

PICTET GROUP

Market Data

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Market Data definition

Market Data Challenges

Market data distribution

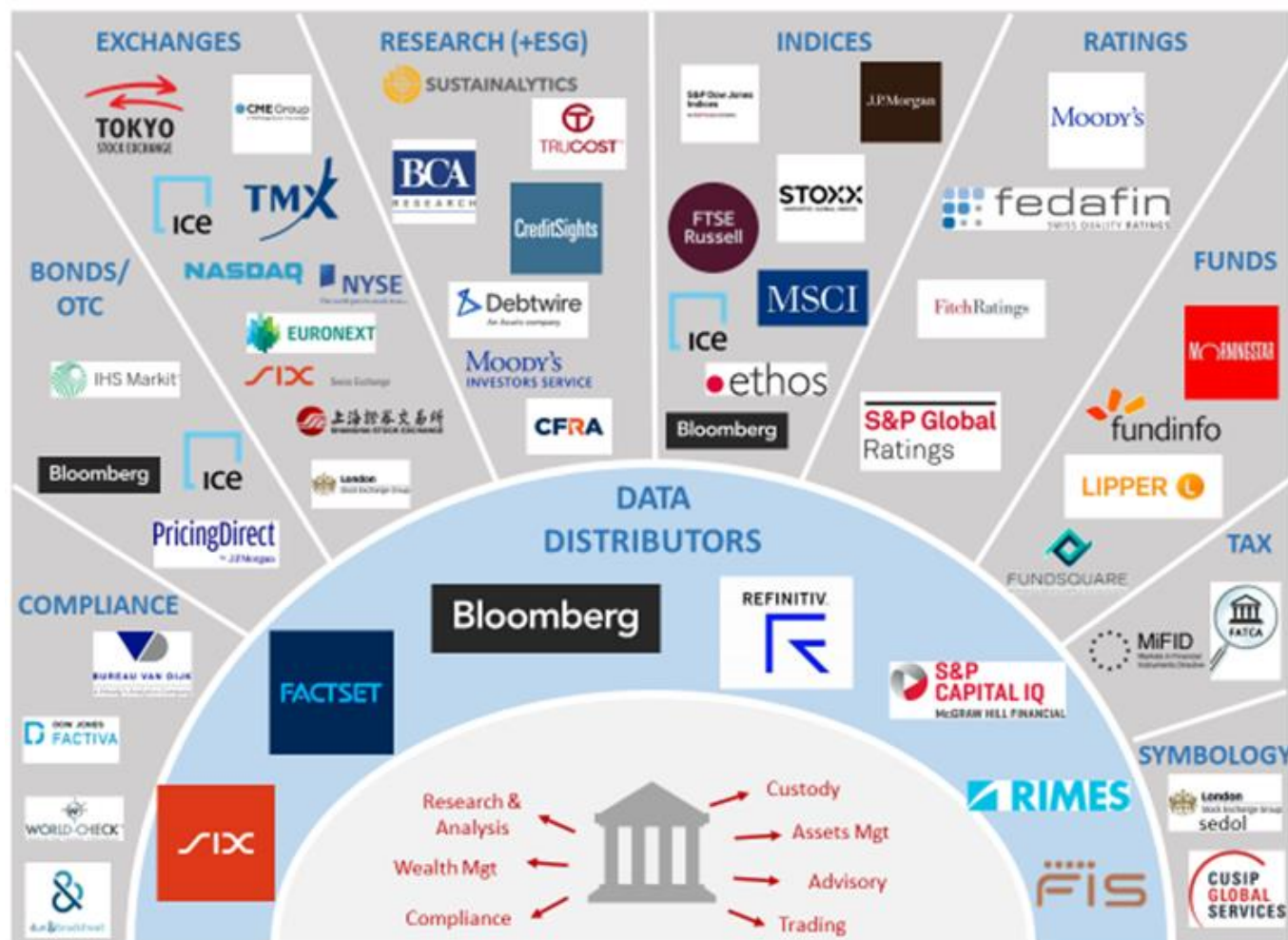
Conclusion

What is Market Data?

Financial information used by financial services professionals in support of the investment process.

Market data is sourced through various channels, including terminals & data feeds, internet, other subscriptions and sources.

Use of market data is governed by the intellectual property rights (IP) of the data owners.



Market Data Challenges

OUR CURRENT CONCERN

Market Data is key for making good investment decisions, but it's getting very expensive.

