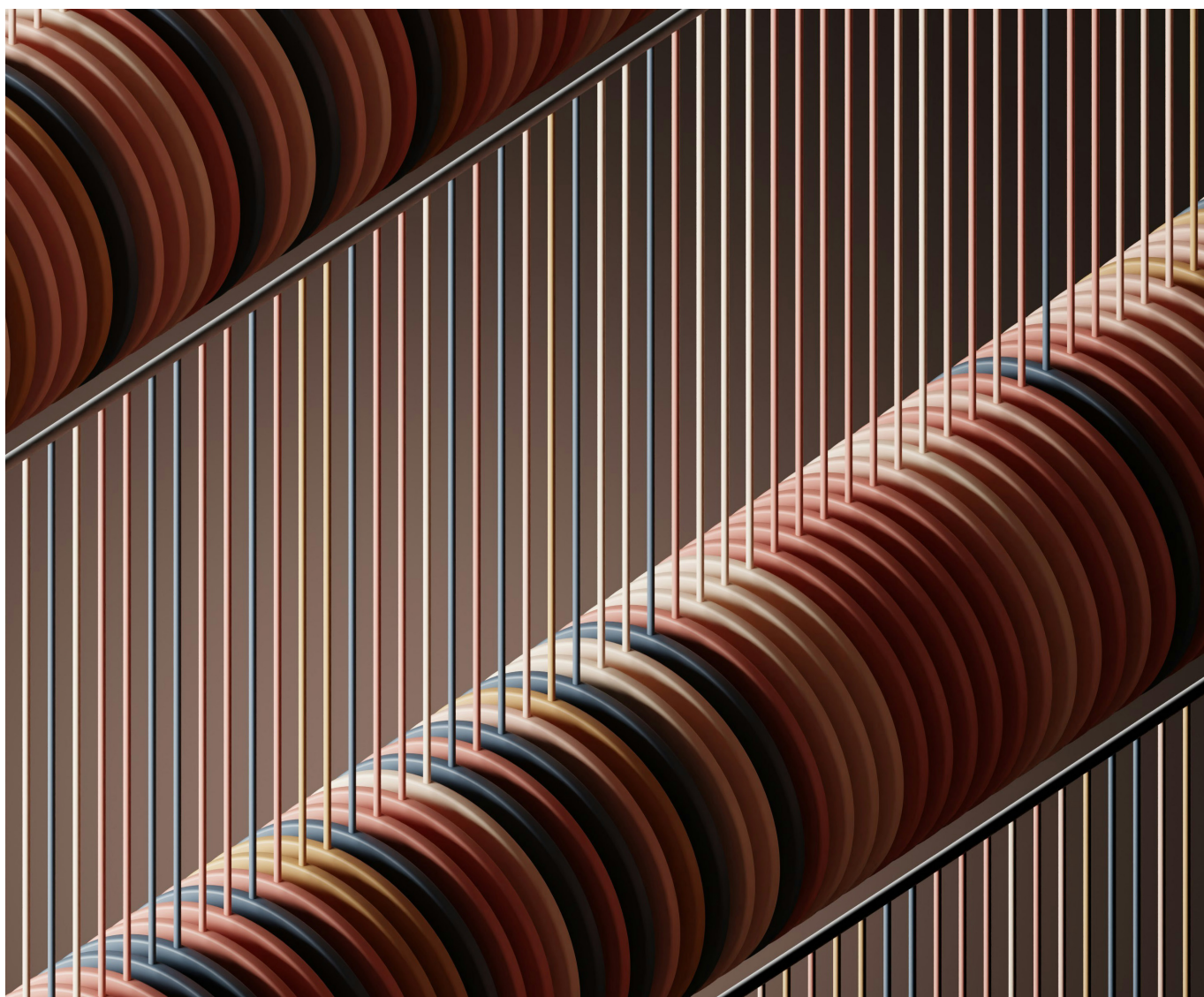# Fixed income data continues to challenge capital markets firms

September 2025

waterstechnology

SIX

Contents

About this paper

For this paper, *WatersTechnology*, in collaboration with SIX, interviewed 33 individuals globally. Firms from within *WatersTechnology*'s database were invited to complete the eight-question survey underpinning this paper and were not handpicked according to their size or the type of capital markets firm they represent. Respondents were not incentivized to complete the survey.

