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PRESS RELEASE

Hybrid Risk Model, While Favored by FX Brokers, Yields Operational Challenges

- Profitability strongly correlated to market volatility
- Risk and liquidity major concerns for FX Brokers
- Results from the 2014 Retail FX Broker Survey

PALO ALTO, Calif. (March 31, 2014) — Retail FX brokers are looking for more sophisticated risk models as well as multiple liquidity providers, according to a new survey published by Integral Development Corp. (www.integral.com), a leading service provider to FX market participants. Integral published the results of its **2014 Retail FX Broker Survey** today, in which senior decision makers at FX retail brokers from around the world contributed their thoughts on the global FX retail market, reflecting on the last 12 months and looking forward to the year ahead.

One key finding is that 58% of those surveyed believe that a hybrid risk model (a combination of A-book and B-book) is the preferred solution for their business in 2014. That's almost twice as many as those who favor a pure agency model, and more than seven times as many who said the B-Book model is the best way forward. One possible explanation for why brokers are now looking for more sophisticated risk models in support of a more dynamic risk strategy might be that "increased competition from other brokers" is the number one challenge, followed by "rising operational costs," among other concerns. Furthermore, 65% of respondents see a strong correlation between market volatility and profitability. With volatility low, implementing a hybrid risk model might offer the best scenario in today's environment, as well as for when these macroeconomic conditions change.

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“We are encouraged by these findings since they confirm our view of the retail FX market and where it is headed. It also validates the direction of our product roadmap and innovation,” said Harpal Sandhu, CEO, Integral Development Corp. “The flexibility of a hybrid risk model clearly trumps those of pure A- or B-booking, but as the more complex strategy, it comes at a price. FX brokers need to carefully review their setup for operational efficiencies and find a technology partner that puts them in control so they can make the necessary decisions quickly and decisively to provide superior customer service. This is a marathon, not a sprint.”

Echoing sentiments revealed in the 2013 Retail FX Broker Survey, participants put the number of liquidity providers required to optimally run a forex brokerage at six or more, with 64% of responses favoring this range. More than two-thirds of participants responded that a combination of bank and non-bank liquidity is essential. Even though survey participants expect to see market growth in 2014, they also made it clear that operational challenges remain.

“Integral’s innovative solutions enable brokers to connect to multiple sources of both bank and non-bank liquidity ensuring them best execution, and we provide the risk management tools to put FX brokers in full control of their FX business,” continued Sandhu.

Please follow this link to view the full survey results: www.integral.com/retailbrokersurvey

About Integral

Integral Development Corp., a leading service provider to FX market participants, develops and operates FX Grid®, a global multi-sided trading network connecting active market participants with all major sources of FX liquidity. Integral's business model supports all FX market participants with the solutions to build their own private FX exchanges, and to deliver branded trading services to their clients. FX Grid connects all segments of foreign exchange including retail and institutional brokers, banks, investment and asset managers and professional trading firms. Founded in 1993, Integral maintains development, support, and sales offices in Palo Alto, New York, London, Tokyo, Singapore, Hong Kong, and Bangalore. For more information, visit www.integral.com. © 2014 Integral Development Corp. All rights reserved. Integral technology is protected under U.S. Patent Nos. 6,347,307 B1; 7,882,011 B2 and 8,417,622 B2, patent pending applications and related intellectual property.