- Market data prices are rising faster than inflation and many consumers of market data feel they are being unfairly gouged by the providers;
- Financial institution (banks, investment managers, etc..), unwilling to take on the reputational risk of being out of compliance;



Growing Vendors Aggressivity

Vendors have strong negotiating tactics due to the lack of usage transparency on their IP

- Vendors, are creating products or repackaging premium fields in new ways, in order to offer new products and capitalise on increased revenue;
- Vendors citing recent regulations to promote market data products;
- Multiplication of compliance audits;



Growing Complexity

Demand for market data is increasing

- Data consumers need more data, more quickly, to support increasingly complex investment decisions;
- Increased emphasis on risk management has also led to a growing appetite for market data and analytics;



Growing Regulatory Requirements

Various regulatory requirements (MIFID, MIFID II, MIFIR, etc...) have essentially required firms to increase their consumption of data and ability to process that data, including:

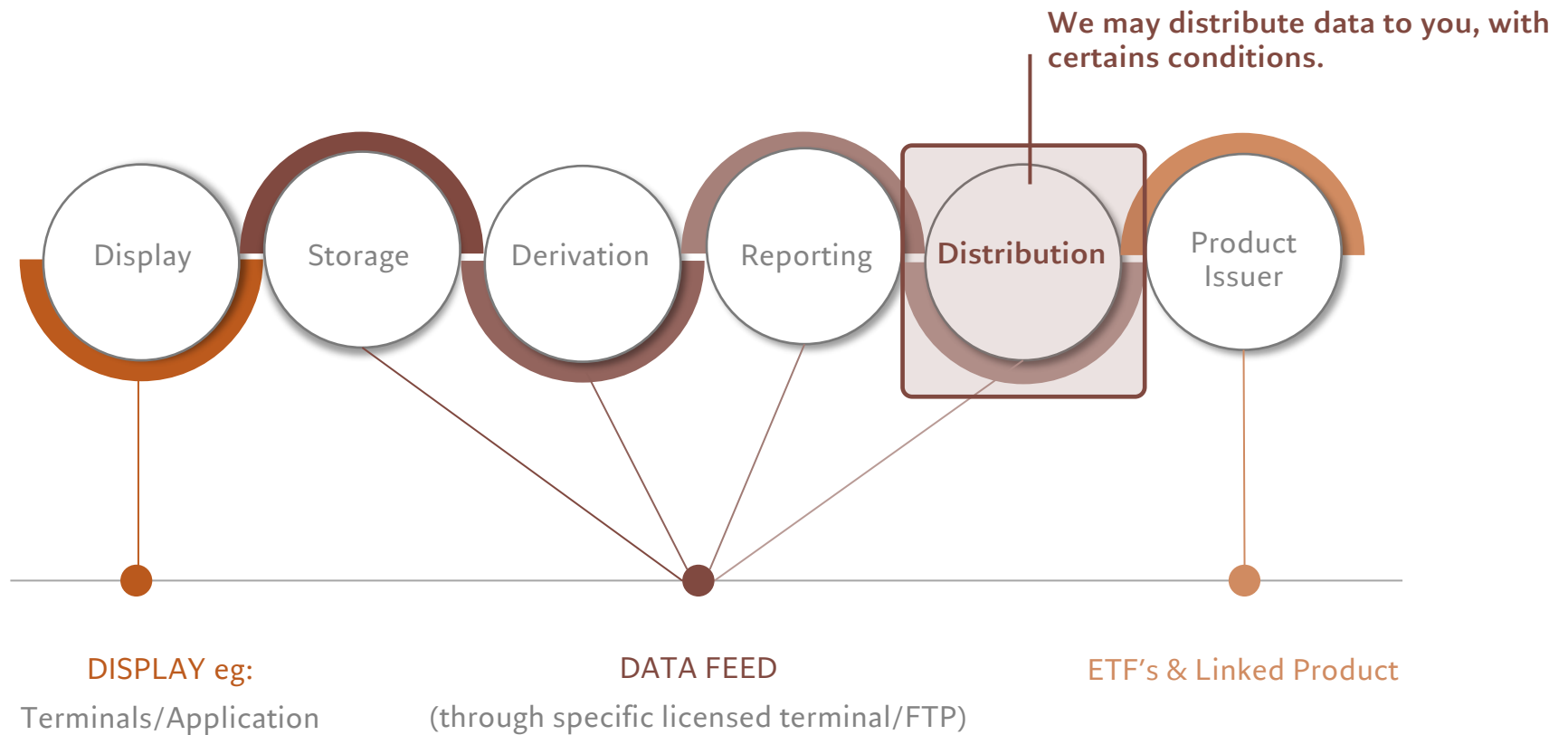
- Requirements relating to monitoring of execution quality;
- Regulatory reporting requirements;
- Rules on inducements;
- Asset valuation requirements;
- Data security, risk management and business continuity



