



MAXIMISING PROFITS WITH PRE-TRADE ANALYTICS

2025

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SUMMARY

In today's frequently volatile and fragmented FX markets, the need for precision and informed decision-making has never been greater.

Pre-trade analytics offers institutional traders in all segments the data-driven insights necessary to optimize execution, manage risk, and reduce trading costs.

Traders at asset managers, hedge funds and large corporations can incorporate pre-trade analytics into the FX trading lifecycle, allowing participants to better anticipate market behaviour, select the optimal trading strategy, and comply with regulatory requirements.

Independent analytic providers can ensure broad and neutral data presentation.

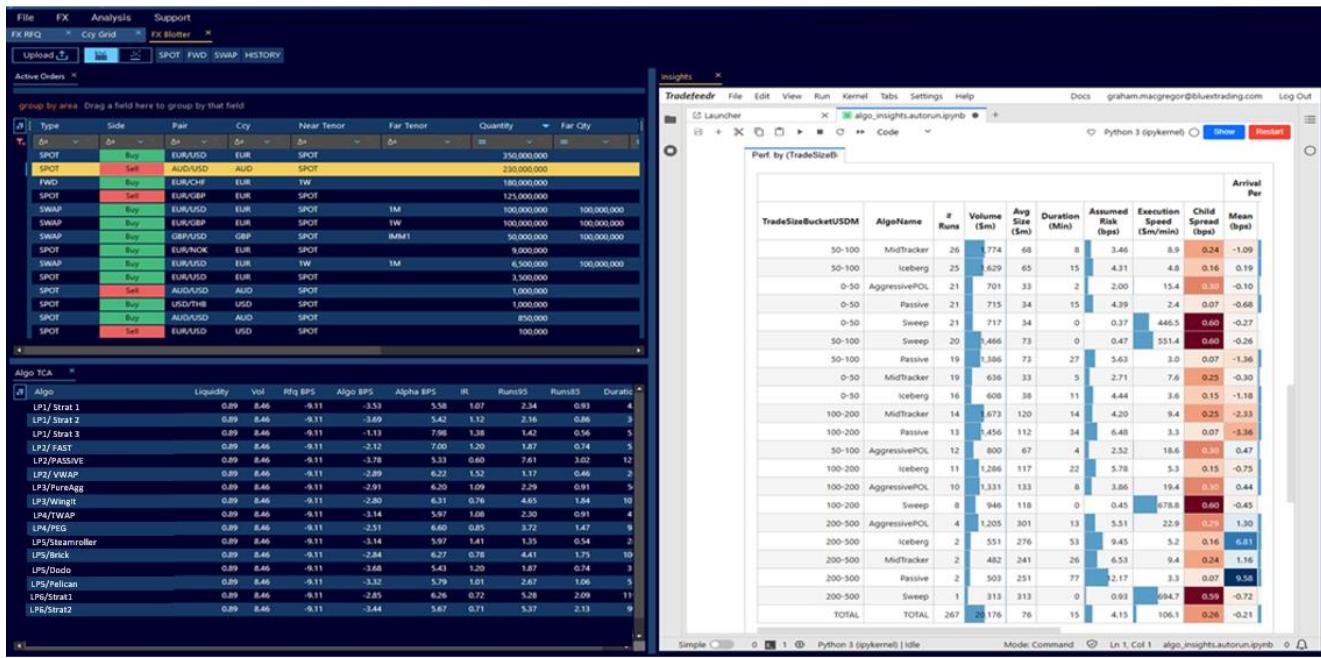
1. Execution Efficiency

This is the fundamental and most tangible use case for pre-trade analytics as it can directly affect the trading process and thus, look to satisfy the primary goal- reducing implicit trading costs.

Pre-trade analytics enable traders to access real-time and historical data on currency pairs, volatility, spreads, liquidity conditions and past performance. This allows them to assess:

- Expected RFQ spreads
- Expected slippage and impact
- Optimal liquidity providers and strategies
- Expected algo performance

By understanding these dynamics, traders can make better-informed decisions on trade sizing, execution strategy (e.g., algorithmic vs. RFQ), and counterparty selection.



