

## From trading desk to trading tech

Pirum's Zoë Balkwell discusses the evolution of the trading desk and connecting to post-trade



 **EQUILEND**  
+  
**TRADING APPS**

A Unified Trade Lifecycle for Securities Finance



## From trading desk to trading tech

**Zoë Balkwell, head of pre-trade and trading at Pirum, sits down with Carmella Haswell to discuss the evolution of the trading desk and connecting to post-trade**

Having entered the trading world 14 years ago, Zoë Balkwell now leads Trading and Pre-Trade at Pirum, which includes Pirum TradeConnect. Before holding a number of senior roles within JPMorgan Chase, State Street, EquiLend, and Merrill Lynch, Balkwell began her career as a securities finance software engineer at Goldman Sachs.

Her journey onto the trading desk was unconventional. While most naturally progress via operations through the middle office, or claim their seat at the desk straight from education, Balkwell migrated as a “data nerd” and “techie”.

“From the relationship management and tech side, I would absolutely idolise the desks because I thought what they were doing was totally different. Many people on the desk at that point were involved in

corporate actions, were technical traders, and were more focused on the relationship side of things,” she explains.

However, the role of the trader has since evolved. Now completely different to when Balkwell first joined, the makeup of the desk today is more technical and operational. “When you look at the new talent coming through the market, there’s people doing Python and coding in their spare time, they are very analytical, data-focused people.”

With a heavy influence from automation and data pushing this technical shift, the use of manual processes has declined while automation has become an ingrained process.

Balkwell continues: “So much of your flow is in automation that you need traders that understand that flow. Having that trader mindset

and having a dynamic desk allows the desk to become a lot more diverse, which is always a good thing."

## An inflection point

With the incorporation of new technology and automation, trading is at an inflection point — this statement rings true for Balkwell, who highlights that there is now more convergence of adaptation, where market participants are doing "a bit of everything".

She explains: "We are getting towards that inflection point with data and AI and towards the real turning curve of taking onboard all of the new products that come into market, as well as the different ways of doing things.

"However, there's a few aspects that we need to iron out first as an industry, and we need to ensure that we have the processes and security in place to be able to drive this effort forward in a resilient and scalable way."

Putting her techie hat on, Balkwell understands how some can get very carried away and excited with new technology, but she feels its key to focus on how to adapt and overlay this technology with the current infrastructure in place. Rather than jumping onto new trends, Balkwell advises that the industry must first understand the current infrastructure and why it has been put in place to ensure that existing frameworks and new tech can work in harmony.

As she looks forward, Balkwell states that there is no room for fragmented data. "It has to be harmonised, it has to be together, because otherwise you're going to spend all your time trying to standardise that data in different ways, and so to gel them all together is going to take a whole other process."

That inflection point is going to be an interesting one to watch, says Balkwell, "because everyone's very keen for it". The data that can be unlocked with AI — and all of the other possibilities that are coming through at the moment — is going to be "absolutely amazing".

For instance, if firms can link post-trade lifecycle data to inform trading decisions, Balkwell says that "at the click of your fingers" decision making at the point of trade completely changes and becomes much faster.

She continues: "This also applies to troubleshooting. When

you realise something has gone wrong in the system but it isn't immediately evident, you can harness AI to be able to locate the issue so that you can get to the crux of the problem faster and be more efficient with your time."

On the flip side, challenges remain. The new digital era will require a shift in mentality for some traders and the ability to adapt with technology. To tackle this, Balkwell advocates for more support for traders to be able to upskill, and to create an environment where "it's good to learn". She adds: "It can be daunting to keep up with the change and to be aware of all of the new updates that are coming through from new technology."

As an example, Balkwell refers to ChatGPT which, once viewed as a gimmick, is part of the new technology that is changing the industry altogether. While previously stunted by its inability to access up-to-date information, the generative AI tool is now more incorporated.

"The trading role itself will be helped with automation, and there will still be a strong demand for specialists and for key information hubs like SMEs. It's about looking at the bigger picture of trading rather than just a small section that we have focused on in the past."

