



Quality of Execution Study

FXCM* Order Execution compared to FX Futures and
the Interbank Spot FX Market

*FXCM references refer to Forex Capital Markets, LLC.
Please see last slide for full disclaimer



Purpose of Study

- The purpose of this study was to compare quality of execution for FXCM Retail Client¹ orders versus the Futures market and the Interbank market for FX. Specifically analyzing the pricing of orders executed at FXCM versus 3 venues CME, EBS, and Reuters.
- These are 3 of the largest trading venues and are considered the benchmark for FX pricing in the industry.
- The quality of execution advantage provided by FXCM is defined as the difference between the actual price at which the FXCM client's order was executed versus the quoted price at which the same order could have been executed on the Futures or Interbank market.
- **This study is not to suggest that FXCM is better than any one venue. To their credit institutional venues such as the CME, Reuters, EBS provide a valued service in the FX industry and are excellent trading venues.**
- **Instead this study is meant to show how different customer segments are better suited for different venues.**
- Institutional Clients - are best suited to compete with each other at the large venues like CME, EBS, and Reuters
- Retail Clients² - are better suited for our trading environment and platforms where liquidity providers are able to offer lower pricing³. In fact evidence suggest low percentage of retail volume at these benchmark venues.

1. FXCM's Retail Clients are defined as individual, joint, and corporate accounts trading on our retail price stream

2. Ibid.

3. Fees that a participant would pay on the Futures or Interbank market, such as CME Exchange Fees, NFA Fees, FCM Fees, Clearing Fees, and other commissions, were excluded from this study. Similarly, FXCM Commissions were excluded from this study.

- The quality of execution for FXCM Retail Client orders is better than the Futures Market and the Interbank Market for FX⁴.
- The results show FXCM's execution of orders with significant advantages to the Futures and Interbank market for FX with:
 - FXCM equal to or better than the futures price 90.83% of the time
 - FXCM equal to or better than the Interbank price 95.31% of the time
- **Why is FXCM's Pricing Better for Retail Clients?**
 - Very Important is that our liquidity providers/market makers are only allowed to be price makers for our Retail Clients. Thus only our Retail Clients can take a price from the liquidity provider.
 - This leads to a trading environment in which liquidity providers are able to give better price execution. Liquidity providers have the ability to make a market based on quality of price and liquidity rather than speed to protect against being picked off by predatory trading from other liquidity providers.
 - This trading environment is very different in futures and Interbank markets where high frequency trading can impact quality of execution.
 - [Read more details in FAQ #1](#)

4. The study does not in any way attempt to represent that FXCM maintains a particular capacity or performance level. Past results are not indicative of future performance



Time Period

This study covers the period from October 1, 2014 to August 31, 2015.

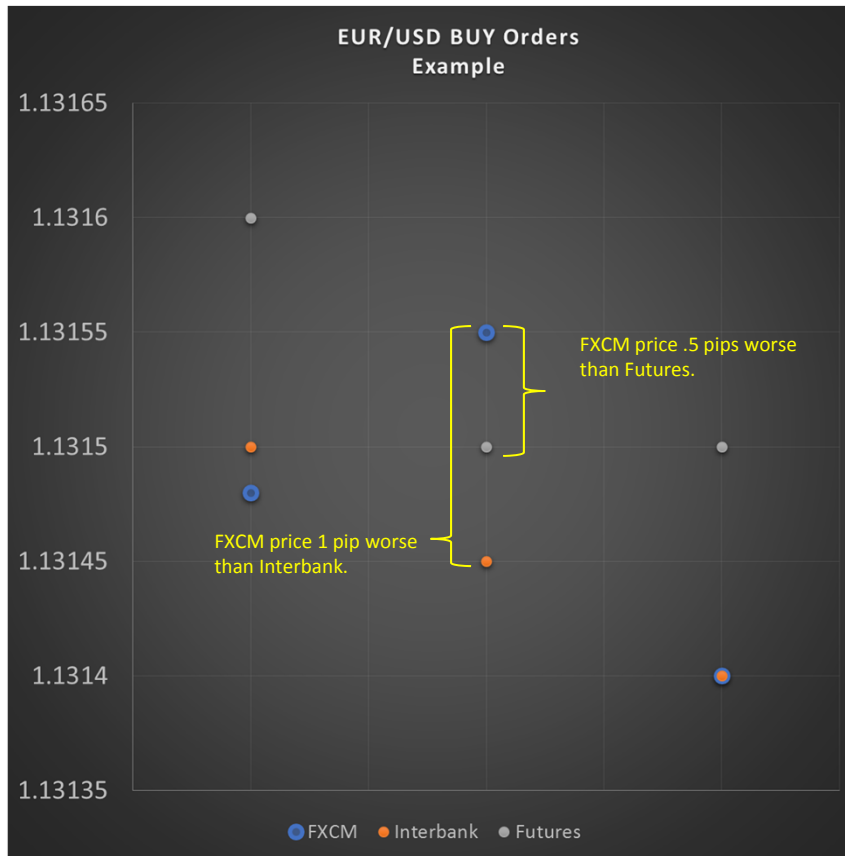
Client Coverage

This study is based on the trade data of FXCM LLC clients on NDD forex execution.

Assumption and Methodology

Assumptions made during the course of this study were designed to favor the Futures market or Interbank market in their comparison to FXCM order execution. A more in-depth description of the methodology and assumptions made is included at the end of this presentation.

Fees that a participant would pay on the Futures or Interbank market, such as CME Exchange Fees, NFA Fees, FCM Fees, Clearing Fees, and other commissions, were excluded from this study. Similarly, FXCM Commissions were excluded from this study.



Order	Amount	FXCM	Interbank	Futures	\$ Saved vs. Futures	\$ Saved vs. Interbank
Order 1	120,000	1.13148	1.1315	1.1316	\$ 14.40	\$ 2.40
Order 2	300,000	1.13155	1.13145	1.1315	\$ (15.00)	\$ (30.00)
Order 3	250,000	1.1314	1.1314	1.1315	\$ 25.00	\$ -

Comparison	% orders Better	% orders Equal	% orders Worse	\$ Savings to FXCM LLC clients
Interbank	33.33%	33.33%	33.33%	\$ (27.60)
Futures	66.67%	0.00%	33.33%	\$ 24.40

FUTURES

FXCM Orders Compared to Futures Market



Estimated savings to FXCM clients: **\$36,350,525**

INTERBANK

FXCM Orders Compared to Interbank Market



Estimated savings to FXCM clients: **\$55,121,988**

Part 1

Futures Pricing vs. FXCM Pricing



Results – Futures Market Comparison

- Percent of orders where FXCM order price was:
 - Better than the quoted⁵ Futures price: **86.47%**
 - Equal to the quoted Futures price: **4.36%**
 - Worse than the quoted Futures price: **9.17%**

- **FXCM was equal to or better than the Futures price 90.83% of the time**
- Estimated savings to FXCM clients: **\$36,350,525**
- Average savings per Order: **\$2.04**
- Number of orders included in the study: **17,855,552**

5. The comparison to each of the Futures and Interbank data is made at the time that the FXCM client order is executed. Normal market slippage and slippage due to rejections by liquidity providers are already included by the time the FXCM client order is executed.





