

Market structure in transition

by George Sofianos

We are in the midst of dramatic changes in the way stocks are traded and in the way the industry is regulated. Changes are taking place at three levels: execution venues, sell side and buy side. For example, the growth of direct market access and algorithmic trading is unravelling the traditional "risk-pooling" role of full-service broker-dealers: how far will it go and what are the implications? The speech will summarize the main changes, identify puzzles and potential problems, and discuss how academic research can help regulators and practitioners.