Percentages in some tables and graphs may not total 100 due to rounding.

Introduction

Sourcing, ingesting and managing fixed income data continue to present even the most sophisticated and well-resourced capital markets firms with challenges. Unlike equities, where price and volume data is readily available to market participants by virtue of how the asset class is traded, fixed income markets tend to be fragmented and often opaque, especially when it comes to over-the-counter instruments. This fragmentation invariably leads to inconsistent data quality, incomplete trade reporting and delays in price dissemination across the industry. Large numbers of fixed income securities, especially those comprising thinly traded (less liquid) markets, such as municipal or high-yield bonds, might not trade for weeks or even months in some cases, making it difficult for firms to obtain timely and reliable pricing information for them.

When it comes to fixed income data vendors, many aggregate and cleanse data differently, contributing to standardization/normalization challenges for end-users, especially when it comes to ingesting data into their various systems. And, while regulatory initiatives such as the second Markets in Financial Instruments Directive (Mifid II) in the European Union and Trace—the Trade Reporting and Compliance Engine in the US, developed and administered by the Financial Industry Regulatory Authority for publicly reporting bond transactions—have improved transparency in those regions, global standardization continues to be elusive, impeding cross-border investment analysis. The cost of licensing multiple fixed income datasets, coupled with the need for the requisite technology and personnel to manage their integration, further compound the challenges facing capital markets firms, especially for entities with limited resources.

About SIX

SIX serves the Swiss and Spanish financial centers and a broad international client base, offering stable and efficient infrastructure services. SIX operates stock exchanges and provides services in post trading and financial information, as well as the payments business.

The company is owned by its users (about 120 financial institutions). With more than 4,400 employees and a presence in 19 countries, SIX generated operating income of CHF1.6 billion and Ebitda of CHF443.7 million in 2024.

ww.six-group.com

41%

of respondents cite reference data as the type of fixed income data that presents them with their most acute challenges

56%

report poor data quality to be their greatest fixed income data challenge, while **47%** cite data integration as their primary challenge

56%

have already partially automated their fixed income data sourcing and management functions, and are looking to improve their levels of automation, while **31%** have already largely automated those processes

53%

cited application programming interfaces (APIs) as their preferred data delivery mechanism, followed by **28%** who opted for the cloud-based data warehouse model

Accuracy, **transparency** and **traceability** of fixed income data emerged as the top priorities for firms when evaluating fixed income data feeds, followed by the **breadth** and **depth** of instruments and geographies covered
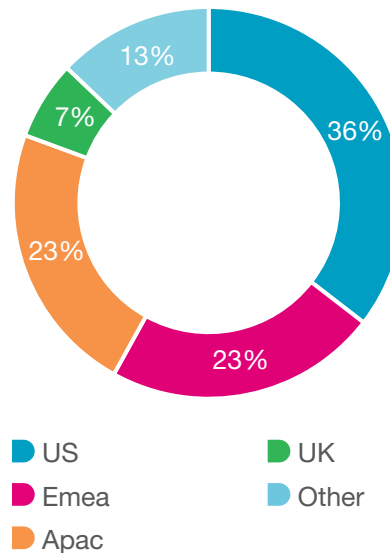
Breadth and **depth** of coverage are the most important attributes for respondent firms when selecting a primary or secondary fixed income data provider, followed by **data transparency** and **auditability**, a perennial challenge for all capital markets firms
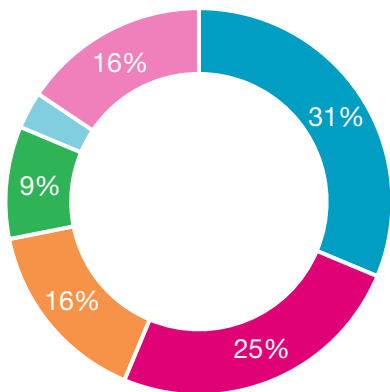
Demographics

The first two questions of the survey dealt with respondent firms' primary markets and the types of organizations respondents work at.