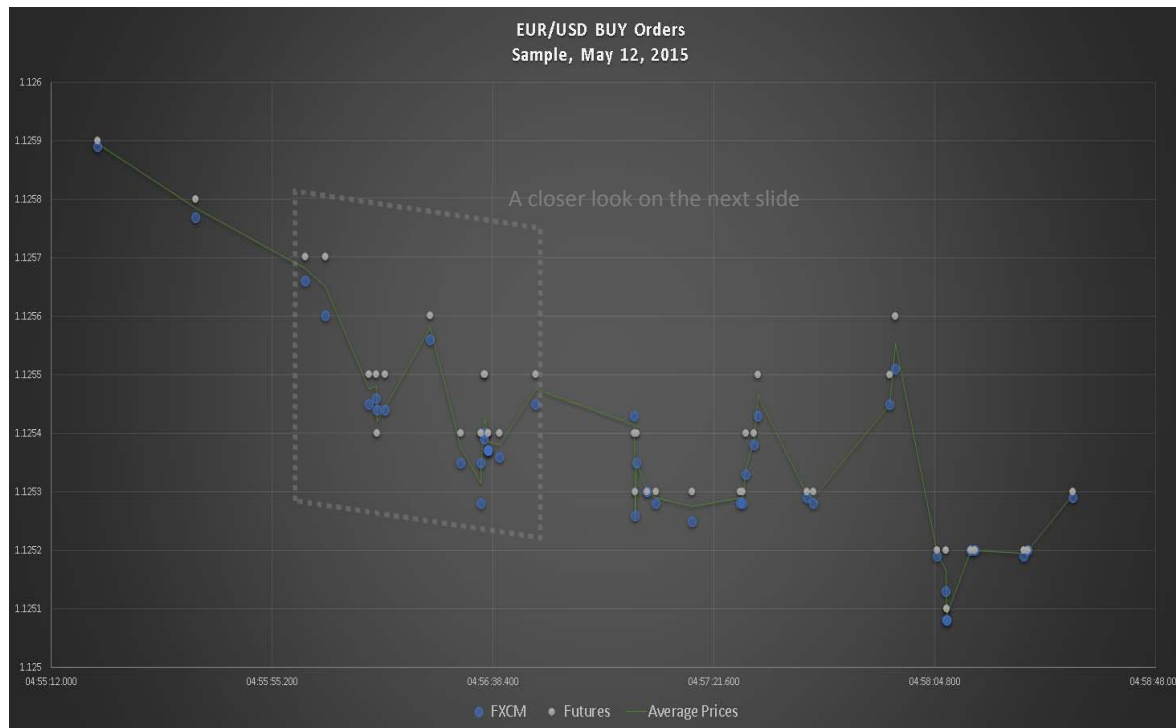
Results – Futures Market Monthly Comparison Continued

TOTAL		BETTER			EQUAL		WORSE			ESTIMATED \$ SAVINGS
Month	Orders	Orders	Pct	Est. \$ Savings	Orders	Pct	Orders	Pct	Est. \$ Loss	
Oct-14	1,607,724	1,352,111	84.10%	\$ 2,982,679.31	80,343	5.00%	175,270	10.90%	\$ (171,887.25)	\$ 2,810,792.06
Nov-14	1,577,829	1,335,910	84.67%	\$ 2,690,291.48	76,190	4.83%	165,729	10.50%	\$ (153,783.12)	\$ 2,536,508.36
Dec-14	1,426,364	1,210,706	84.88%	\$ 2,619,870.75	67,994	4.77%	147,664	10.35%	\$ (141,602.76)	\$ 2,478,267.99
Jan-15	1,313,627	1,104,018	84.04%	\$ 2,460,102.03	60,145	4.58%	149,464	11.38%	\$ (158,128.58)	\$ 2,301,973.45
Feb-15	1,407,385	1,246,711	88.58%	\$ 3,017,311.70	53,691	3.81%	106,983	7.60%	\$ (109,121.37)	\$ 2,908,190.32
Mar-15	1,892,060	1,680,317	88.81%	\$ 4,290,577.57	71,151	3.76%	140,592	7.43%	\$ (154,092.48)	\$ 4,136,485.09
Apr-15	1,879,089	1,644,898	87.54%	\$ 4,359,654.67	76,631	4.08%	157,560	8.38%	\$ (198,011.45)	\$ 4,161,643.22
May-15	1,538,597	1,343,018	87.29%	\$ 3,855,703.29	73,014	4.75%	122,565	7.97%	\$ (183,466.39)	\$ 3,672,236.91
Jun-15	1,703,907	1,481,056	86.92%	\$ 4,070,195.12	70,978	4.17%	151,873	8.91%	\$ (165,671.39)	\$ 3,904,523.73
Jul-15	1,689,645	1,468,691	86.92%	\$ 3,582,144.93	69,709	4.13%	151,245	8.95%	\$ (147,878.48)	\$ 3,434,266.45
Aug-15	1,819,325	1,571,693	86.39%	\$ 4,202,488.44	78,533	4.32%	169,099	9.29%	\$ (196,851.09)	\$ 4,005,637.35
Total	17,855,552	15,439,129	86.47%	\$ 38,131,019.28	778,379	4.36%	1,638,044	9.17%	\$ (1,780,494.35)	\$ 36,350,524.93



