



Welcome to our February Snapshot. In this month's offering we will take a look at :

"Great Expectations" - Capital Markets Technology Trends

"From the Front Line" - LinkedIn as Recruitment Tool

"Just for You" - a bespoke offering for each and every one of you.

Great Expectations

What's Trending in Capital Markets Technology today?

Capital Markets continues to evolve, driven by technological advancements that enhance efficiency, security, and accessibility. Currently, several key technology trends are shaping the industry and influencing everything from trading platforms to regulatory compliance. Here's my brief summary:

1. AI and Machine Learning for Trading and Risk Management

Artificial Intelligence (AI) and Machine Learning (ML) continue to revolutionise capital markets by enabling predictive analytics, algorithmic trading, and real-time risk assessment. AI-driven decision-making tools will become even more sophisticated, improving trade execution speed and accuracy while reducing operational risks. Financial institutions will leverage AI for fraud detection, portfolio optimisation, and market surveillance.

2. Blockchain and Tokenisation of Assets

Blockchain technology is gaining traction in capital markets, facilitating faster settlement processes and reducing counterparty risks. The tokenisation of assets—representing stocks, bonds, and commodities as digital tokens on a blockchain—enhances liquidity and broadens investor access. It is very likely that Decentralised Finance (DeFi) applications and smart contracts will further streamline post-trade processes and settlement mechanisms.

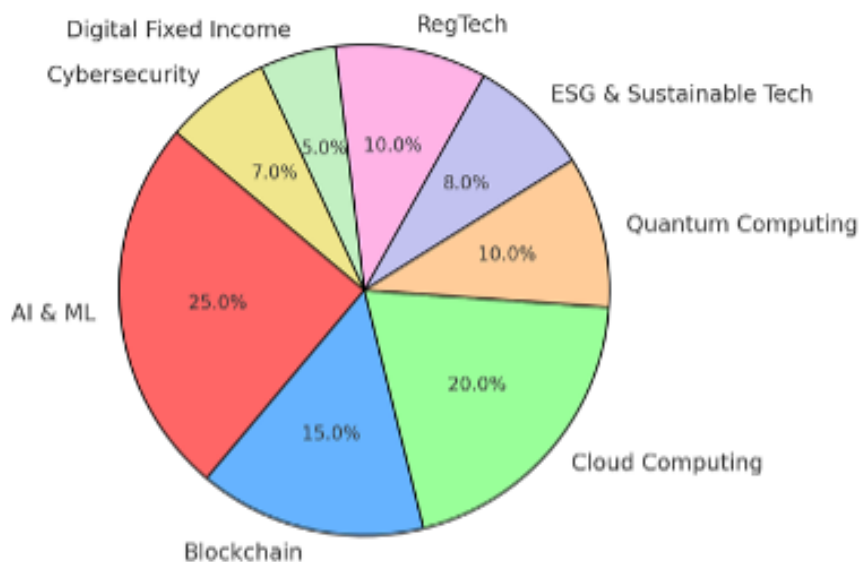
3. Cloud Computing and Edge Technology

Cloud adoption in capital markets is accelerating, offering scalable infrastructure for data processing, analytics, and trading platforms. Edge computing is also emerging as a complementary trend, allowing firms to process data closer to its source to enhance low-latency trading strategies. This combination improves resilience, operational efficiency, and cybersecurity in what we know is a highly regulated environment.

4. Quantum Computing's Emerging Role

While still in its early stages, quantum computing is an interesting addition. It is poised to disrupt capital markets by solving complex financial models at unprecedented speeds. Investment banks and hedge funds are exploring quantum algorithms for portfolio optimisation, risk assessment, and cryptographic security enhancements. As quantum technology matures, it will redefine competitive advantages in capital markets.

Technology Spend in Capital Markets 2025



5. ESG and Sustainable Finance Technologies

Environmental, Social, and Governance (ESG) considerations are now a core focus for capital markets participants. Advanced technology solutions, such as AI-powered ESG scoring and blockchain-based transparency tools, help investors make informed decisions aligned with sustainability goals. In the coming months, regulatory bodies will further integrate ESG disclosures into financial reporting, making technology indispensable for compliance.

6. RegTech for Compliance and Reporting

Regulatory technology (RegTech) is a game changer for compliance processes by automating Know Your Customer (KYC) and Anti-Money Laundering (AML) requirements. AI-driven surveillance tools detect market manipulation, while blockchain enhances auditability. With increased scrutiny from regulators, capital markets firms will surely invest heavily in RegTech solutions to meet evolving compliance standards efficiently.