More than one-third (36%) are based in the US, while just under one-third are based in Europe, the Middle East and Africa (Emea) and the UK combined (23% and 7% respectively)—a fair reflection of the breakdown of the global capital markets. Perhaps the most interesting finding from the first question was that just under one-quarter of respondents (23%) were based in Asia-Pacific (Apac), indicating strong interest in the survey topic from that region (see figure 1).

1 Where are you based?

- US
- Emea
- Apac
- UK
- Other

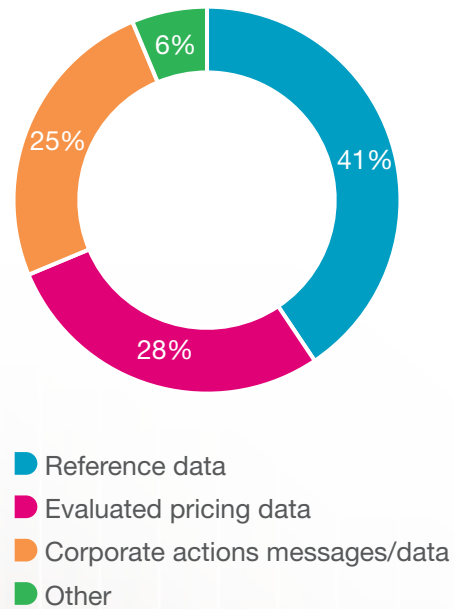### 2 What type of financial institution do you work at?

- Traditional asset/investment manager
- Investment bank/broker-dealer (tier one)
- Hedge fund/fund of funds
- Investment bank/broker-dealer (tier two/three)
- Market-maker/principal trading firm
- Other

As for the types of capital markets firms respondents work at, by far the largest constituency was that of traditional asset/investment managers (31%). When added to the 16% representing hedge funds and funds of funds, just shy of half of all respondents work on the buy side, while one-quarter (25%) work at tier one investment banks or broker-dealers (see figure 2).

The third survey question focused on the types of fixed income data that currently present respondents with the greatest challenges. The results show that 41% of respondents reported challenges associated with reference data, an unsurprising finding given the critical role reference data plays in determining the quality of firms' corporate actions and evaluated pricing functions (see figure 3).
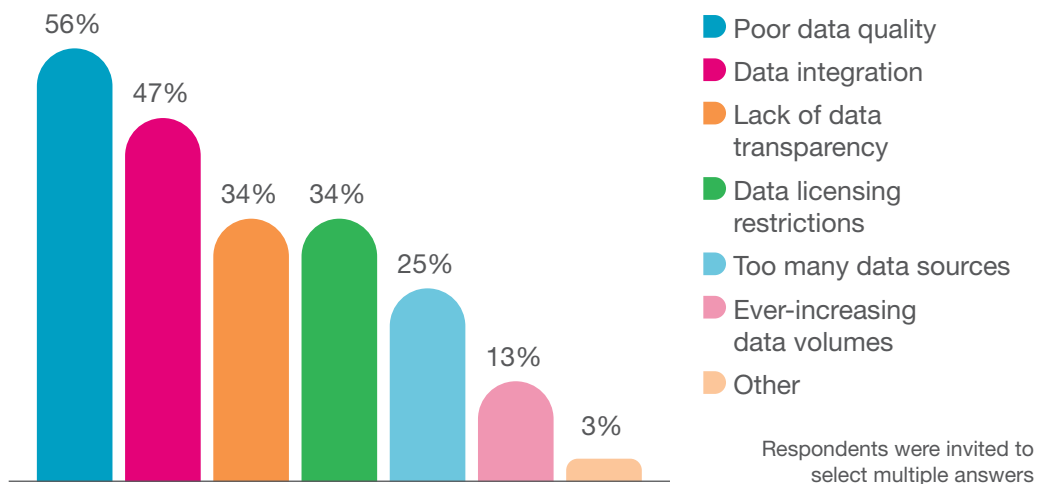
3 Where do you currently experience the greatest fixed income data challenges?