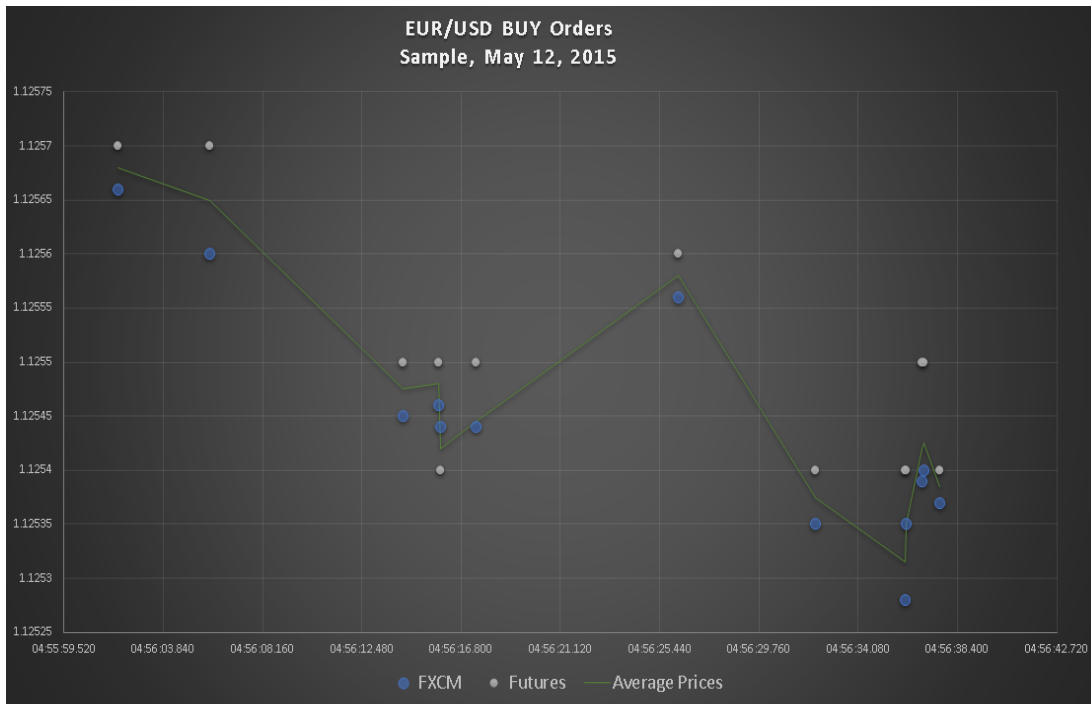
Currency Pair Breakdown

Instrument	Total Orders	% FXCM Better or Equal	\$ Savings to FXCM Clients	Average Savings per Order
AUD/USD	1,511,107	89.95%	\$ 2,830,580.47	\$ 1.68
EUR/USD	6,981,890	88.91%	\$ 11,707,698.71	\$ 1.68
GBP/USD	2,278,213	95.39%	\$ 6,439,034.96	\$ 2.83
NZD/USD	1,714,003	93.64%	\$ 5,317,390.82	\$ 3.10
USD/CAD	1,551,706	92.95%	\$ 4,271,538.70	\$ 2.75
USD/CHF	538,234	90.40%	\$ 916,631.79	\$ 1.70
USD/JPY	3,111,540	89.72%	\$ 4,867,649.48	\$ 1.56
Grand Total	17,855,552	90.83%	\$36,350,524.93	\$ 2.04



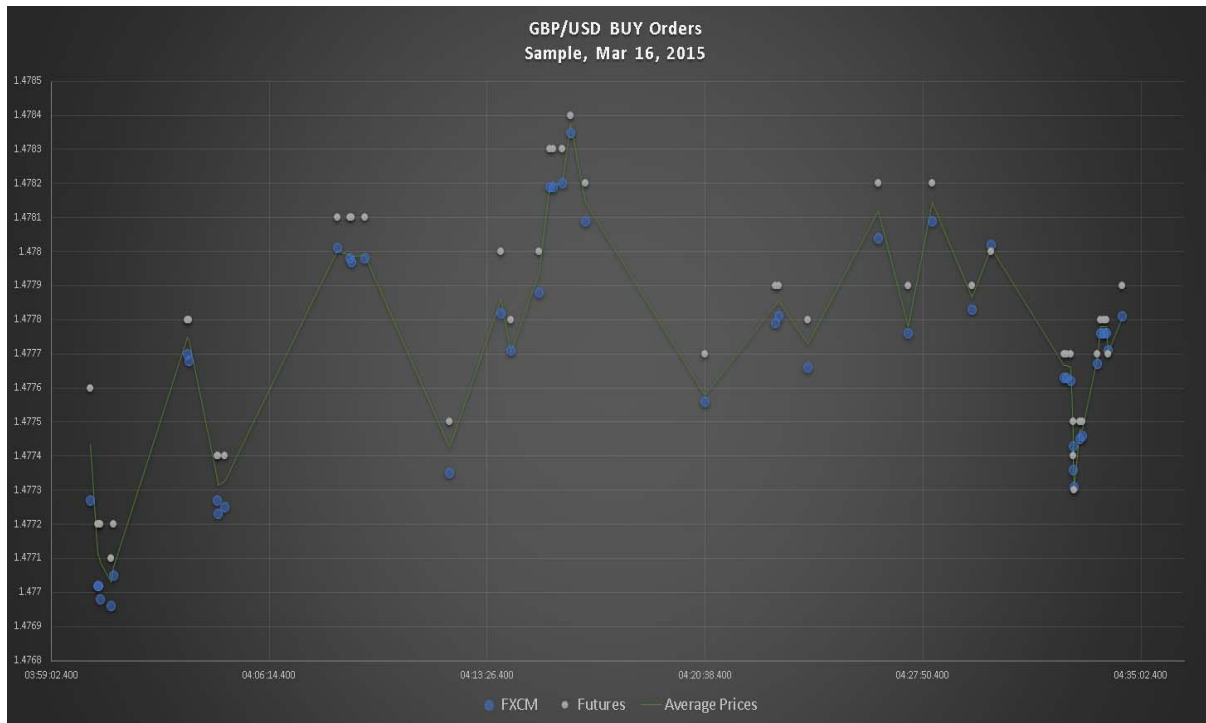
- This chart displays a selected set of EUR/USD Buy Orders during a 3.5 minute period.
- The LOWER the dot, the BETTER the execution price of the order.
- The green line indicates the trend in the market prices at the time.

- 49 orders in a 3.5 minute period
- The FXCM price was better on 83.7% of the orders
- The quoted Futures price was better on 8.2% of the orders.
- The total amount saved was \$43.87, or \$0.90 per order.
- The largest amount saved on a single order was \$9.00.
- The largest amount lost on a single order was \$1.00.



