

# EuroWeek

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## Trading places

### **Auerbach Grayson, Crossborex launch share platform**

US-based global broker Auerbach Grayson and securities technology firm Cross Border Exchange Corp (Crossborex) this week announced plans for the launch of a member-owned electronic cross-border trading platform that is capable of executing and clearing securities orders in virtually every liquid equity market in the world.

Called Axes, the internet-based system will provide continuous round-the-clock on-line trading for broker-dealer members of Auerbach Grayson's international network, which boasts member firms in 83 countries.

So far 50 of the brokers within the Auerbach Grayson network have taken an equity stake in the trading system and other brokers will be approached.

A distinctive feature of Axes is that it will operate on a multilateral basis, allowing each member firm to become a global broker in its own country and trade for its clients throughout the world. Until now, the Auerbach Grayson network has operated on a unilateral basis — solely on behalf of US-based institutions trading in the international markets.

Commenting on the launch of Axes which will take place in the first quarter of next year, David Grayson, managing director of Auerbach Grayson, said: "This is a timely opportunity to implement an internet-based global solution. AXES will greatly enhance the efficiency of the current order entry, trade execution and settlement monitoring process for cross-border trading. AXES will also help to relieve stresses to current trading models caused by ever-increasing international trading volumes."

"Moreover," he added, "the multi-directional trading capabilities of Axes make it a truly cross-border system because every one of our 83 member firms will now be able to trade in any other member's market. To be able to trade in more than 80 different markets means that you have access to virtually every viable securities market in the world. That spells tremendous opportunities for our member firms, both large and small."

As Axes is implemented, it will give the network's member firms a faster and more efficient service in emerging markets as far and wide as Argentina and Chile, Botswana and South Africa, Israel and Palestine, Morocco and Turkey, Korea and the Philippines, while also serving the major developed markets such as Germany and the UK, and other markets around the world.

Peter Eisenberger, director for strategic planning at Crossborex, said: "The ultimate solution to cross-border order execution and the entire trade management process lies in having an all-encompassing global approach, rather than separate regional and national systems — and that's what Axes will accomplish."

He added that given the lacklustre performance of, and outlook for, the US equity market Axes will benefit from the growing investor appetite from US institutions for foreign stocks. Grayson said that under the business plan for Axes it is hoped that the system will have captured 1% of orders for foreign stocks out of the US within four years. As well as the broker-dealer community there has also been interest in Axes from major global banks which are looking to use the system to provide increased global reach and an additional liquidity source, said Eisenberger

During the two year development phase, member firms have expressed strong interest in using Axes to expand their coverage beyond traditional regional and national boundaries. In Morocco, for example, Axes member firm Upline Securities is going to use the system to expand outside the firm's Morocco franchise by connecting existing clients in Kuwait and Saudi Arabia to the facilities offered by AXES. Jalal Houti, managing director at Upline and said: "Being internet-based and borderless, AXES will allow us to execute orders for our clients around the world, no matter where they are located geographically."

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