



Online forex trading on the rise

By Jennifer Hughes in London
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FXall, the online foreign exchange platform, has reported record trading volume figures in a sign investors are increasingly turning to online trading options.

The platform, owned by a consortium of investment banks, said it traded more than \$22bn in a single day in November and saw average daily volumes in the month of more than \$13bn.

The volume of business conducted on online platforms has been steadily increasing, and FX Connect, the platform owned by State Street, recently reported a record single day of trading worth in excess of \$30bn.

Total daily trading volumes in the forex market are worth in excess of \$1,200bn. But by combining the volumes of the online platforms, proponents point out, they are taking a larger segment of the market.

FXall said the rise in its volumes was driven by its institutional customers, which now account for more than half of trading volumes compared with about 40 per cent earlier this year.

Phil Weisberg, chief executive of FXall, said the market for forex trading had changed over the past year.

"The initial focus on click-and-deal functionality has matured into a need for solutions that automate the entire FX [foreign exchange] process," he said. "We are now seeing our volumes grow rapidly as the benefits of automation become apparent to the wider market."

Online trading platforms have benefited from the paper trails they generate, a service increasingly demanded by market participants following trading scandals based on a lack of back-office checks.

Last year, John Rusnak, a trader with AIB, admitted hiding \$691m in trading losses by inventing fictitious trades that initially went unnoticed by the back office.