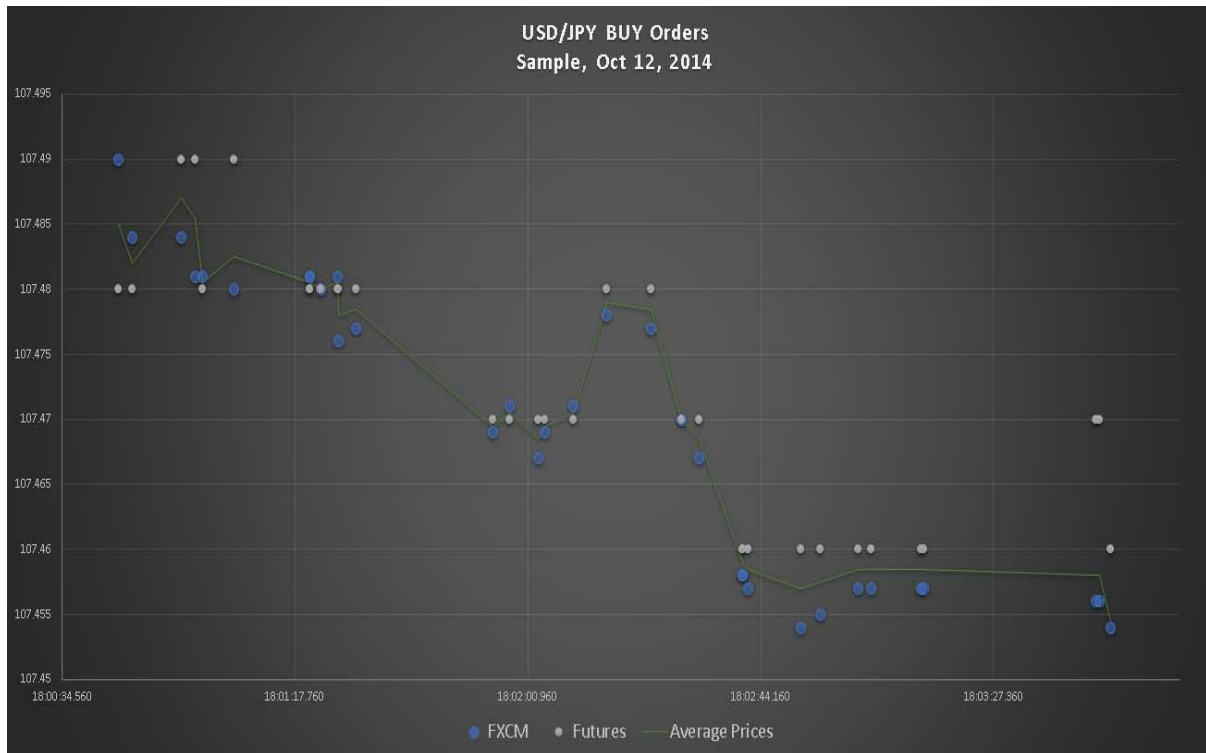
Time	Amount	FXCM	Futures	\$ Saved vs. Futures
04:56:01.876	5000	1.12566	1.1257	\$ 0.20
04:56:05.854	30000	1.1256	1.1257	\$ 3.00
04:56:14.263	50000	1.12545	1.1255	\$ 2.50
04:56:15.801	20000	1.12546	1.1255	\$ 0.80
04:56:15.901	5000	1.12544	1.1254	\$ (0.20)
04:56:17.470	1000	1.12544	1.1255	\$ 0.06
04:56:26.235	1000	1.12556	1.1256	\$ 0.04
04:56:32.205	5000	1.12535	1.1254	\$ 0.25
04:56:36.131	50000	1.12528	1.1254	\$ 6.00
04:56:36.178	1000	1.12535	1.1254	\$ 0.05
04:56:36.846	50000	1.12539	1.1255	\$ 5.50
04:56:36.952	1000	1.1254	1.1255	\$ 0.10
04:56:37.638	10000	1.12537	1.1254	\$ 0.30

13 Orders in 36 Seconds
TOTAL SAVINGS: **\$18.60**



- This chart displays a selected set of GBP/USD Buy Orders during a 35 minute period.
- The LOWER the dot, the BETTER the execution price of the order.
- The green line indicates the trend in the market prices at the time.

- 47 orders in a 35 minute period
- The FXCM price was better on 94% of the orders.
- The quoted Futures price was better on 6% of the orders.
- The total amount saved was \$92.50, or \$1.97 per order.
- The largest amount saved on a single order was \$16.50.
- The largest amount lost on a single order was \$1.00.



- This chart displays a selected set of USD/JPY Buy Orders during a 4 minute period.
- The LOWER the dot, the BETTER the execution price of the order.
- The green line indicates the trend in the market prices at the time.

- 33 orders in a 3 minute period
- The FXCM price was better on 70% of the orders
- The quoted Futures price was better on 24% of the orders.
- The total amount saved was \$38.38, or \$1.16 per order.
- The largest amount saved on a single order was \$32.75.
- The largest amount lost on a single order was \$0.47.



Futures Summary

- FXCM order price was equal to or better than the spot equivalent quoted futures prices on the CME **90.83%** of the time leading to potential savings of **\$36,350,525** for FXCM clients.
- Note FXCM LLC represents less than 25% of our entire retail client base. Extrapolated out to our global audience the potential savings would be greater than **\$145M**.
- FXCM's liquidity providers provide better pricing to our Retail Clients because our liquidity providers (also known as market makers) are only allowed to be price makers on our Retail Client stream, and only a Retail Client can take a price from the liquidity provider.
- This gives our liquidity providers the ability to make a market based on quality of price and liquidity rather than speed to protect against being picked off by predatory trading from other liquidity providers.



Frequently Asked Questions

Frequently Asked Questions: Visit the [Execution Study FAQ](#) for detailed answers to the following questions and more

- Exactly how is FXCM able to be so much more competitive than the futures & institutional market?
- How does the commission and spread cost at FXCM compare to the futures market?
- How do you take into account the fact that it is possible to avoid paying the spread in the futures market?
- How were futures prices converted to spot prices for comparison?
- What does the study mean by liquidity normalization?

