



FOR IMMEDIATE RELEASE:

Contact:

Martin Rabkin, martinrabkinink
+1 914-420-5739 / mrabkin@martinrabkinink.com

TABB Publishes US Institutional Equity Trading Broker League Tables for 2019: Morgan Stanley Tops Commissions, Virtu/ITG for Algorithms, Jones Trading for Non-Electronic Blocks

Benchmark study ranks 70 brokers on commissions, algorithms, innovation, high-/low-touch coverage, electronic/non-electronic blocks, execution consulting, research, market structure insight, trading analytics, CRB, capital commitment

NEW YORK & LONDON, August 6, 2019 – Continuing its series of exclusive benchmark research information covering US Institutional Equity Trading for the past 15 years, TABB Group today published its third of six studies aggregating the collective intelligence drawn during the first and second quarters of 2019 from 92 heads of trading at institutional investors on the capabilities and services provided by 70 brokers.

[“US Institutional Equity Trading 2019: Broker League Tables,”](#) co-written by [Larry Tabb](#), TABB Group founder and research chair, [Campbell Peters](#), US equity market structure research analyst, and [Elyse Gerard](#), director of market outreach, analyzes the 92 firms’ commission allocation and how each of the 70 brokers scored by major service categories, including: commissions; trading algorithms; high-and low-touch coverage; electronic- and high-touch blocks; execution consulting; research; market structure insight; transaction analytics; central risk books; and capital. More specifically, the rankings include a breakdown of the Top 5 and Top 10 brokers by commissions and the Top 5 algo brokers for long-only and hedge funds, both weighted and by frequency of mention.

According to Tabb, there are key takeaways that both institutional investors and their brokers should understand as they begin to interpret TABB’s exclusive broker league tables. “It’s critical for brokers to understand where they sit in the eyes of their clients, that the buy-sides’ largest brokers receive by far the largest percentage of flow. The implications are far greater for hedge funds as their top broker tends to be their prime.” He goes on to explain that asset managers are more inclined to give their largest broker up to 18% of their order flow, with hedge funds giving their lead broker as much as 31%. “Hedge funds’ largest broker also tends to be their largest prime broker.”

In ranking by commissions, Morgan Stanley took top honors, followed by JP Morgan and Bank America Merrill Lynch, with Credit Suisse and Goldman Sachs rounding out the top five brokers. Peters points out that this ranking includes feedback on all 70 brokers. While Morgan Stanley led the league table, JP Morgan led the field in catering to the most of the large buy-side firms with >\$150b AuM. Here, JP Morgan was followed by Bank America and Goldman Sachs.

While commissions are critical, says Tabb, the buy-side firms ranked algorithms as the top reason why they allocated order flow to a specific broker. In this category, there was a significant change from 2018 when the buy-side's most critical service was high-touch coverage, followed closely by trading algorithms. He says the buy-side ranked the combined Virtu and ITG at the top the algo list. However, if taken separately, i.e., funds that mentioned Virtu or ITG separately, JP Morgan would have been the most extensively used algo provider, followed by UBS and Sanford Bernstein.

If the buy-side prioritized their order flow in the same manner as they ranked brokers' services, their top brokers would be JP Morgan followed by Goldman Sachs.

Two other critical factors in today's US equity market are liquidity and sourcing blocks, both highly prized by institutional investors. In this category, Jones Trading ranked the highest in providing agency block flow, while Goldman Sachs ranked second and Liquidnet ranked first for providing access to electronic block order flow.

TABB's exclusive 34-slide Broker Ranking study, Part III, is available now for download at <https://research.tabbgroup.com/search/grid> by TABB equities clients and pre-qualified media, as are Parts I and II, [IET 2019, Liquidity: Blocks, Algos, Analytics, and Impact](#), and [US Institutional Equity Trading 2019 Trends: Is Active Management an Endangered Species?](#).

For more information or to purchase Parts I, II or III or all three, write to info@tabbgroup.

About TABB Group

With offices in New York and London, TABB Group is the international research and consulting firm focused exclusively on capital markets, based on the interview-based, "first-person knowledge" research methodology developed by Larry Tabb. For more information, visit www.tabbgroup.com

#