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OTR Global Increasing Focus on Research

By deemphasizing trading, OTR Global plans to invest more in developing research content

PURCHASE, NY, Date - OTR Global, a leading platform for primary research and one of the largest channel research firms servicing the institutional investment community, divested its trading desk and shifted to a definitive pricing model for its content in order to take advantage of significant trends occurring in the financial services industry.

Trading on Wall Street has experienced a long-term secular shift in market structure, driven by technology, liquidity fragmentation and high-frequency trading. These changes, along with the cost of trading for a sell-side desk, have affected profitability.

Due to the increasing costs of trading and the decrease in value of high-touch agency trading, OTR Global decided to exit that business. At the same time, Wall Street is quickly unbundling research from trading, driven by economic forces in the United States and regulatory changes, specifically MiFID II, in Europe. OTR Global's direct pricing model should take advantage of those factors.

"Moving to a set pricing model allows OTR to focus on its core product and invest in that product," said Stanton Green, CEO of OTR Global. "OTR has always been a data and information business, and it can now singularly focus on enhancing and expanding its data platform and increasing the value of its primary research for our clients."

The decision is consistent with macro trends in the industry, as many firms are dealing with these changes in different ways. The divestiture of the trading desk affected sales traders in Boston, New York City and Westchester, as well as support personnel. OTR Global will reduce its client base by approximately 25% in order to focus on clients who can reach minimum pricing thresholds. The industry has been going through significant downsizing since 2008.

"The changes in the financial services industry are significant and moving quickly. Spurred on by MiFID II, unbundling trends in the US, shifts to passive management, market structure changes in trading, reduced assets and trading volumes in the US and technology are all adding to change the landscape as most know it. In terms of research, Clients are in a race to determine and apply value of research and content. More and more they want to have finite pricing and costs for what they receive." Green said.

About OTR Global

Founded in 1995, OTR Global is an investment research boutique with offices in North America, Europe and Asia. The recognized leader in primary marketplace research, OTR Global pioneered its channel-based methodology by developing an in-depth understanding of complex, global supply chains. OTR Global's research targets impactful and topical industry developments as well as specific areas within a company or sector. OTR Global prides itself on its focus on ingenuity, pioneering unique services for its dedicated institutional client base.

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