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Silverman to lead launch of ECN at BGC

Broker BGC Partners is set to launch a new spot FX platform called Fenics FX, marking the first ECN launch in three years, with Howard Silverman, one of the co-founders of institutional trading platform Hotspot, leading the effort, *FX Week* has exclusively learned.

The new spot FX ECN venue will feature anonymous trading and offer clients the ability to carve out disclosed pricing relationships. The platform will operate on a prime broker to prime broker model, rather than a central clearing one, as it aims to be the best value ECN in the market.

Fenics FX will launch in a few weeks' time – the first significant platform initiative since ParFX went live in April 2013.

“We will be using Lucera’s technology, which is top-notch, and with the distribution network of BGC behind us, we feel very confident that we have an odds-on chance of success,” says Silverman.

Silverman’s title will be head of global FX sales for Fenics FX and he will remain based in Miami, Florida. He also keeps his title of managing director for Cantor Fitzgerald, an affiliate of BGC Partners.

The platform will initially have a US focus, but there are plans to hire sales people based in London following the launch in the next few weeks.

BGC recently announced the launch of Fenics UST, an electronic trading venue for US Treasuries, with which the broker aims to compete against eSpeed, the venue it sold four years ago to Nasdaq, and EBS BrokerTec.

The Treasuries venue and FX platform have been brought under the Fenics brand following the decision to group BGC’s technology-led offerings under the Fenics name, although the trading products are not part of the Fenics Solutions business.



Silverman, who co-founded Hotspot, is looking to hit the ground running with the new ECN

FX trading platforms proliferated in 2011 and 2012, with several platforms entering the market. But since then, industry watchers have been calling for the advent of a consolidation phase as the spot FX platform space looked increasingly crowded.

Since 2013, some of the newly-launched platforms have struggled to gain traction and grow their market shares to beyond the \$10 billion daily average figure. Other platforms, such as Hotspot and FastMatch, have been sold to exchanges.

Silverman co-founded Hotspot in 1999 and sold it to exchange operator Bats in early 2015 for \$365 million. He joined Cantor Fitzgerald in January 2015 as a managing director and he has held the title of head of global FX sales for Fenics FX since May this year.


“As FX markets have become more fragmented over the years, the consumer of liquidity needs less of a mirage,” he says.

“Fenics FX is going to be the best-of-

breed platform with a very simple and clean model. A lot of people ask us why we are launching a new platform in an already crowded space, but we know we will be able to create an ecosystem where we bring together real liquidity takers with the best market-makers,” he adds.

The venue’s target clientele will initially be portfolio managers and mid-tier CTAs, with no plans to diversify the product range beyond spot. “We don’t want the liquidity recyclers as clients and we will have very strict criteria for market-makers,” Silverman says.

The criteria for market-makers will be non-discriminatory.

“Look, when you launch a platform you either gain traction quickly and get to the \$10 billion level, then grow to the \$20 billion within a year or two, or you are dead in the water. I feel confident that we will be able to provide a best-of-breed service at the lowest cost, so we are optimistic about our success,” he adds.  [Eva Szalay](#)