

## FlexTrade to Launch Block FX Platform

**NEW YORK**—FlexTrade plans to launch its new block foreign exchange (FX) trading platform for the buy side and the sell side in a matter of weeks, FlexTrade officials tell *DWT*.

The system, dubbed MilanFX, is the first block FX trading platform, according to FlexTrade officials. “The idea behind MilanFX was to create a totally anonymous block trading system,” says Vijay Kedia, president and CEO of FlexTrade.

“Dark pools of liquidity and anonymous trading systems have been extremely successful in equities even though there are thousands of instruments,” Kedia says. “In the FX space, there’s really no parallel system that allows both the buy side and the sell side to trade blocks.”

Neither the sell side nor the buy side currently has the opportunity to trade blocks anonymously on the same platform, Kedia says. “It’s not just the buy side that needs to trade. Even the sell side has to unload a big block [and] flatten their books by the end of the day.”

Customers can trade without market impact or leakage, access trading mechanisms to eliminate gaming and predatory flow and have full straight-through processing (STP) functionality to their prime broker, Kedia says.

Users can access the offering through a Web-based front end, FlexTrade’s standard algorithmic trading

platform or through a FIX interface. It will appeal to anyone who trades large blocks of FX and is not meant to trade small pieces, Kedia says.

“On the back end, it has complete STP solutions,” Kedia says. It integrates the real-time credit limits from multiple prime brokers on behalf of all participants.

The underlying technology is all home-grown, Kedia says. The Web interface also utilizes core FlexTrade technology.

MilanFX is separate from FlexTrade’s core offerings, but customers can opt to add on to existing services, Kedia says. It is slightly different from pure algorithmic trading platform users, but “through a FIX interface, anyone can integrate.”

FlexTrade began beta-testing MilanFX late last year (*DWT*, Nov. 13, 2006) and expects to go live within a few weeks, Kedia says. He expects a “healthy” number of clients will sign on for the service.

“Being a crossing system, it needs a good number of party spreads,” Kedia says. “Given our long history and our presence, we have seen a great amount of interest.”

Officials from spot broker EBS and ECN LavaFX from Lava Trading said last year that they were considering similar initiatives, as market participants search for ways to offset large positions with minimal market impact (*DWT*, Nov. 13, 2006).

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