- ● Reference data
- ● Evaluated pricing data
- ● Corporate actions messages/data
- ● Other

Acute challenges

The fourth question followed the direction of its predecessor, asking respondents to select all the options that apply to their firm when it comes to the challenges relating to a range of fixed income functions. Poor data quality and data integration challenges emerged as the two most pressing issues, while a lack of transparency and data licensing restrictions also featured prominently, underlining the variety and ubiquity of fixed income data challenges facing market participants (see figure 4).

4 What is the greatest challenge relating to your fixed income data needs and functions?

- Poor data quality
- Data integration
- Lack of data transparency
- Data licensing restrictions
- Too many data sources
- Ever-increasing data volumes
- Other

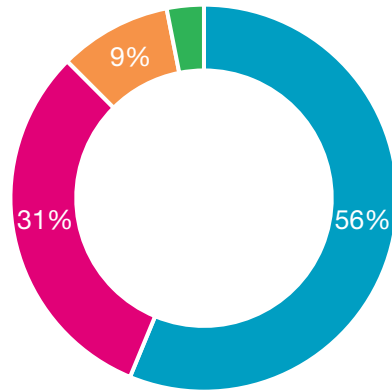Respondents were invited to select multiple answers

Data quality invariably crops up at some point in conversations about data, highlighting just how critical this is to firms on both sides of the industry. Challenges associated with sourcing and managing reference data tend to mean that firms will, in turn, experience challenges around the accuracy, validity and timeliness of those data types.

Question 5 asked about fixed income data sourcing and management functions, the results of which revealed that the majority of respondents (56%) have already automated certain aspects of these functions, but are looking to increase their level of automation. Thirty-one per cent reported they have already largely automated their fixed income data sourcing and management functions and that those functions are considered mature (refined and optimized) (see figure 5).

There is little doubt that firms on both sides of the industry are on an automation journey when it comes to fixed income data sourcing and management and, while it is clear that appreciable numbers have made significant strides in recent years, there is still a long way to go. In this context, there is no finish line but rather an automation continuum along which firms move.

5 Which best describes your fixed income data sourcing and management functions?

- ● Partially automated, seeking to improve levels of automation
- ● Largely automated and mature processes
- ● Mostly manual, causing inefficiencies
- ● Manually intensive and error-prone

Priorities

The sixth question focused on what firms value most when assessing the value of a fixed income data feed. Respondents were asked to select all of the options available to them and rank them in order of importance from 1—6. Accuracy, transparency and traceability of data emerged as the most important criteria, followed by coverage—the breadth and depth of instruments and geographies covered/offered by the feed. The findings from this question were unsurprising given how critical data accuracy and transparency is for capital markets firms when it comes to making the most judicious business and investment decisions and risk assessments, while data inaccuracies can lead to mispriced securities and therefore flawed portfolio valuations and suboptimal trades (see figure 6).

6 What are your firm's priorities when evaluating a fixed income data feed?

1	Accuracy, transparency and traceability of data	Total score: 139
2	Coverage (breadth and depth of instruments and geographies)	130
3	Pricing model and commercial terms	124
4	Integration and delivery (ease of consumption into internal systems)	104
5	Flexibility of service model (customization, APIs, etc.)	97
6	Availability of confidence scoring or quality metrics	78

Responses were weighted and scored using a placing scale of 1 to 6. Scores were aggregated, with 1st placings receiving 6 points, 2nd placed receiving 5 points, and so on.

Assessing data accuracy and transparency is a complex and continuous task for even the most sophisticated capital markets firms, which means vendors should expect to take a proactive, collaborative role with their clients by providing as much granularity as possible into the data they are providing them.

