

SANDLER O'NEILL + PARTNERS
Global Exchange and Brokerage Conference 2019 – Media Coverage



BGC Partners CEO says economy not slowing

CNBC's Bob Pisani sits down with BGC Partners CEO Howard Lutnick to discuss his view of the economy, how tariffs will impact markets, what investors should watch and more.

<https://www.cnbc.com/video/2019/06/05/cantor-fitzgerald-ceo-says-economy-not-slowing.html?&qsearchterm=Lutnick>



Tariffs are a temporary impact on the markets, says Virtu Financial's Viola

CNBC's Bob Pisani interviews Vinnie Viola, chairman of Virtu Financial live from the Sandler O'Neill conference.

<https://www.cnbc.com/video/2019/06/05/tariffs-are-a-temporary-impact-on-the-markets-virtu-financials-viola.html?&qsearchterm=sandler>

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Interactive Brokers CEO Thomas Peterffy on why the US would be better off not making china trade deal

China wants to dominate the world and they will get there faster if the U.S. passes a trade deal, according to Interactive Brokers CEO Thomas.

<https://www.cnbc.com/application/pro/?service=https%3A%2F%2Fwww.cnbc.com%2Fvideo%2F2019%2F06%2F05%2Finteractive-brokers-ceo-us-better-off-not-making-china-trade-deal.html>



TD Ameritrade Chair Joe Moglia on trade and tariffs

TD Ameritrade chairman Joe Moglia sits down with CNBC's Bob Pisani to discuss the impact of trade, tariffs and more on the markets.

<https://www.cnbc.com/video/2019/06/05/td-ameritrade-chair-joe-moglia-on-trade-and-tariffs.html?&qsearchterm=moglia>

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CEO of top financial IPO of 2019 says bond market becoming more electronic

Lee Olesky, Tradeweb CEO, sits down with CNBC's Bob Pisani at the Sandler O'Neill Global Exchange and Brokerage Conference in New York City.

<https://www.cnbc.com/video/2019/06/06/ceo-of-top-financial-ipo-of-2019-says-bond-market-becoming-more-electronic.html>

Rise of ETFs Is Improving the Bond Market, Say BofA, Jane Street

Bloomberg

By Annie Massa and Lananh Nguyen

Exchange-traded funds are bolstering the corporate bond market, according to executives from Bank of America Corp. and Jane Street Group LLC.

The growth of fixed-income ETFs is making it easier to determine bond prices and smoother to carry out large trades, said Sonali Theisen, head of fixed-income market structure at Bank of America. ETFs enable credit-portfolio trading, a tactic for trading large blocks of corporate bonds at once, used by banks such as Goldman Sachs Group Inc.

“ETFs and portfolios have been really a new phenomenon that’s been underpinned by standardization of data and fueled by the macro backdrop of the last several years, with the rise of passive,” Theisen said Wednesday at the Sandler O’Neill & Partners Global Exchange and Brokerage Conference in New York. “That’s an area we’re investing a lot of time and energy in.”

Electronic trading has advanced little by little in the corporate bond market, where prices are still regularly determined through phone calls and instant messages. About 26% of corporate bond trading volume was carried out electronically in the third quarter of 2018, according to research by Greenwich

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Associates. In comparison, the U.S. equity market is almost entirely electronic, with prices for securities updated in fractions of a second throughout the trading day.

There are signs that technology is bringing greater transparency to corporate bond trading. Against that backdrop, banks are using the fixed-income ETF market to their advantage through portfolio trades. Several banks have the ability to create and redeem shares of ETFs, and can use that power to buy and sell big blocks of bonds at a lower cost than seeking out the securities individually in the marketplace.

In the last month, Bank of America's U.S. credit business executed just under \$4 billion in portfolio trades with about 30 customers globally, according to figures provided by the bank. That amount excludes investor trades on lists of bonds on electronic platforms. The U.S. credit desk averages four to five ETF creations or redemptions daily, the bank said.

Jane Street, a trading firm specializing in ETFs, is among the largest traders of fixed income ETFs. It's also engaging in portfolio trades: the New York-based firm traded \$12.5 billion of bond portfolios with clients in the second half of last year, Bloomberg reported in February. Matt Berger, Jane Street's global head of fixed income and commodities, touted the firm's portfolio trading at the conference.

"There are a couple of good ways to move large amounts of risk in a short amount of time," he said. "One of those is ETFs, and another one of those is via portfolios."