

## TRADING AND TECHNOLOGY AWARDS WINNER

# Most innovative trading firm - Citadel's ambitious targets drive European order flow

### Michelle Price

The top three 1 Citadel Execution Services - 3.74 points 2 Getco - 3.71 points 3 Derwent Capital Markets - 3.38 points

In recent years both the US and European equities markets have been transformed by a wave of competition that has diverted trading volumes away from traditional exchanges and scattered them across alternative trading venues.

The phenomenon has led to a new breed of firms deploying capital and technological expertise, not only to become major market players, but to increase competition.

Citadel Execution Services, whose headquarters is in Chicago, is one such firm. The company, a division of broker-dealer Citadel Securities, helps brokers execute trades by putting up capital to make a market for clients over the counter or by providing trading tools to help them execute orders elsewhere.

Citadel Execution Services Europe's use of its own capital to provide liquidity – and its technological expertise in pricing the risk of that liquidity – marked it out as the winner in one of this year's newly created award categories.

Matteo Cassina, president of Citadel Execution Services Europe, said: "We believe the opportunities in the European cash equities market are potentially

very significant and our business model is suited perfectly to where the market is going in terms of commissions, spreads and technology."

He added: "Our overarching aim is to account for over 15% of all flow in the European equities markets."

The company, set up in Europe in 2008, reckons it accounts for between 3% and 10% of total volume traded on Europe's big exchanges.

It has also made investments in trading platforms Chi-X Europe and Equiduct. Cassina said the next focus is Europe's retail market which, because of its increasing complexity, most retail brokers are not adequately equipped to navigate.

Citadel narrowly beat its other main Chicago-based rival Getco, which has also continued to innovate, launching a centrally cleared over-the-counter share-trading platform in June last year.

Simmy Grewal, an analyst at Aite Group and an awards judge, said: "Non-traditional trading firms like Getco and Citadel have become increasingly important to the European trading landscape and now account for a very sizeable chunk of daily order flow."

Derwent Capital Markets, which came third, has pioneered the use of social media data in trading strategies, returning 1.85% before fees during July.