Part 2

Interbank Pricing vs. FXCM Pricing

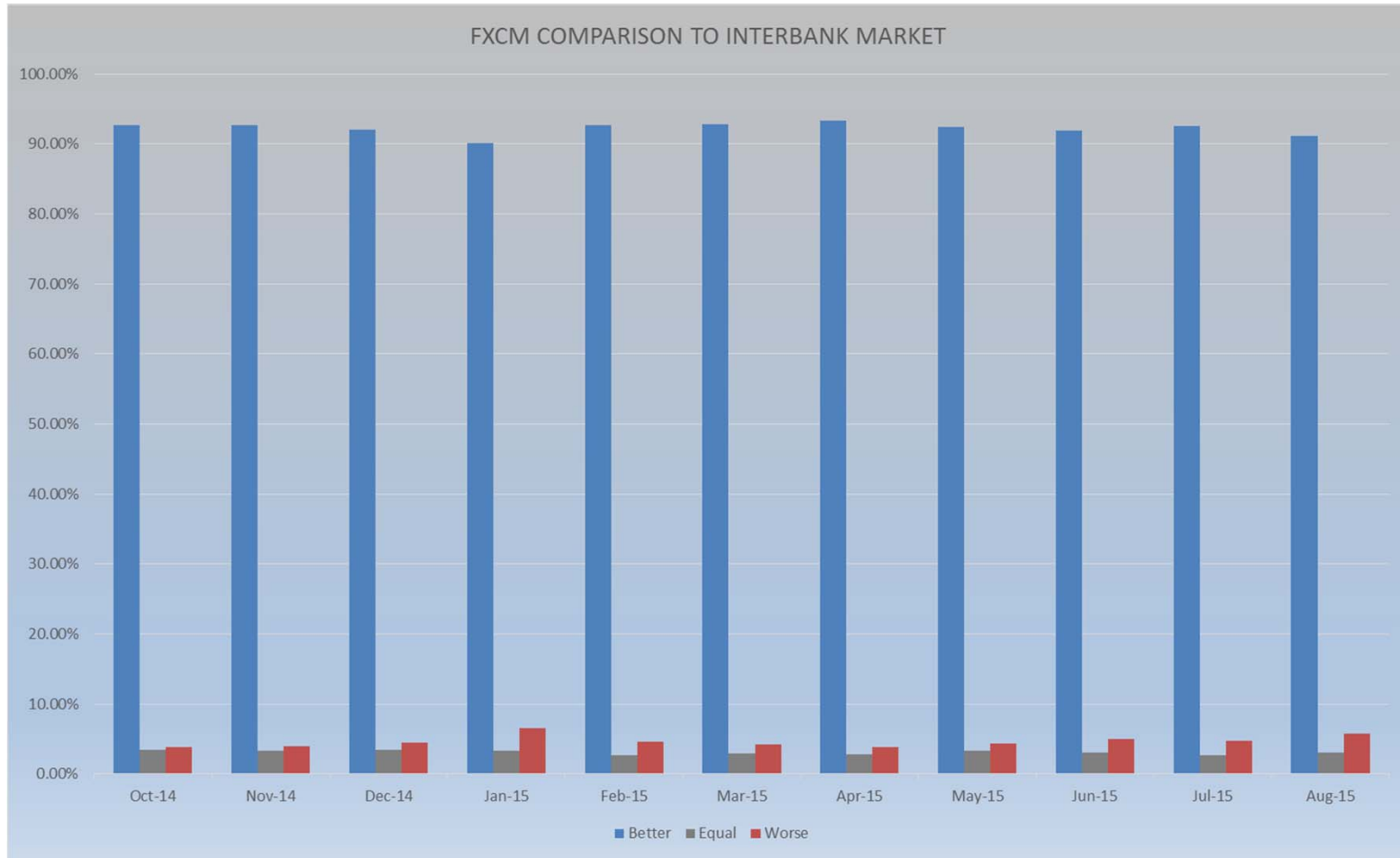


Results – Interbank Market Comparison

- Percent of orders where FXCM order price was:
 - Better than the quoted⁶ Interbank price: **92.19%**
 - Equal to the quoted Interbank price: **3.12%**
 - Worse than the quoted Interbank price: **4.69%**

- **FXCM was equal to or better than the Interbank price 95.31% of the time**
- Estimated savings to FXCM clients: **\$55,121,988**
- Average savings per Order: **\$1.94**
- Number of orders included in the study: **28,378,957**

6. The comparison to each of the Futures and Interbank data is made at the time that the FXCM client order is executed. Normal market slippage and slippage due to rejections by liquidity providers are already included by the time the FXCM client order is





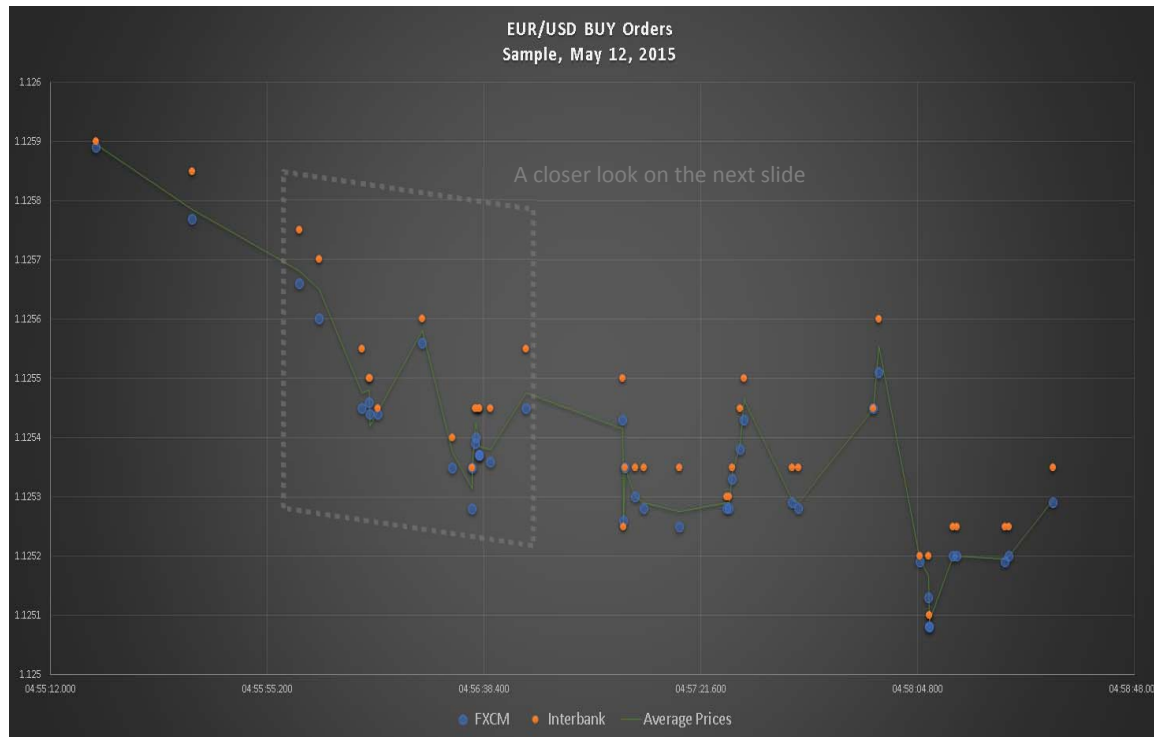
Results – Interbank Market Monthly Comparison Continued

	TOTAL	BETTER			EQUAL		WORSE			
Month	Orders	Orders	Pct.	Est. \$ Savings	Orders	Pct.	Orders	Pct.	Est. \$ Loss	ESTIMATED \$ SAVINGS
Oct-14	2,557,686	2,369,895	92.66%	\$ 5,205,621.72	87,755	3.43%	100,036	3.91%	\$ (116,365.84)	\$ 5,089,255.88
Nov-14	2,591,934	2,401,768	92.66%	\$ 4,454,282.26	87,329	3.37%	102,837	3.97%	\$ (101,583.89)	\$ 4,352,698.37
Dec-14	2,362,319	2,174,127	92.03%	\$ 4,353,842.86	82,164	3.48%	106,028	4.49%	\$ (173,613.95)	\$ 4,180,228.92
Jan-15	2,905,868	2,619,446	90.14%	\$ 5,500,666.03	97,304	3.35%	189,118	6.51%	\$ (306,222.46)	\$ 5,194,443.57
Feb-15	2,275,789	2,109,583	92.70%	\$ 4,648,394.99	61,352	2.70%	104,854	4.61%	\$ (138,352.65)	\$ 4,510,042.34
Mar-15	2,828,079	2,624,214	92.79%	\$ 5,876,080.82	84,965	3.00%	118,900	4.20%	\$ (167,712.22)	\$ 5,708,368.60
Apr-15	2,663,314	2,484,889	93.30%	\$ 5,936,979.30	76,069	2.86%	102,356	3.84%	\$ (183,310.65)	\$ 5,753,668.66
May-15	2,410,618	2,227,228	92.39%	\$ 5,682,300.40	79,217	3.29%	104,173	4.32%	\$ (248,860.93)	\$ 5,433,439.47
Jun-15	2,482,597	2,282,076	91.92%	\$ 5,247,508.06	76,322	3.07%	124,199	5.00%	\$ (197,427.88)	\$ 5,050,080.18
Jul-15	2,661,539	2,464,880	92.61%	\$ 5,064,484.88	71,406	2.68%	125,253	4.71%	\$ (172,014.04)	\$ 4,892,470.84
Aug-15	2,639,214	2,404,122	91.09%	\$ 5,215,218.58	81,500	3.09%	153,592	5.82%	\$ (257,927.05)	\$ 4,957,291.54
Total	28,378,957	26,162,228	92.19%	\$ 57,185,379.91	885,383	3.12%	1,331,346	4.69%	\$ (2,063,391.54)	\$ 55,121,988.38