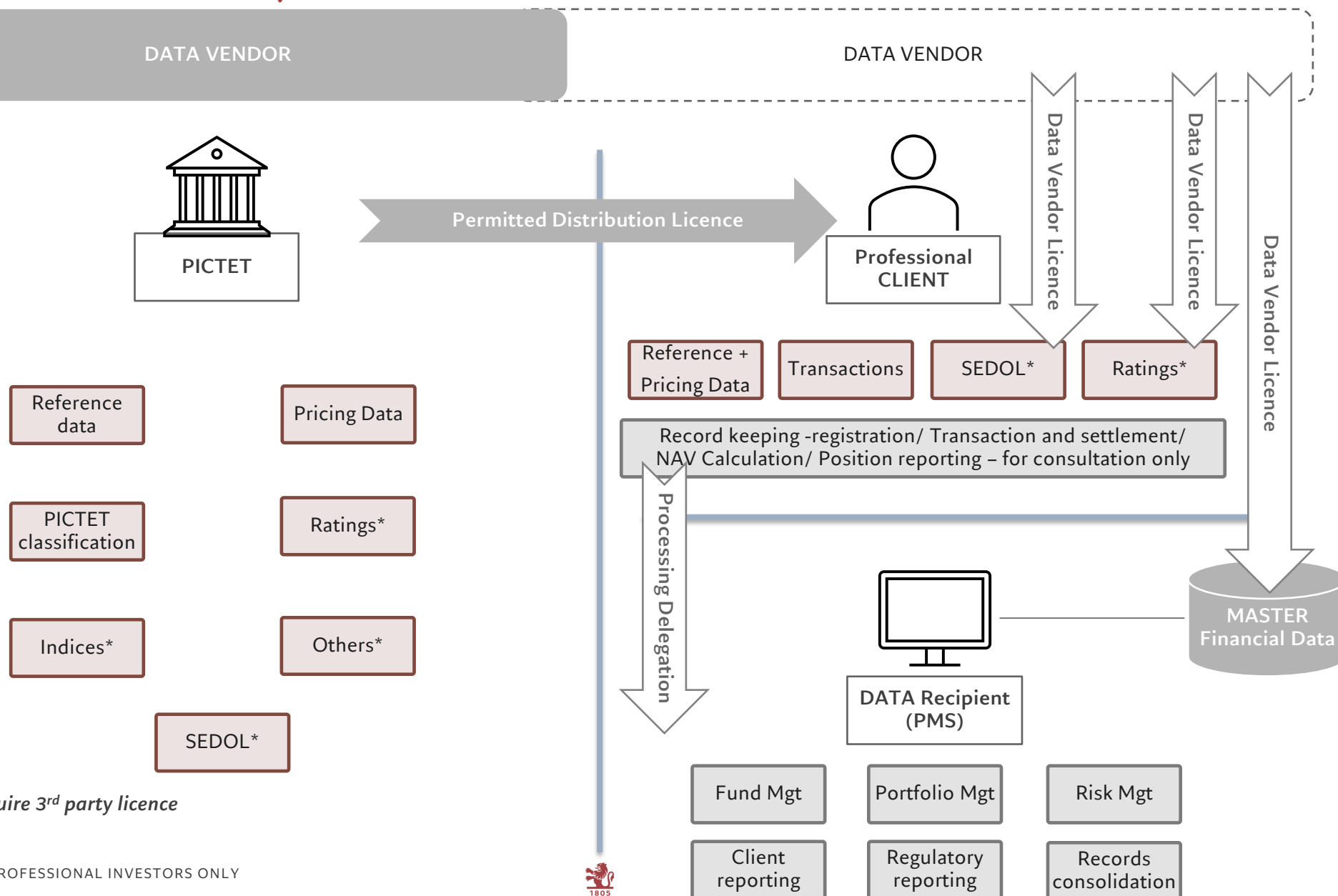
Each provider has rules to protect their IP (intellectual property) which cover*:

- How we (Banque Pictet) can use the market data we receive;
- What we can distribute to you;
- How you are allowed to use the data you receive from us;

