



The Banker

Investment Banking Awards 2018

MOST INNOVATIVE INVESTMENT BANK FOR FIXED INCOME, CURRENCIES AND COMMODITIES TRADING

WINNER: SOCIÉTÉ GÉNÉRALE

Société Générale has quickly stamped its authority on this relatively new category. After picking up the inaugural award, its win this year makes it two out of two for the French bank. The markets division has invested heavily in its fixed-income, currencies and commodity (FICC) trading businesses in recent years, not least to remain relevant at a time when non-banks are gaining a bigger slice of the foreign exchange market and clients can trade bonds directly on third-party platforms.

Advancements in two areas warrant Société Générale's win in this year's awards. First, it is at the vanguard of the digitisation of FICC trading. The functionality of its electronic client portal SG Markets – which offers clients pre-trade, execution and post-trade services – becomes more advanced every year.

“Société Générale made major strides in improving electronic service quality in the fixed-income markets, ranging from our rates option trade builder to the addition of 300 single-name [credit default swaps] to our credit derivatives e-trading, and a US dollar swap algorithm that helps clients to reduce their costs,” says Bruno



WE ARE ENCOURAGING THE FIXED-INCOME MARKETS TO GO FULLY ELECTRONIC BY ANTICIPATING CHANGE, RATHER THAN RESISTING IT

Bruno Benoit ●●

Benoit, head of fixed income and currencies at Société Générale.

The bank was also an early mover in providing fixed-income solutions to hedge against the increase in market volatility, including Italian political instability and the surge in the VIX volatility index at the start of 2018.

Digitisation is a pillar of the division's strategy. “We are encouraging the fixed-income markets to go fully electronic by anticipating change, rather than resisting it,” says Mr Benoit. “As an early adopter of digital innovation, we have been able to make an impact on FICC trading service for clients that is vastly disproportionate to our balance sheet size, and to import valuable equity market lessons to improve fixed-income solutions.”

The second advancement that warrants Société Générale's win is its commitment to improving pricing and trading opportunities. For instance, the bank created an algorithm that uses, inter alia, listed futures, US treasuries, forwards and exchange-traded funds to hedge interest rate swap exposure at the lowest cost at any point in time. Clients have taken note. Société Générale is now winning more work from some of the most sought-after names, including the US mortgage agencies.

JUDGING PANEL

Iain Barbour is a partner at Bishopsfield Capital and a former head of Commerzbank's global securitisation business.

Roberto Bonsignore is a corporate and finance partner at Cleary Gottlieb Steen & Hamilton in Milan.

Jerome Booth is chairman of New Sparta Limited and author of *Emerging Markets in an Upside Down World*.

Symon Drake-Brockman is a managing partner of Pemberton Capital Advisors.

Philippe Espinasse is an independent consultant and former capital markets banker at Macquarie and Nomura.

James King is Middle East and Africa editor at *The Banker*.

Stefanie Linhardt is Europe editor at *The Banker*.

Noel Lourdes is executive director of European advisory at Islamic finance boutique Amanie Advisors.

Danielle Myles is investment banking and capital markets editor at *The Banker*.

Silvia Pavoni is economics editor at *The Banker*.

Adam Plainer is a restructuring partner at Weil Gotshal & Manges, and president of the Insolvency Lawyers' Association.