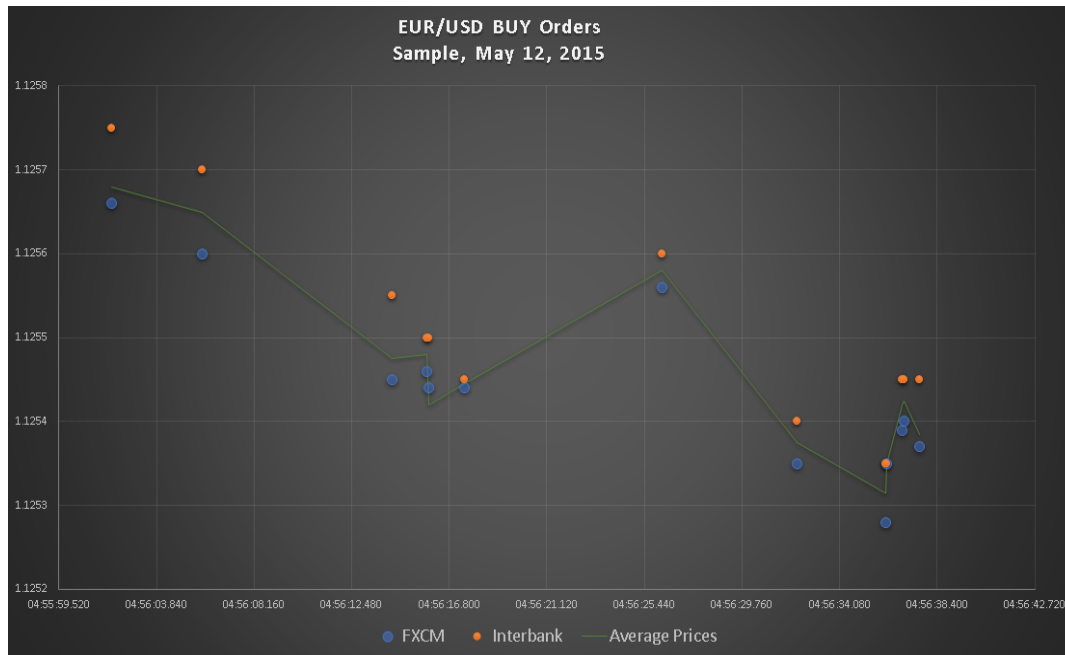
Currency Pair Breakdown

Instrument	Total Orders	% FXCM Better or Equal	\$ Savings to FXCM Clients	Average Savings per Order
AUD/CAD	255,177	95.43%	\$ 525,252.59	\$ 2.06
AUD/CHF	63,675	95.98%	\$ 80,467.90	\$ 1.26
AUD/JPY	596,253	98.48%	\$ 1,146,355.03	\$ 1.92
AUD/NZD	357,896	97.68%	\$ 828,468.99	\$ 2.31
AUD/USD	1,848,970	95.09%	\$ 3,098,821.52	\$ 1.68
CAD/CHF	43,138	96.37%	\$ 56,059.90	\$ 1.30
CAD/JPY	198,697	97.88%	\$ 305,819.30	\$ 1.54
CHF/JPY	128,451	95.21%	\$ 147,537.52	\$ 1.15
EUR/AUD	761,423	98.23%	\$ 1,651,829.17	\$ 2.17
EUR/CAD	281,395	97.14%	\$ 779,093.84	\$ 2.77
EUR/CHF	181,163	94.17%	\$ 97,829.83	\$ 0.54
EUR/GBP	715,466	88.47%	\$ 1,085,815.22	\$ 1.52
EUR/JPY	1,202,769	97.28%	\$ 2,148,665.21	\$ 1.79
EUR/NZD	345,895	95.59%	\$ 971,564.68	\$ 2.81
EUR/USD	7,621,842	94.08%	\$ 10,510,505.01	\$ 1.38
GBP/AUD	610,797	98.42%	\$ 2,508,403.28	\$ 4.11
GBP/CAD	270,658	97.94%	\$ 1,042,533.30	\$ 3.85
GBP/CHF	122,903	97.48%	\$ 316,477.19	\$ 2.58
GBP/JPY	1,661,172	98.31%	\$ 4,703,247.65	\$ 2.83
GBP/NZD	482,779	96.59%	\$ 2,021,508.84	\$ 4.19
GBP/USD	2,458,215	95.66%	\$ 6,391,998.24	\$ 2.60
NZD/CAD	190,108	96.32%	\$ 332,183.13	\$ 1.75
NZD/CHF	43,728	93.20%	\$ 55,438.81	\$ 1.27
NZD/JPY	261,666	97.39%	\$ 658,593.68	\$ 2.52
NZD/USD	1,887,303	94.47%	\$ 5,062,999.70	\$ 2.68
USD/CAD	1,677,534	94.93%	\$ 3,806,084.38	\$ 2.27
USD/CHF	615,234	93.00%	\$ 756,840.97	\$ 1.23
USD/JPY	3,494,650	95.29%	\$ 4,031,593.50	\$ 1.15
Grand Total	28,378,957	95.31%	\$ 55,121,988.38	\$ 1.94



