

Morgan Stanley builds electronic links to exchanges in India

Eugene Grygo in New York

Morgan Stanley has announced that it has completed initial trades via its electronic direct market access service to exchanges in India in response to strong client demand for more connections to emerging markets.

The trades were executed via the Morgan Stanley Electronic Trading platform on Friday, July 11, said Scott Field-Marsham, the Hong Kong-based managing director, head of electronic trading in Asia for Morgan Stanley.

Field-Marsham said: "A broad set of Morgan Stanley clients from all regions have indicated strong demand for India to be included as part of the MSET global offering.

"Electronic trading is an important part of the Morgan Stanley sales and trading offering to both the local and foreign-based institutions. India is a strategically important market for Morgan Stanley

across many business lines from both an import and export point of view."

The platform provides electronic trading links to 32 countries, "many of which have multiple markets," Field-Marsham said. "We provide clients access to most major asset classes including equities, options, futures, swaps and foreign exchange." The electronic trading platform also offers executions based upon formulae, known as algorithmic trading.

Morgan Stanley said it was able to complete the first DMA trades following formal approval to deliver them to securities firms with foreign institutional investor status for both equities and listed derivatives on the National Stock Exchange of India, and for equities on the Bombay Stock Exchange. The National and Bombay exchanges also had to certify Morgan's electronic trading application Passport Windows as well as approve industry standard

electronic messaging links.

The next step is to work with third-party vendors that provide software systems that facilitate electronic orders.

Field-Marsham said: "We are in the process of certifying with multiple execution management system and order management system vendors as well as network providers. We will ultimately complete certification with the full set of 30-plus participants."

The DMA move into India may be the first of many such actions by Morgan Stanley.

Field-Marsham said: "Morgan Stanley is continually assessing client demand for DMA access to emerging markets. We work with a broad set of industry participants, including regulators, exchanges and other groups, as well as clients to facilitate DMA where feasible. We will continue to expand the electronic trading offering into emerging markets on a case-by-case basis."