## Progress in post-trade

As the market adjusts to an ever-evolving industry, and the constant need for increased efficiency in a fast-paced and demanding environment, Balkwell observes that "the distinction between pre-trade and post-trade is dissolving". She says this follows the digitalisation and the symbiotic nature of all of the groups that are working together to be more dynamic.

It has become so much of a fluid lifecycle that Balkwell asks at what point does a post-trade event trigger a new trading event? She explains: "Our market is not as linear as it's been drawn out to be in the past. The interoperability of everything, that combined nature, makes it the complexity that I love. Pirum coming into the trading space from post-trade is a natural progression, because it does reflect what's happening in the market."

Balkwell is set on driving the Pirum TradeConnect platform towards creating trading and pre-trade solutions and linking it to the post-trade suite to drive better decisions. This does not simply stop at connectivity, Balkwell highlights, it is about supporting pre-trade and trading at the same time as linking and connecting with post-trade.

"Once we break down those barriers of having the different parts of the trade, we're going to get to a much better place," she adds.

Pirum TradeConnect is designed to be scalable, robust, and in the words of Balkwell, "is exactly what the industry and our design partners are wanting". The solution works to simplify and "strip the industry back to what people actually need".

Balkwell notes that while her perfect dream is a better securities finance industry where frictionless automation is at the core, she believes that the industry is getting further down that path, noting that interoperability between vendors is "super important".

Leading the development of trading solutions, Balkwell has taken on a three-pronged approach: solve these problems, listen to the market, and ensure Pirum is completely connected to industry movements to understand client needs.

"For me, I just love solving problems — as Marie Kondo's method goes, it sparks joy."

### A connector

"Pirum is a connector, we are the pipes. Clients will build out to us because it saves on their tech resources, for instance. They can build out one connection to us, and then we are able to facilitate multiple connections to venues or bilateral counterparts," Balkwell states.

In the spirit of making connections, Pirum has officially become a member of the FIX Trading Community, an industry-driven standards body. FIX aims to address business and regulatory issues impacting multi-asset trading in global markets through standardisation, operational efficiency, increased transparency, and reduced costs and risks for all market participants.

"Being a connector, it's natural for us to support a way of connecting," says Balkwell. "We've been talking about the standardisation of the messaging, and we offer that standardisation from the Pirum TradeConnect side of things. We just want to be able to support all clients within the ecosystem."

As such, Balkwell looks forward to the firm's core strategic priorities over the coming 12 months, in which Pirum will be working to support

preparation for upcoming regulation, emerging markets, and retail aggregators — a particular area which is close to her heart.

In terms of regulation, T+1 will continue to be a key focus point for the industry as the UK, Europe, and Switzerland work in unison to implement the shorter settlement cycle on 11 October 2027. One of the largest challenges from a Pirum perspective relates to standard settlement instructions (SSIs). To assist with SSIs, the firm is building out SSIConnect — a holistic, across Pirum benefit, which will first focus on the Pirum TradeConnect space.

"We are purely providing that mapping within the middle, because our clients want that mapping to make things more streamlined," Balkwell adds.

Moving onto the Middle East and North Africa (MENA), Pirum is keen to continue the industry's work to open up emerging markets such as the Kingdom of Saudi Arabia. The growth in the MENA region is unprecedented, says Balkwell, who indicates that the industry should be very proud to have gotten to this point. Saudi was the first market to venture forward and, undoubtedly, other neighbouring markets will be very close behind.

Balkwell states: "Having that leadership from the Saudi markets has really shown the light and the way things can be done. Our Pirum TradeConnect platform is agnostic to market or asset class, so we're prepared, and we want to support the different regions."

Finally, retail aggregators are a core space to watch for Balkwell. "We're at that turning point where we've got new assets from different regions that we've never really seen before, we've got retail aggregators coming to the market, which is a very different trading style; it's very interactive."

The types of assets that are coming into the market have had no market data and have had to be set up in custody systems. Balkwell believes there are many assets and a lot of value in the different sizes of retail aggregators.

Concluding the discussion, Balkwell says: "On the innovation side, we look forward to adapting to the market environment to be perfectly honest, because that's ultimately how you keep talent engaged. It is key to ensure that that innovation out there is in line with what the market needs." ■