The image shows a screenshot of the BlueX Trading GUI. On the left, there is a 'Active Orders' grid. The columns include Type, Side, Pair, Ccy, Near Tenor, Far Tenor, Quantity, and Far Ccy. The grid contains several entries for SPOT, FWD, and SWAP orders across various currency pairs like EUR/USD, GBP/USD, and USD/JPY. On the right, there is a 'Perf. by (TradeSizeBuckets)' table. The columns include TradeSizeBucketUSD, AlgoName, # Runs, Volume (\$m), Avg Speed (bps), Duration (Min), Assumed Risk, Execution Speed (\$m/min), Child Spread (bps), and Mean (bps). The table lists data for various algoritihc strategies (MidTracker, AggressivePOL, Passive, Sweep) across different trade size buckets (50-100, 0-50, 0-500, etc.) and execution metrics.

BlueX Trading GUI with integrated pre-trade analytics powered by Tradefeedr. 2025

Having these metrics exposed in the execution tool makes utilising them intuitive, traders can quickly view analytics and act on them, always reaping the benefits.

With greater adoption it is foreseeable that firms will begin harness these analytics to dynamically adjust automated execution parameters for low risk trading activity.

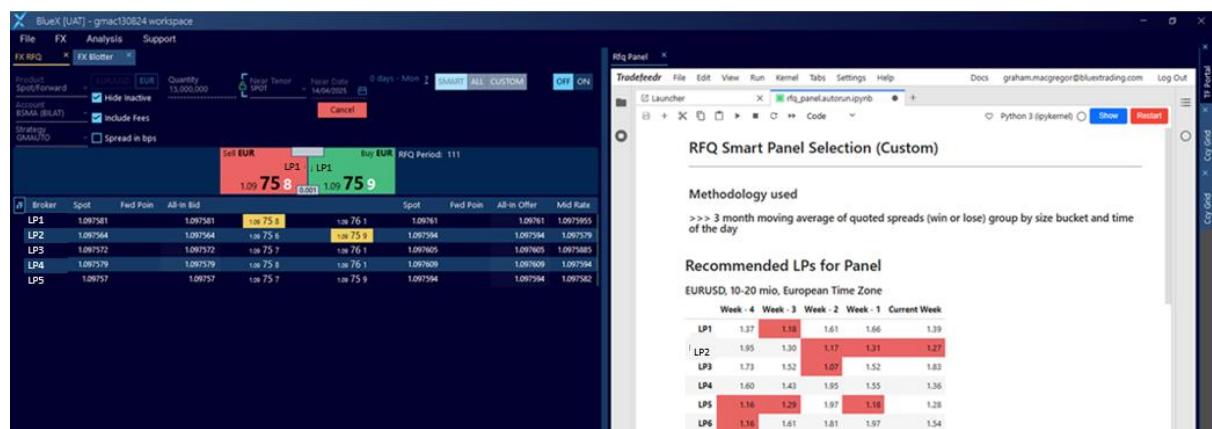
2. Liquidity Management

FX liquidity has become more fragmented and diverse than ever before.

This makes optimal management of liquidity a valuable goal, some common liquidity objectives include; minimise execution costs, preventing information leakage, reducing rejects and maximising provider engagement.

Previously, this was achieved somewhat statically by analysing previously executions, quotes, rejects etc. by extracting the data out of the trading platforms on either monthly, quarterly or even yearly basis. To form the basis of selections made for the next trading period.

However, in order to best achieve the firm's particular liquidity management objectives and minimise labour consuming tasks it is essential to make process easier and more dynamic.



BlueX Trading GUI- "Smart Broker Tool" powered by Tradefeedr analytics. 2025

Above the trader is able to quickly expose the methodology being used to create their smart panel of LPs, allowing them to edit, override or simply view them if required. Providing confidence in the filtering implemented.

BlueX has leveraged the power of Tradefeedr's analytics in Jupyter notebooks to make this as light touch as possible, whilst delivering an enormous suite of liquidity parameters. With the virtually real time data lake, including non-selected LPs on the basis of live skew is possible.

3. Compliance and Regulatory

Utilising an independent third-party analytics provider enables traders to aggregate multi-venue and multi-source data. Capturing all the necessary inputs to drive their broad objectives whilst ensuring complete neutrality.

This also enables firms to satisfy certain regulatory and compliance requirements at all points in the execution cycle.

A pre-trade mid-rate tolerance check is an example of this potential additional compliance measure firms could choose to add into their process.



BlueX Trading GUI- Independent Mid-rate provided by NCFX. 2025

Here a trader is able to view a fully independent mid-rate at point of execution, providing a neutral view of the current market level and enabling better informed execution.

This functionality has been integrated throughout the platform to be utilised in multiple different workflow requirements and is published post trade to complete the lifecycle.



If you have any questions in relation to the contents of this document, feel free to reach out to graham.macgregor@bluextrading.com

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