

Swiss success

Today, New York, London, Frankfurt, Luxembourg, Tokyo, Singapore and Geneva are the most important financial markets in the world. The global financial market has evolved significantly in the last few years. Innovative investment strategies are becoming essential for achieving high performance levels while minimising risks. The forex market presents itself as one of the more attractive options for investors. As a new asset class that has become accessible to a wide range of investors, it provides opportunities for portfolio diversification

» The Swiss forex market has grown to become one of the leading hubs for trading execution, with daily trading volumes demonstrating a sharp consistent growth in recent years. The daily volume of the spot transactions performed by the 20 largest banks in Switzerland has, in fact, grown from €28bn in 1995 to €63bn in 2007. (Source: BNS, Turnover in foreign exchange and derivatives markets 2007).

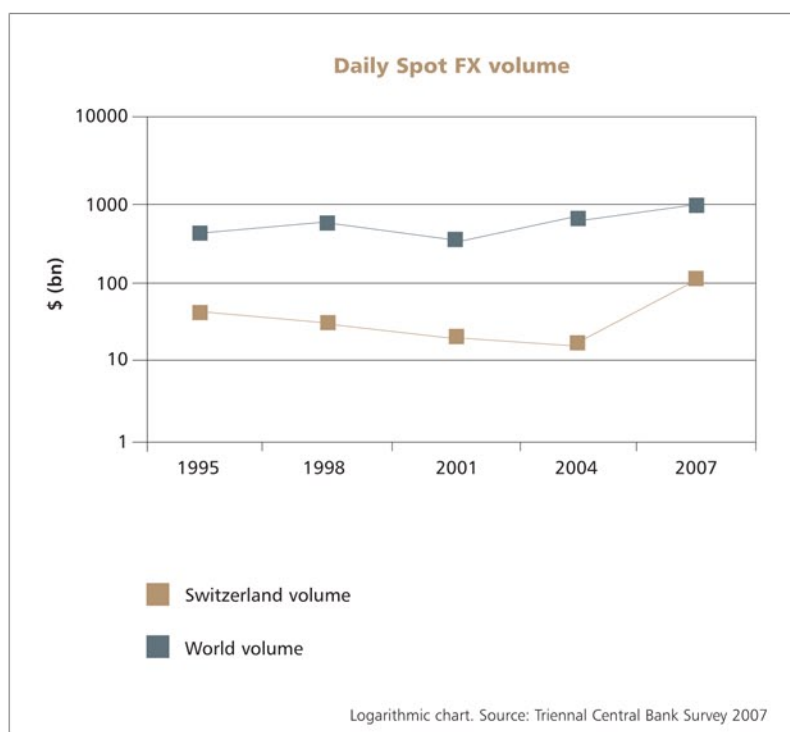
Switzerland has positioned itself as a major player in the exchange market, because of its long lasting tradition in the financial markets and of its technological advance within the domain. It is also the only country to have developed its own currency marketplace: the Dukascopy – SWFX Swiss FX Marketplace. With a record of €6.3bn and having a goal of €63bn exchanged in one day, the marketplace has become an essential strength of the world's financial market.

The Geneva based company Dukascopy – SWFX, has in consequence established itself as the technological leader in the forex industry. In order to maintain its position, it does not cease to innovate and to propose new solutions to its clients. The latest example would be the Swiss Bank Custodian Program that Dukascopy – SWFX has launched together with a number Swiss banks. This service allows clients to keep their accounts within their banks, and to benefit from a direct access to the SWFX – Swiss FX Marketplace. Hedge funds, professional traders, wealth managers, or private clients can profit from this marketplace without having to open a supplementary account with a broker. On the banking level, Dukascopy – SWFX enables banks to propose a new trading service to their clients, with no supplementary costs because of the simple and rapid implementation. In fact, all banks interested in this service can offer it to their clients in less than two weeks, with no legal, technical or computing fees. These banks are exposed to no legal or financial risks. Furthermore, the banks protect their clients by keeping their funds inside the establishment. The Swiss Bank Custodian Program allows the Swiss financial place and the banks to stay innovative and in an international evolution context.

However, the banks and their clients can also deal via a Prime Broker (for example, CitiBank) and receive the transaction physically in their account (give-up). There are different solutions to access this marketplace, ie via the opening of an account directly with Dukascopy – SWFX, via the network of Swiss Partner Banks or via a Prime Broker.

The execution and liquidity are not the only reasons for the success of this currency marketplace, the absence of conflict of interest and execution transparency also play important roles.

In fact, the only solution that excludes the possibility of a conflict of interest, which exists between the market maker and the investor, is to trade in a marketplace such as Dukascopy – SWFX. The participants of the market can trade on an equal and transparent basis in a regulated Swiss environment. Within the ten or so markets in the world,



Dukascopy – SWFX has reached €6.3bn trading volume per day, this has encouraged us to achieve our goal of €63bn executed per day
Alain Broyon, CEO of Dukascopy, SWFX Swiss FX Marketplace

Dukascopy – SWFX has a unique position combining the liquidity of the biggest marketplaces in the world. The clients can benefit from the biggest liquidity in the world (institutional liquidity) with instant execution.

More than a trend, the forex market is the biggest in the world, and represents a very active asset class researched by the investors. In this context, Switzerland was the first to recognise the importance of this market and establish the proper environment in order to position itself as the most attractive country in this domain.

As a result, the combination of the Swiss financial tradition and advanced technology has enabled the success launch of the Swiss FX Marketplace. ■

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