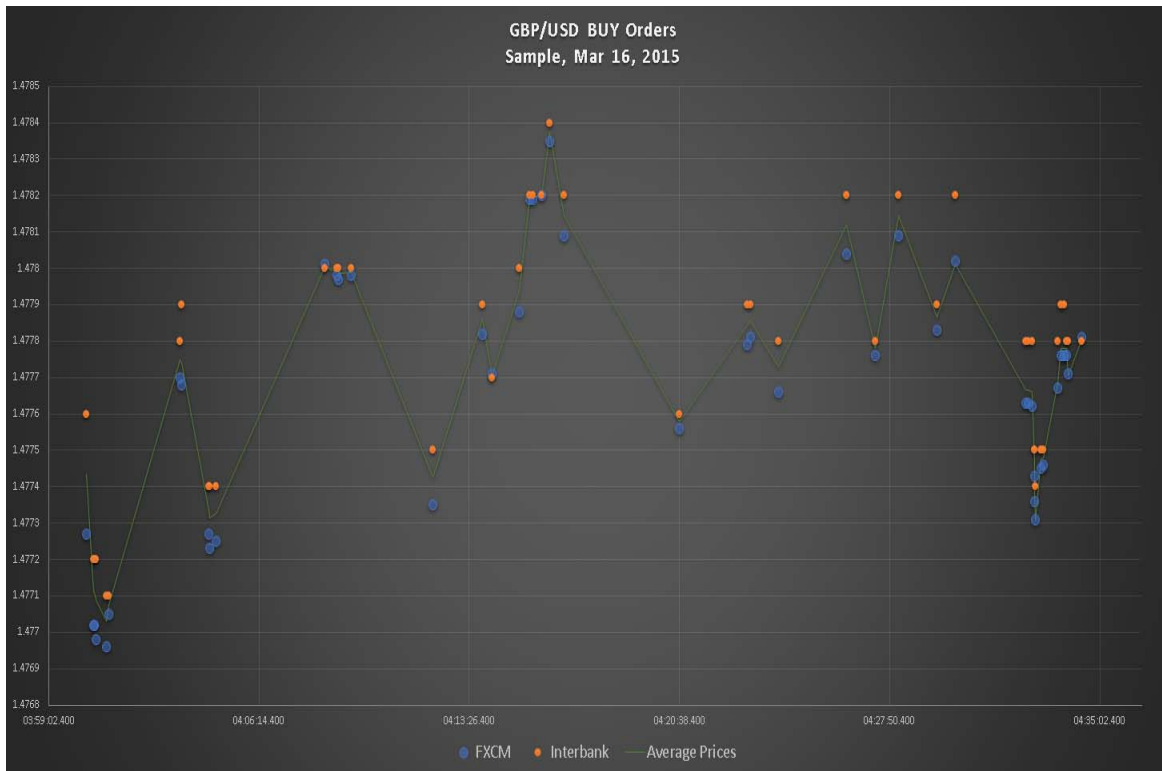
- This chart displays a selected set of EUR/USD Buy Orders during a 3.5 minute period.
- The LOWER the dot, the BETTER the execution price of the order.
- The green line indicates the trend in the market prices at the time.

- 49 orders in a 3.5 minute period
- The FXCM price was better on 91.8% of the orders
- The quoted Interbank Price was better on 2.0% of the orders.
- The total amount saved was \$68.77, or \$1.40 per order.
- The largest amount saved on a single order was \$24.00.
- The largest amount lost on a single order was \$1.00.



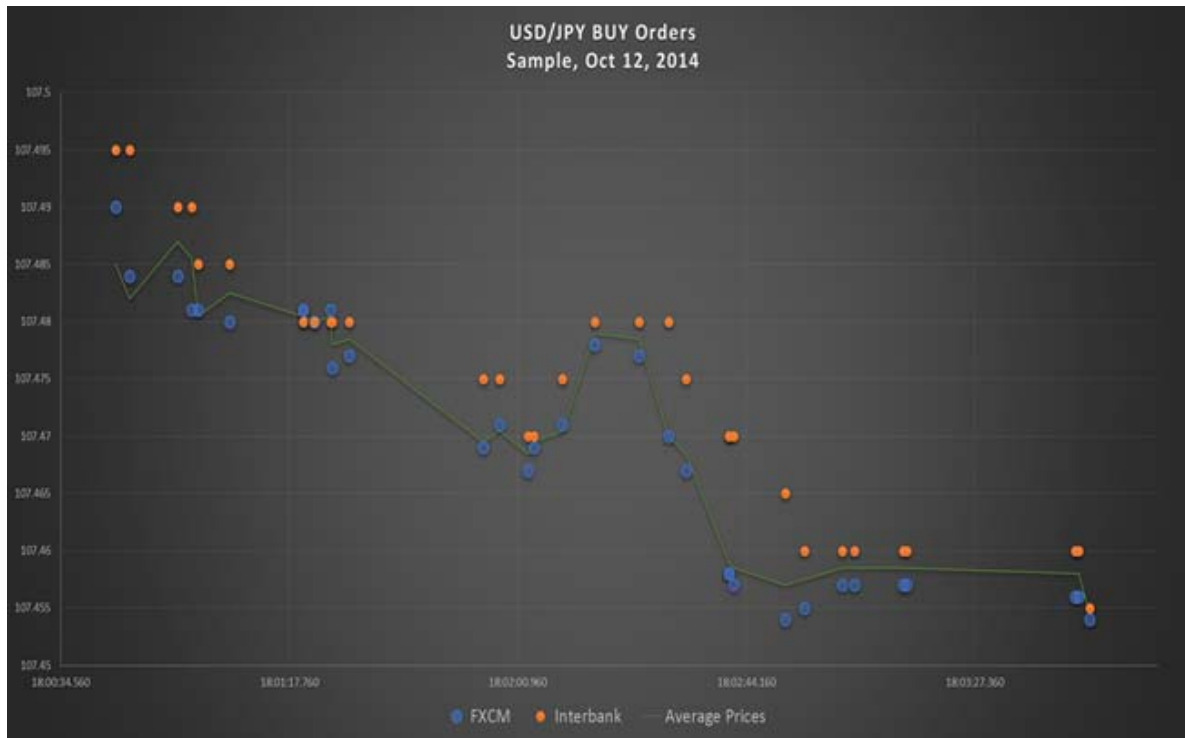
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04:56:05.854	30000	1.1256	1.1257	\$ 3.00
04:56:14.263	50000	1.12545	1.12555	\$ 5.00
04:56:15.801	20000	1.12546	1.1255	\$ 0.80
04:56:15.901	5000	1.12544	1.1255	\$ 0.30
04:56:17.470	1000	1.12544	1.12545	\$ 0.01
04:56:26.235	1000	1.12556	1.1256	\$ 0.04
04:56:32.205	5000	1.12535	1.1254	\$ 0.25
04:56:36.131	50000	1.12528	1.12535	\$ 3.50
04:56:36.178	1000	1.12535	1.12535	\$ -
04:56:36.846	50000	1.12539	1.12545	\$ 3.00
04:56:36.952	1000	1.1254	1.12545	\$ 0.05
04:56:37.638	10000	1.12537	1.12545	\$ 0.80

13 Orders in 36 Seconds
TOTAL SAVINGS: \$17.20



- This chart displays a selected set of GBP/USD Buy Orders during a 35 minute period.
- The LOWER the dot, the BETTER the execution price of the order.
- The green line indicates the trend in the market prices at the time.

- 47 orders in a 35 minute period
- The FXCM price was better on 91% of the orders
- The quoted Interbank price was better on 6% of the orders.
- The total amount saved was \$82.30, or \$1.75 per order.
- The largest amount saved on a single order was \$16.50.
- The largest amount lost on a single order was \$0.10.



- This chart displays a selected set of USD/JPY Buy Orders during a 4 minute period.
- The LOWER the dot, the BETTER the execution price of the order.
- The green line indicates the trend in the market prices at the time.

- 33 orders in a 3 minute period
- The FXCM price was better on 88% of the orders
- The quoted Interbank price was better on 9% of the orders.
- The total amount saved was \$20.88, or \$0.63 per order.
- The largest amount saved on a single order was \$9.36.
- The largest amount lost on a single order was \$0.47.



