

January 2025

TO EXECUTION AND BEYOND

This past Fall, my first-born started Kindergarten, introducing me to a new community of fellow parents. A common topic of conversation at school functions and social gatherings revolves around ‘what do you do for a living?’. When explaining what an ‘execution trader’ does for an algo-driven systematic trading strategy to people outside of the industry, it dawned on me that it may seem like a job a monkey could do. “So, you just buy and sell when a computer tells you to do so.” While I’m paraphrasing, it’s easy to imagine how such a response could affect one’s ego.

I could discuss the nuances of execution, commodity markets, or the latest developments on the Russia-Ukraine Gas deal, China stimulus, and Bitcoin’s rally since Trump’s election and their impact on our performance. However, today I want to focus on something else. You will hear a lot about execution in the coming year and potential efficiency improvements around it. Let’s take the time now to go beyond execution. What allows us to trade over 150 markets and counting? How can we continue to add markets without increasing headcount on the desk? How do we stay on top of changing market conditions across the world?

The answer lies in relationships, relationships, relationships. While it may sound simple, the details are far from it. The relationship the GreshamQuant (“GQ”) team has internally across each pillar—execution, technology, and research—is first class. There is a level of respect given across each pillar that ensures no team’s priorities, ideas, or suggestions are dismissed. I am grateful that the research team does not view the trading desk as ‘execution monkeys’, as may be the case in other systematic shops. Yoav, the Model Owner for GQ’s SAFI strategy, has even written about the trust he places in the trading desk in [“The Waiting Game”](#) and the importance of cohesiveness amongst the team in [“Alignment”](#).

Over the years the research and technology teams have prioritized pushing through improvements to help the trading desk balance their workload and make their day more efficient. Regularly scheduled one-on-ones with Jonty, the GQ Co-Head and COO, and Tom F., the GQ CTO, ensure those priorities remain properly intact. In 2024 we had some significant improvements, notably with new hires making immediate impacts.

For example, Bash, who works on the GQ Technology Team, built out GQ’s portal to accept input of broker’s bid/offer spreads, which has reduced the time spent on quote entry by half and makes analytical reporting on the data significantly easier. Adam, who works on the GQ Research Team, is entrenched in Commitment of Traders data, liquidity analysis, and relationship management which provides an extra set of hands with a research lens in addition to another body in London to attend important broker meetings and conferences.

Tom F., who is not a new hire, improved our trade buffering process, which has reduced turnover and the number of line items to trade substantially.

Beyond GQ, we also have a strong relationship with Gresham's Operations team. Anthony, the Head of Trading Operations, was integral in providing the help and support needed to build direct connections from our order management system to many of our brokers, resulting in less manual intervention on trade details. We now have over 20 direct broker connections thanks to a big push this past year from Anthony and the Operations team.

To emphasize the amount of work that went into this it's important to note that each connection required its own conversation between the three parties involved, Gresham, our OMS, and the broker. Which means our relationships go beyond internal, and are external as well, and just as valuable if not more.

Brokers are providing GQ with a lot more than just two-way spreads for a particular market. When it came to the direct connection project, we couldn't do it without them being on board. The connection is not free to them, in cost and time, and does require a certain amount of effort and technological knowledge to get it working properly. It would have been very easy for them to tell us they don't have the time or budget to support this. With one bank, we deal with three separate lines of business and each line requires their own connection. They have told us that most funds do not utilize the connection like we do and are ahead of the curve.

Additionally, we are constantly meeting in person with brokers, exchanges, and FCMs to discuss liquidity-related data, fee reductions, and market color. It's amazing how much more can be accomplished when meeting face to face rather than via Bloomberg chat or Zoom. Some things are just better discussed over a beer.

My kids, five and two years old, have had all the Toy Story movies on repeat over the past couple of weeks, which led to the inspiration for the title. Even more so, the theme of these movies is very similar to what I'm speaking of here. Fostering and maintaining relationships over many years is vital in being successful at anything. As I hit my 12-year anniversary at Gresham and my 8-year anniversary trading ACAR this February, I think of all the relationships that I've built over this time and can truly say I wouldn't be where I am today without them.

THEY'VE GOT A FRIEND IN ME.

