

Wematch platform gearing up for its US launch



David Raccat, co-founder & head of EMEA at Wematch explains how the platform is gearing up for its US launch and how its services are developing.

Multiple institutions across Europe and AsiaPac match and negotiate using Wematch, with transactional volumes spanning interest rates derivatives, equity derivatives and securities financing structures. We help these traders match and negotiate to get the result they need, whatever the asset class or instrument, while focusing on the workflow and protecting the users from conduct and market risks.

Over recent months we have been working hard in preparation for extending our service into the US. Despite the challenging environment created by coronavirus and factoring the required size of the community on the platform we are very excited to confirm our US launch in September, as we have been able to manage onboarding via videoconferencing and phone and the initial feedback from dealers has been very promising.

Our objective for the US market is to come up with the most appropriate technology solution for the benefit of US domestic dealers. One of the most important steps we have taken is to build a user acceptance testing interface where traders can log in and simulate what they would be doing on a live platform.

This process has generated a large amount of constructive feedback and we have used some of these suggestions to upgrade the workflow

and the product. We are working constantly to determine the types of outputs and reports traders want to receive.

The way this market works in the US is very different from Europe and we have gone into the details of the workflow with the users, which has triggered the development of additional controls and monitoring tools.

In the meantime we are seeing growing usage and interest in our lifecycle/post trade features on total return swaps across EMEA, where on 15 July we reached a significant milestone with more than \$20bn ongoing balance in the platform.

Dealers can use the platform to match and negotiate but they can also use it to import trade data. These trades can be conducted direct or through a broker or other platform and dealers can define a set of rules to upload their short and long positions, with the system automatically suggesting substitutions and ensuring proper communication with the counterparty.

This is a proactive tool that we have rolled out to most of our dealer community as a means of strengthening processes and creating a truly front-to-back offering that is STP and low touch. We are very confident that this is going to become the future of our platform and the fact that we can manage matching,



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negotiation, execution and now the life cycle event and post trade is making Wematch a marketplace for total return swaps.

In June we announced a partnership with Pirum to develop a fully integrated front-to-back service solution for clients using our platform on securities lending. Clients can match and negotiate trades in Wematch and leverage connectivity with Pirum to manage all post-trade lifecycle events in a fully STP manner.

We have decided to implement this interoperability so all the dealers that are connected to Pirum can authorise it to send data to Wematch. This ensures complete synchronisation between what the client sends to Pirum and what is in Wematch for all their securities lending and repo trades.

For stock lending and repo this increases the robustness of our products. The first end to end securities finance transactions were executed by Bank of America and we are rolling it out to other dealers so the wider community can benefit from it.

Wematch has also been approached by a large number of dealers to look at how we can leverage our existing workflows on TRS in equities into TRS on government bonds and we are currently looking at this topic with dealers.

We need to make some slight amendments to the workflow, but we are confident that within a couple of months we will be able to deliver a product that can exchange interest, match and negotiate TRS on government bonds. ■