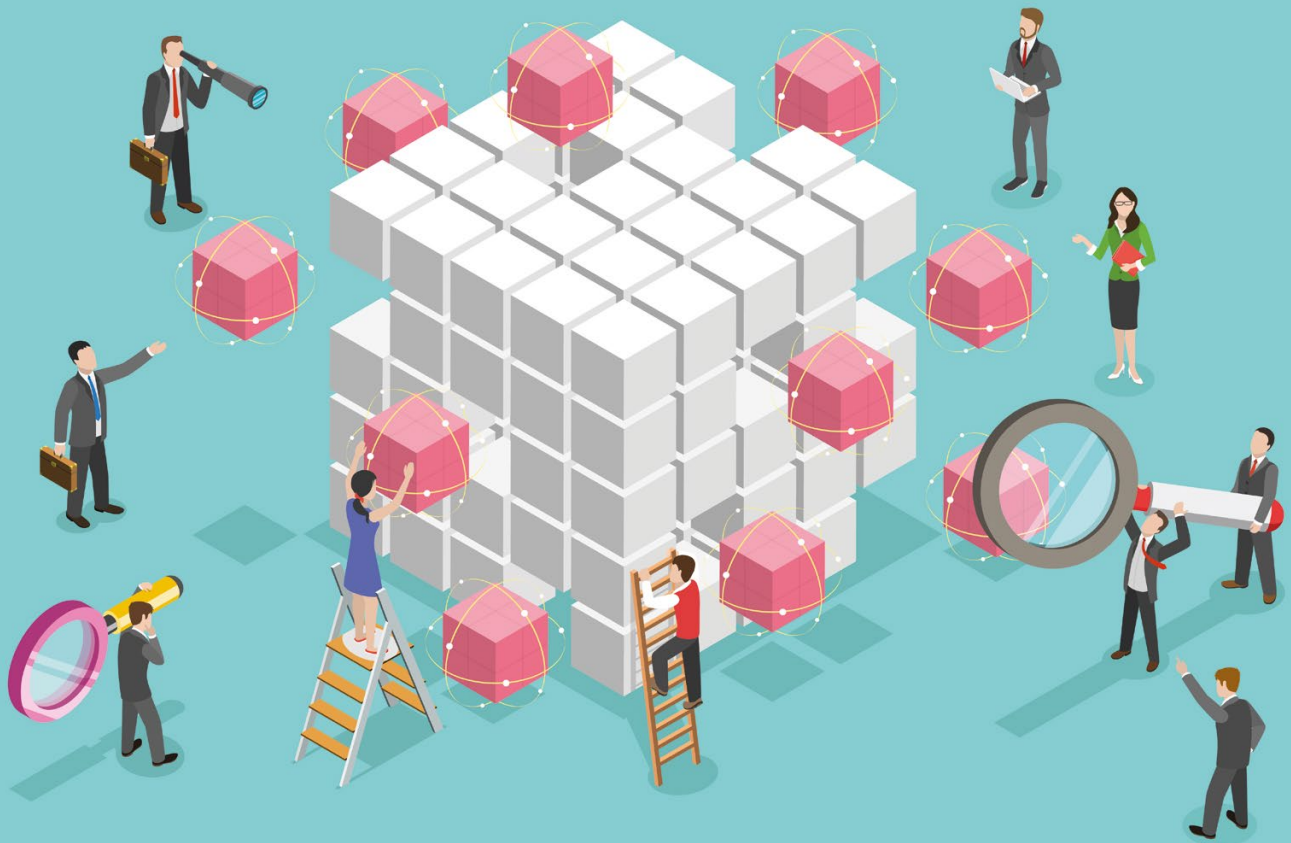


Backing data-driven decisions

EquiLend's Nancy Allen and Paul Lynch discuss the launch of the company's Data and Analytics division and opportunities this will create to apply data-driven intelligence

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Backing data-driven decisions

EquiLend's Nancy Allen and Paul Lynch speak to Bob Currie about the launch of the company's Data and Analytics division and opportunities this will create to apply data-driven intelligence to access liquidity and optimise return from securities financing transactions

EquiLend has established a new market data division, EquiLend Data & Analytics, formed in early 2022. The ambition for the New York-based company is to bring together previously disparate data capabilities for different components of the securities finance market into one single solution, delivering what it says is a unique and comprehensive data and analysis service for securities finance and beyond.

