

# Stater Global Markets

## High Calibre Offering for Institutional Clients

Stater Global Markets' CEO, Ramy Soliman and COO, Mark Chesterman talk to e-Forex about their views on the Prime of Prime market and the importance for institutional clients of selecting a Prime of Prime broker that has no vested interest in the liquidity or technology they offer.

**Ramy, you set up Stater Global Markets two years ago, citing a gap in the market for a specialist Prime of Prime with excellent infrastructure and a high quality offering for institutional clients. As the market has evolved, do you feel your initial assessment of the market was correct?**



The market has moved exactly as we had envisaged. When we launched Stater Global Markets in September 2016, we did so because of the contraction in credit from Prime Brokers and the restricted direct market access to top tier bank and non-bank liquidity. We launched the firm at an ideal time; offering credit intermediation, customisable liquidity solutions and institutional grade technology. Over the last two years, Stater has attracted a global client base consisting of brokers, banks, hedge funds and professional investors. We have gained a reputation for excellence in a relatively short period of time.

**How do you see the market evolving over the next couple of years?**

Firstly, I think there will be a consolidation of retail broker

firms, largely driven by the FCA mandating that STP brokers now need to have a 730k license, ensuring they are sufficiently well capitalised to cover negative client balances. Some of the smaller UK-based FCA regulated entities will inevitably close, be bought out or move offshore. It is actually a good thing for the industry as a higher proportion of regulated brokers will have a sensible risk strategy. It also has a positive impact for Prime of Primes as retail brokers are more likely to externalise to counterparties like Stater.

The FCA will be looking much closer at who a broker's counterparties are. FCA regulated brokers will increasingly want to send flow to a partner who is neutral, isn't owned by a retail broker and has no conflict of interest. This puts Stater in a strong

position – we have maintained our neutrality from the outset. Being Liquidity Provider and technology provider agnostic enables us to offer the optimum solution for every client, tailored to their individual requirements.

Secondly, I believe that the cryptocurrency market is here to stay, albeit with spikes in demand along the way. This is a new market and it will mature. There's an opportunity for Stater to be at the leading edge of this new asset class and we remain committed to launching a solid cryptocurrency solution for institutional clients in the near future.

Thirdly, for retail brokers, I believe MT4 will be around for much longer than initially anticipated but I think eventually demand for MT5 will outstrip demand for MT4.

**Mark, you also have in-depth knowledge of the market, having joined Stater after a long and successful career at IG. How do you believe Stater is adding value to clients?**

Stater's ethos is that of an institutional broker – we facilitate access to markets. We are not an LP with an inherent interest in a client's P&L, with all the conflicts of interest that raises. We do not have a retail franchise with

which to compete against our institutional clients. There is much discussion over what a 'true' Prime of Prime is – I would argue that as a truly liquidity and technology agnostic broker, with absolutely no inherent conflict of interest against our clients, Stater is largely unique in the Prime of Prime space. Given the current market, and the way that regulation is trending, this is a very valuable proposition to our clients.

**Where do you see the opportunities are for Stater?**

eFX is an international market and our institutional grade infrastructure gives Stater the opportunity to participate at a high level globally. We have seen most of our growth to date come out of Europe and have a growing brand in Asia. We are also growing our sales team to help bring the Stater ethos to a wider audience more quickly, and ensure we maintain our high level of client service as we grow. As banks continue to streamline their customer bases globally, I believe the market for a good Prime of Prime is only going to grow.

**How is regulation such as ESMA and MiFID II impacting your business?**

Regulation such as ESMA and MiFID II makes it a more difficult environment for



brokers to make money. They need to focus on managing their risk and marketing their business and can partner with a Prime of Prime for a best of breed solution for all other aspects of their business such as liquidity, technology, and connectivity. Stater has adopted the approach of modern Fintech companies – we automate as much as we can, reducing frictions across the business. We can onboard clients very quickly (usually within a few days), and because of our low fixed-cost base, for firms wanting to grow with us we're a good home – we provide a one-stop-shop, have no minimum fees and can help them to grow their business.

For further information, visit [www.staterglobalmarkets.com](http://www.staterglobalmarkets.com)