Interbank Summary and Related Questions

- FXCM order price was equal to or better than the quoted Interbank price **95.31%** of the time compared to the spot equivalent quoted futures prices on the CME leading to potential savings of **\$55,121,988** for FXCM clients.
- Note FXCM LLC represents less than 25% of our entire retail client base. Extrapolated out to our global audience the potential savings would be greater than **\$220M**.
- FXCM's liquidity providers provide better pricing to our Retail Clients because our liquidity providers (also known as market makers) are only allowed to be price makers on our Retail Client stream, and only a Retail Client can take a price from the liquidity provider.
- This gives our liquidity providers the ability to make a market based on quality of price and liquidity rather than speed to protect against being picked off by predatory trading from other liquidity providers.



Frequently Asked Questions

Frequently Asked Questions: Visit the [Execution Study FAQ](#) for detailed answers to the following questions and more

- How is FXCM able to be so much more competitive than the futures & institutional market?
- If FXCM's liquidity providers are also participants in the institutional market, why would they give better pricing to retail traders compared to the institutional market?
- How is 'last look' being considered in this study and how would it impact execution?
- If FXCM's pricing is so much better, why don't institutional clients use the platform?
- Would larger trade sizes execute at a better price on futures/institutional market vs. FXCM pricing?

- Differences in Market Dynamics at the Institutional level impact the quality of pricing and execution in the Futures and Interbank market for FX versus the spot retail FX Market.
- It's a speed race at the institutional level. Institutional customers competing with each other to gain the slightest advantage. ex. HFT's placing trades in microseconds
- This creates a very predatory trading environment where mistakes for liquidity providers are costly.
- Thus the safer route for liquidity providers is to quote smaller trade sizes at wider prices to manage the risk of being picked off.
- AT FXCM, liquidity providers on our retail client stream are only allowed to be price makers, and only a Retail Client can take a price from the liquidity provider. This gives them the ability to make a market based on quality of price and liquidity for our Retail Clients rather than speed to protect against predatory trading from other liquidity providers.

Conclusion: The quality of execution for FXCM client's orders is better than the Futures Market and the Interbank Market for FX.

Methodology and Assumptions

General Assumptions

- The comparison to each of the Futures and Interbank data is made at the time that the FXCM client order is executed. Normal market slippage and slippage due to rejections by liquidity providers are already included in the FXCM client order execution price. However, there is an assumption that there is no slippage on the Futures or Interbank quoted price against which it was compared. Accordingly, actual results likely would have been even more favorable to FXCM clients.
- Furthermore, retail market participants in the Futures or Interbank market would be competing with High Frequency Trading firms and other financial institutions. It is more likely that there would be slippage for the average retail client than for those participants on those venues.
- Fees that a participant would pay on the Futures or Interbank market, such as CME Exchange Fees, NFA Fees, FCM Fees, Clearing Fees, and other commissions, are also excluded from this study. Similarly, FXCM Commissions are excluded from this study.
- Exchange membership fees, fixed connectivity fees, and data charges were excluded from this study. Co-location or any other fixed fees that FXCM API clients pay were also excluded from this study.

Data and Assumptions

- The Futures market data used includes only the following currency pairs/contracts:
 - EURUSD, GBPUSD, AUDUSD, NZDUSD, USDCAD, USDCHF, and USDJPY
- The conversion of the Futures price to a Spot price was based on Basis data received from a 3rd party major international bank
- In some cases, the Basis may not have been available or its application may have resulted in erroneous prices. In those cases, it was assumed that accurate Spot market data could not be derived from the Futures price. Accordingly, the corresponding FXCM client orders for those time periods were excluded from the study.
 - The removal of those orders does not materially impact the statistical validity of this study. In fact, in most cases where the Basis may have been inaccurate, the result was that the FXCM price was better than the corresponding derived Futures spot-equivalent price.

Liquidity

These are the equivalent amounts of each standard spot contract traded on the CME:

- 125,000 EURUSD
 - 62,500 GBPUSD
 - 100,000 NZDUSD
 - 125,000 USDJPY
 - 100,000 AUDUSD
 - 100,000 USDCAD
 - 125,000 USDCHF
- The average minimum quote size for an FXCM Liquidity Provider is 1,000,000 units of the base currency. Accordingly, when the best quote on the CME was less than 1,000,000 units of the base currency, the next best quote was used as the basis for each order comparison.
 - In normal circumstances, the aggregate amount of liquidity available at the best price to FXCM clients is greater than 1,000,000 because more than one liquidity provider is quoting that price. For that reason, this methodology is actually a conservative way of comparing quote size between the Futures market and FXCM. Furthermore, the second best quote on the CME may have been less than, equal to, or greater than 1,000,000 units of the base currency.
 - If the comparison had been done using only the Futures top of book price (regardless of size), then the results would still have overwhelmingly favored FXCM. As an example, the FXCM price would have been better 76.79% of the time and the total amount saved would have been \$22,869,618.



Acceptable Ranges

As previously mentioned, there were some cases in which the calculation of the Spot price, based on the Futures price and the Basis received from a 3rd party, resulted in erroneous results. Those records were excluded from the study. Furthermore, in order to ensure the integrity of the findings, FXCM tried to exclude outliers from the study based on an acceptable difference in price between FXCM and the Futures market.

The summary of findings is based on the assumption that the maximum acceptable difference between the FXCM price and the Spot price based on the Futures rate is 5 pips in either direction.

However, in order to exhibit that a wider range could have been used, there are some relevant statistics to note:

The first bracket of orders excluded were those that displayed a difference of between 5 and 10 pips in either direction. There were 60,000 such orders, and including them would have changed the estimated savings to FXCM clients from \$36.35 million to \$36.66 million. Accordingly, FXCM used a conservative method of eliminating potentially erroneous results.

Data and Assumptions

The Interbank market data used includes was based on the following “direct” currency pairs:

- EURUSD, GBPUSD, AUDUSD, NZDUSD, USDCAD, USDCHF, and USDJPY

Market data for currency crosses were derived from the direct currency pairs. In some cases, the Interbank market data was not captured due to technical reasons. For those cases, the corresponding FXCM client orders were excluded from this study.

Acceptable Ranges

In order to maintain consistency with the Futures Market Data, the same acceptable ranges were applied for Interbank market trades. The summary of findings is based on the assumption that the maximum acceptable difference between the FXCM price and the Interbank market price is 5 pips in either direction. However, in order to exhibit that a wider range could have been used, there are some relevant statistics to note:

- There were just over 29 million orders that could have been included in the study.
- There were just over 44,000 orders that were excluded because a lack of an Interbank market price.
- Of the remaining 28.9 million orders, approximately 580,000 orders showed differences that were greater than 5 pips. As previously mentioned, those orders were excluded from this study.



Full List of Frequently Asked Questions

- Visit the [Execution Study FAQ](#) for detailed answers on the following topics:
 - Market Dynamics & Why FXCM's Pricing is Better
 - Study Methodology & Data Questions
 - Futures Related Questions
 - FXCM Account/Execution Specific Questions



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