Sixty to Eighty five %	18.8	13.8
Forty to Sixty %	17.7	21.3
Twenty five to Forty %	14.6	16.0
Ten to Twenty five %	7.3	12.8
One to Ten %	24.0	18.1
Naught %	6.3	3.2

IRS	2007	Expected 2008
Over Eighty five %	3.3	3.3
Sixty to Eighty five %	3.3	5.0
Forty to Sixty %	8.2	11.7
Twenty five to Forty %	4.9	10.0
Ten to Twenty five %	9.8	13.3
One to Ten %	11.5	16.7
Naught %	59.0	40.0

Emerging Mkt Debt	2007.0	Expected 2008
Over Eighty five %	5.0	5.4
Sixty to Eighty five %	10.0	8.1
Forty to Sixty %	5.0	10.8
Twenty five to Forty %	7.5	5.4
Ten to Twenty five %	2.5	5.4
One to Ten %	25.0	29.7
Naught %	45.0	35.1

Repo	2007.0	Expected 2008
Over Eighty five %	11.8	12.5
Sixty to Eighty five %	2.0	2.1
Forty to Sixty %	2.0	4.2
Twenty five to Forty %	3.9	2.1
Ten to Twenty five %	2.0	4.2
One to Ten %	7.8	10.4
Naught %	70.6	64.6

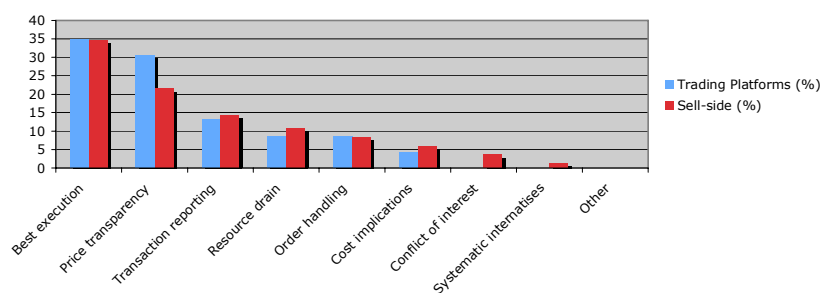
Futures	2007.0	Expected 2008
Over Eighty five %	45.1	46.4
Sixty to Eighty five %	3.9	5.2
Forty to Sixty %	5.9	7.2
Twenty five to Forty %	1.0	7.2
Ten to Twenty five %	4.9	4.1
One to Ten %	3.9	6.2
Naught %	35.3	23.7

Other	2007.0	Expected 2008
Over Eighty five %	0.0	0.0
Sixty to Eighty five %	0.0	0.0
Forty to Sixty %	0.0	0.0
Twenty five to Forty %	0.0	0.0
Ten to Twenty five %	7.1	7.7
One to Ten %	7.1	7.7
Naught %	85.7	84.6

Relative weighting of MiFID factors on Fixed Income trading business

MiFID Key Factors	Trading Platforms (%)	Sell-side (%)
Best execution	35	35
Price transparency	30	21
Transaction reporting	13	14
Resource drain	9	11
Order handling	9	8
Cost implications	4	6
Conflict of interest	0	4
Systematic internalises	0	1
Other	0	0

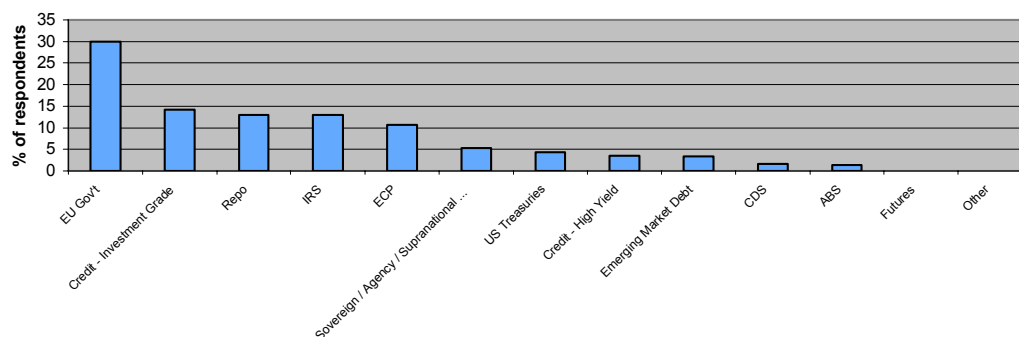
Relative weighting of MiFID factors



Trading Platforms - total percentage breakdown by product

	% of products traded
EU Gov't	30
Credit - Investment Grade	14
Repo	13
IRS	13
ECP	11
Sovereign / Agency / Supra / Covered	5
US Treasuries	4
Credit - High Yield	3
Emerging Market Debt	3
CDS	2
ABS	1
Futures	0
Other	0

Trading Platforms % breakdown of traded products



Trading platforms average ticket size per product and anticipated ticket size next year

Trading Platforms	Average ticket size current year (€m)	Response yes for increase in next 12 months (% of respondents)	Anticipated ticket size next year (€m)
ABS	25.0	100	No Responses
CDS	27.5	100	50.0
Credit - High Yield	n/a	50	25.0
Credit - Investment Grade	0.8	50	No Responses
ECP	27.5	100	30.0
Emerging Market Debt	1.1	33	25.0
EU Government (inc Gilts)	8.0	67	17.5
Futures	n/a	n/a	n/a
IRS	112.5	100	Not sufficient data
Other	n/a	n/a	n/a
Repo	40.0	100	60.0
Sovereign / Agency / Supranational / Covered	5.6	67	27.8
US Treasuries	6.8	33	2.0

5. Disclaimer

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6. Contacts for more information

For more information on the survey, please contact one of the following:

SIFMA – Securities Industry and Financial Markets Association

SIFMA is a single powerful voice for industry and market regulatory and legislative priorities, delivering education and information to individual investors to advance their knowledge.

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Concise Consultants

Concise Consultants is a boutique strategy consultancy specialising in helping businesses re-engineer themselves to better serve their customers.

Concise would be able to benchmark your organisation against the survey.

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