7. Digitalisation of Fixed Income Markets

Traditionally slower to adopt digital innovation, fixed income markets are now embracing automation and electronic trading. AI-driven bond pricing models, smart contract settlements, and blockchain-enabled debt issuance platforms are making fixed income markets more accessible and efficient. Digitalisation efforts will continue to reshape how bonds and other fixed-income securities are traded and settled.

8. Cybersecurity and Resilience Enhancements

With the increasing digitisation of capital markets, cybersecurity remains a top priority. Firms are investing in AI-powered threat detection, zero-trust security frameworks, and blockchain-based identity management solutions to safeguard sensitive financial data. As cyber threats become more sophisticated, ensuring resilience against potential attacks is a must-do key focus.

So where does that leave us?

Capital markets are undergoing a significant transformation, driven by cutting-edge technologies that enhance efficiency, transparency, and security. AI, blockchain, cloud computing, and quantum computing are reshaping trading, compliance, and asset management. That does leave the job market in very interesting times. Firms will have to decide how best to manage the challenge of adding appropriate head count yet controlling the overheads of both technology and people at the same time. Expect some difficult conversations around budgets coming up to year end in April!

From the Front Line

LinkedIn as a Recruitment Tool

Ever since Microsoft bought LinkedIn for \$26 Billion (that's not a typo) in 2016, it seems they have done their very best to heavily monetize the platform and, to balance that, have constantly upgraded its search functionality. So much so, it's now the number one platform for employers looking for staff and employees seeking work. While every company should consider LinkedIn, actually they should INCLUDE LinkedIn, when it comes to hiring there is a very worrying trend developing.



Companies are (quite rightly) looking at the ROI they get from both their internal and external recruiters. Many are reducing internal HR headcount, reducing the number of times they engage with an external recruiter and relying very, very heavily on LinkedIn. After all, with 1 billion members who wouldn't get excited! Right?

Maybe.

Let's look at some stats: In the UK alone there are 42 million registered accounts. On paper that seems to cover just about all of the working age population. Bingo!

That's good right? – well let's dig a bit deeper. When you discount the number of fake accounts ie Companies trying to look bigger than they are and AI generated accounts to create marketing funnels, that's a decent minority. Let's be clear LinkedIn isn't going to announce the number - it is becoming a big issue for them though. Some figures suggested across the web are as high as 10%.

Let's now discount the number of duplicate accounts ie people having an account a few years ago but have moved on and then start another.

And importantly let's discount the really significant number of dormant accounts. 51.5 % of people don't even log onto LinkedIn just once a month. Those are not even looking at notifications of an InMail or message or invitation being sent, far less apply to an advert.

A conservative figure of 15 million is a more realistic target market for a recruiter to review. Still sound big though right?

79.5% of that figure are aged 18-34. That's good if that's your demographic. Not so good if you want a senior hire. And even if you want your slice of the under 34 cake – we can all enjoy 12000 live jobs advertised at any one time!

Factor in that c.25% of the market is looking to move at any one time and then it's fair to say LinkedIn gets you a small proportion of people looking at a high number of jobs and spreading their bets as to the number of applications they make. Suddenly your tip top quality future hire has 3 or 4 more options other than yours.

So ... are your internal recruiters proactively identifying the people not on LinkedIn and approaching them? Are they identifying the 35% of people who are passively seeking a role and the 40% that are happy where they are?

And... have you checked that your external recruitment partner is pretty much doing the above and tapping in to their extensive network?

When you are making your next hire, please ensure that (internally or externally) you have engaged with the right person, who has a fair few more recruiting options than simply sending their allocated 100 InMail's to strangers a month.

Just for You

There's more to come from me on added services. But as our readership has rapidly increased in the last 2-3 weeks this months "Just for You" is a reminder...

Many of you told us how keen you are to understand the job market, including salaries & benefits on offer. This is a difficult without it becoming a broad, bland banding document.

So instead, we have an offer for you and its free too! When you are looking to hire and before you release the role and go public with it, call us. We will review your job description, discuss exactly what type of person you need, advise accordingly and then go away and do our due diligence. We will then report back with up to the minute data so you can make your decision as to what you wish to offer your next hire safe in the knowledge your decision is based on valid information.

While we would love to be part of the live role hiring process, the above offer is not dependent on that being the case.

Well, that's it for this month. I hope you have both enjoyed the read and have in some small way, come away more informed.

Best wishes,

Andrew



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