



Press Release

New Report: Buy-Side Corporate Bond Execution

Survey-based report examines current execution and expected changes under the Dodd-Frank Act

Stamford, Connecticut, November 30, 2011 – Woodbine Associates, Inc. (<http://www.woodbineassociates.com>), the strategic consulting and research firm, announces the release of a new report entitled “Buy-Side Corporate Bond Execution: Sourcing Liquidity under Dodd-Frank.”

The report focuses on current corporate bond trading practices at a range of domestic asset management firms and how these are likely change as rules are implemented under the new regulation.

“New rules under Dodd-Frank will lead to fundamental changes in the way asset managers source liquidity in the corporate bond market,” Sean Owens, author of the report. “This research is unique in that it uses comprehensive survey-based data supplemented by discussion with traders and portfolio managers to substantiate how asset managers are likely to react to changes in the markets. No one has done research like this to date.”

The information in this report is crucial to any firm active in the credit markets including dealers, electronic trading platforms, vendors, and consultants.

The report examines a range of execution-related topics concerning investment grade and high yield corporate bonds. It distills the criteria buy-side firms use for voice and electronic execution, evaluating execution quality, selecting trading protocol and venues. It also explores how these firms will react to changes in market making practices and liquidity. In addition, it addresses how firms are likely to use the CDS market to source liquidity and the impact that electronic CDS trading is likely to have on the cash markets.

Woodbine Associates surveyed traders and portfolio managers at 18 leading asset management firms representing combined monthly trading volume of \$17.3 billion in high grade bonds and \$3.9 billion in high yield bonds. This universe reflects approximate 10 percent of the dealer-to-customer market volume.

For Immediate Release

Key report findings include:

- Buy-side use of electronic trading is poised to soar. With quality approaching that of direct dealer trading, many firms expect greater use of electronic platforms in the cash markets.
- Dealer liquidity constraints under proposed market making rules are likely to compel asset managers to assume greater execution risk, trade in smaller sizes, and transact with a larger number of dealers.
- The use of the CDS market to source liquidity is likely to grow substantially. Asset managers plan to more actively trade the basis between the cash and CDS markets.
- Live streaming markets are likely to replace the current practice of request-for-quotes in liquid bonds and credit default swaps after SEFs become operational.
- There are significant opportunities for regional dealers and non-bank liquidity providers to capture market share.

This 53 page report has 27 figures and is available for purchase. For more information, please contact Ryan Surprenant, Director of Sales and Relationship Management, at rsurprenant@woodbineassociates.com or at 203-274-8970 x 203.

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About Woodbine Associates:

Woodbine Associates is a strategic consulting and research firm serving the capital markets. Our consultants address strategic, business, trading, risk, regulatory, and technology issues that challenge firms active in the capital markets. Woodbine Associates is unique in that each consultant has a minimum of 10-years' trading experience in his or her market of focus.