Question 7 was similar to 6, although it differed slightly by asking respondents to consider the most important attributes they are looking for when selecting a primary or secondary fixed income data provider/partner. Again, they were asked to select all of the options available to them and rank them in order of importance, from 1—7. Unsurprisingly, the two most popular options were the same as in question 6, although their rankings were transposed (see figure 7).

Instrument and geographic coverage are vital for capital markets firms when it comes to selecting fixed income data providers because they allow firms to rationalize the number of relationships they have with providers, while simultaneously ensuring comprehensive market visibility and helping to support global portfolio diversification.

7 Which attributes are most important to your firm when selecting a primary or secondary fixed-income data provider/partner?

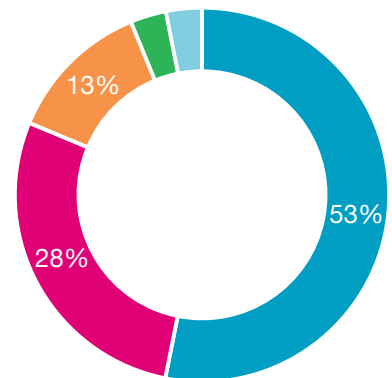|		
1	Breadth and depth of coverage	Total score: 158
2	Data transparency and auditability	150
3	Provider reputation (brand)	149
4	Technical flexibility (customization, delivery methods, etc.)	130
5	Responsiveness to client needs	118
6	Independence (provider is not a competitor or conflicted party)	97
7	Product road map clarity	94

Responses were weighted and scored using a placing scale of 1 to 7. Scores were aggregated, with 1st placings receiving 7 points, 2nd placed receiving 6 points, and so on.

Delivery

The final question of the survey asked respondents about their preferred data delivery method. APIs emerged as the favorite (53%), underlining the crucial role they now play in capital markets firms' data consumption activities, enabling real-time, automated access to large, complex datasets and seamless integration with downstream trading systems, analytics platforms and risk tools.

The second key takeaway is that almost one-third of firms (28%) use cloud-based data warehouses as their delivery mechanism of choice, allowing fast, scalable and secure data delivery and consumption. Cloud-based data warehouses also support real-time access, centralized storage and, in many cases, the availability of data analytics tools, while auto-updates, elasticity and high availability can help reduce maintenance and minimize costs (see figure 8).

8 Which data delivery method best suits your firm's operational needs?

- API
- Cloud-based data warehouse
- File transfer protocol
- Terminal
- Other

Key takeaways

The findings from the survey underpinning this report can be split into four key themes: data quality, accuracy (including transparency and traceability), breadth and depth of coverage, as well as ease of integration. As with all data types, data accuracy and quality trump all other considerations given that so many downstream business processes are directly contingent on the data driving them.

It is worth noting that, while accuracy and quality are often conflated and the terms used interchangeably, they are quite different. Accuracy describes the extent to which data reflects what can best be described as "real-world truths", while quality refers to the overall fitness of data for its intended use and typically entails consistency, completeness, validity, timeliness and accuracy. However, regardless of the specifics around the nomenclature, the maxim "garbage in, garbage out" is especially pertinent in this context.

Closely allied to the issues of data accuracy and quality are those of breadth and depth of instrument and market (geographic) coverage, as well as having access to the bond document (source of truth). This is especially the case when it comes to evaluating and, ultimately, partnering with a fixed income data provider, and the ease with which the provider's data can be consumed and disseminated across the business with the minimum of fuss. It is important to remember that, regardless of the accuracy and quality of the data, if it causes difficulties on a daily basis or if the data coverage is such that clients are forced to source data from multiple providers, they will ultimately choose to partner with a provider that has the above-mentioned boxes checked.

waterstechnology

WatersTechnology is the market-leading industry brand serving financial trading firms via its website, email alerts, conferences, research, training, briefings, webcasts, videos, awards, whitepaper lead generation and special reports.

The portfolio focuses its reporting around the topics of market data, reference data and technology for the buy and sell sides. Coverage serves the financial community with independent, expert journalism and has built its reputation by providing analysis and news covering all developments in this fast-moving business in North America, Europe and Asia-Pacific.

waterstechnology.com

infoprodigital

SIX