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awards
2011

Best third-party valuation provider

Markit

MARKIT HELD ONTO the award for Best Third-Party Valuation Provider in 2011. According to the company's managing director, Kevin Borrett, Markit's achievement reflects both its broad coverage in a market still undergoing consolidation, and its commitment to transparency – a quality regulators and investors have their eyes on.

“There is a lot of investor pressure being brought to bear, which is forcing vendor consolidation,” says Borrett. “As a result, you have strong providers that can offer multi-asset, high-volume, full-spectrum services from vanilla through to very exotic, complex capabilities. Most of all, if you look at the regulatory focus around the world, the buzzword is ‘transparency’. When clients want to be able to understand and query the methodology practice, it clearly requires a high service level.”

As clients expect increased coverage of data and responsiveness from their valuation

providers, so too are macro issues playing a greater role in the work of those providers, not least current questions around sovereign risk. That makes a broad analytical capability all the more important.

“We are seeing a desire for baseline valuations for sovereign-, sector- or instrument-specific classes or asset classes,” continues Borrett. “Clients also want an overlay of risk sensitivity and stress-testing services because they want to understand mark-to-market implications and the profile of those assets in different market conditions.”

With these more technical ends in mind, Markit acquired QuIC Financial Technologies in January, a company Borrett says is focused on large, complex, multi-asset simulations, with clients largely on the sell-side. Fusing that with Markit's valuation business allows it to offer a more complete suite of services and helps tee the company up for a future dominated by the bigger players.

Top 5 results (by %) – Valuation Provider	
1. Markit	65.5%
2. Bloomberg	20.7%
3. Interactive Data	13.8%