Data services and analytics are nothing new for EquiLend. In 2013, it formed its securities finance market data business, DataLend, and this has delivered trading analytics, real-time data access through Premium Pulse and its buy-side market data platform Orbisa, along with a range of performance reporting tools, customised analytics and consulting solutions crafted to clients' bespoke needs.

The formation of EquiLend Data & Analytics aims to bring together this broad set of data services under a single product umbrella, supported by a unified team structure and providing a centre for innovation as the company develops new data insights and analytics from these underlying data sets.

New direction

The service will be fronted by Nancy Allen, who has been global head of DataLend since 2016 and becomes global head of the new EquiLend Data and Analytics division. Allen explains that, through the Data & Analytics group, EquiLend is looking beyond traditional securities finance data to create a full package of market information, analytics, performance reporting and consulting services. "The aim is to not only help beneficial owners, broker-dealers, agency lenders and hedge funds to manage their securities lending and financing activities more effectively, but also to bring new insights to the broader marketplace," she says.

This new division draws on a wider range of data points across the full range of EquiLend's products and services. "The result is a stronger offering and more actionable insights for users across the EquiLend ecosystem," she says.

Allen anticipates that 2022 will be a transformational year for the Data and Analytics division. Building on volatility and momentum scores introduced in 2021, EquiLend will extend its portfolio of

analytics services, including a new dynamic trading analytics solution that will enable clients to interface more efficiently with trading counterparties over NGT. It will also offer access to a deeper data pool, including the extension of post-trade, swaptimization and collateral services into the EquiLend analytics suite.

Responding to user demand for robust ESG data to support their sustainable lending and financing objectives, EquiLend introduced a new ESG product suite during 2022 which includes data validation and opportunity cost analysis. "We recognise that the needs of our clients are ever changing and we strive to provide them with the tools to make data-driven decisions," says Allen.

Data velocity

For Paul Lynch, EquiLend's global head of products, a priority during 2022 will be to increase the speed that EquiLend can deliver data to clients, particularly in cases where data provides time-sensitive insights to guide their forthcoming business decisions. The focus, notes Lynch, is on activity data in addition to executed data. "Clients want to move beyond rate comparison," he says. "They want to create models that forecast a rate needed to execute a trade. We want to provide our clients with the data points to create liquidity."

The company set this strategy in motion during 2021, when it extended its focus beyond performance analytics and anonymous league table performance comparisons to reinforcing clients' access to analytics linked to trading scenarios — "in other words, evaluating 'what you did versus what you could have done'," says Lynch.

During 2022, EquiLend will begin to roll out NGT Competitive Bid, with its Trading Analytics product to follow, offering analysis of clients' trading performance relative to the market. "EquiLend Data & Analytics is delivering insights to clients so they can optimise their opportunities," says Lynch.

Regulatory drivers

The new division will also play a key role in helping EquiLend clients to manage their regulatory adoption and reporting obligations. If

enacted, the Securities and Exchange Commission's 10c-1 rule will require lenders of securities to report the material terms of securities lending transactions to a registered national securities association (RNSA). Allen notes that, although still relatively early in the design and consultation phase of SEC 10c-1, this regulation is likely to have a significant impact on EquiLend's client base and will potentially deliver a higher level of transparency to securities lending markets. EquiLend has two entities that are SEC-regulated and are members of the Financial Industry Regulatory Authority (FINRA), the one organisation that has so far been approved by the SEC as an RNSA. Consequently, EquiLend believes it will be well placed to act as a reporting agent should the proposed rule come into effect.

"EquiLend is looking beyond traditional securities finance data to create a full package of market information, analytics, performance reporting and consulting services"

"Through our suite of trading, data, post-trade and books and records services, EquiLend has the technology to support intraday, end of day or T+1 reporting, leveraging our technology, which is already utilised by many participants in the securities lending market," says Allen.

"As a leading provider of data and analytics in the market, we also welcome the opportunity to incorporate the data to be made public through the proposed rule into our product suite," she adds.

In closing, Nancy Allen reports that the level of interaction and dialogue that EquiLend has had with its global clients has been increasing year after year. As more data becomes available, the company aims to create analytics which will help the market to manage their securities finance business more effectively based on data-driven decisions.

"We are working with the broader community to provide valuable insights used by portfolio managers and quantitative analysts to create strategies and identify trading signals," concludes Allen. "Our clients continue to use our data to identify and unlock opportunities to optimise returns." ■

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