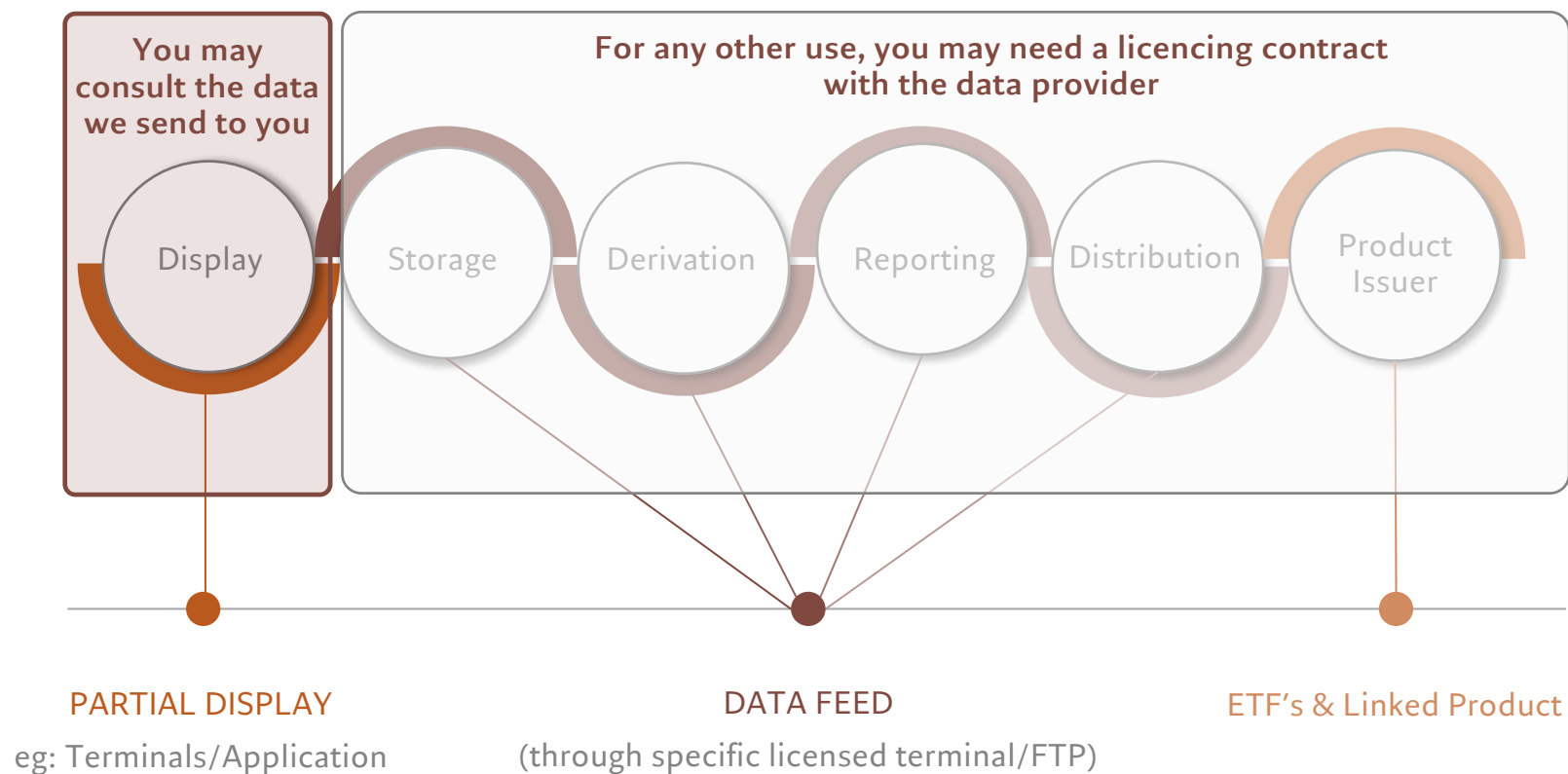
How we (Banque Pictet) can use the market data we receive



What we can distribute to you



How you are allowed to use the data you receive from us



Enforcement of data use – why we need a new agreement

Data providers have:

- Stepped up their monitoring of how their data is being used and distributed;
- Defined strict limitations on how their data can be used (displayed, stored, derived, reported, or distributed);
- Stated that they expect us to ensure that data we distribute is only used in the manner intended by the data provider and disclose our Client's name if non compliance is observed;

In response, Pictet has:

- Created the Market Data Specific Terms and Conditions which details the authorised and forbidden uses of Market Data, as well as the Data recipients' obligations;

Conclusion – Q&A



Market data is Financial information used by financial services professionals in support of their investment process.



Market data is key for making good investment decisions, but it's getting very expensive.



Market data vendors are aiming to increase their revenues with new licence policies which impact Pictet and its Clients.



A distribution licence allows Pictet to distribute data to professional Clients with restricted use cases.



Clients must assess their data usage and potential requirements for data vendor licences.

Disclaimer

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