

November 09, 2023

# 2024: A Year for Doubling Down on Data-Driven Decision Making



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As we head into 2024, data-driven decision making – powered by emerging technologies such as AI and machine learning combined with advanced APIs – will remain centre stage when it comes to giving banks the compass they need to navigate choppy waters, writes Matthew Hodgson, CEO of Mosaic Smart Data. Here are seven trends that are likely to shape how this technology continues to evolve and mature over the next 12 months.



To say 2023 has been a challenging year across capital markets is an understatement – but as ever, tough times can often drive innovation as banks are forced to use new tools to do more with less.

As we head into 2024, data-driven decision making – powered by emerging technologies such as AI and machine learning combined with advanced APIs – will remain centre stage when it comes to giving banks the compass they need to navigate choppy waters. But what trends are likely to shape how this technology continues to evolve and mature over the next 12 months?

## 1. Client retention will become even more critical

In the current climate, gaining a new client is becoming more and more difficult – and banks must do everything in their power to retain and grow existing client accounts. The best advice I've heard from one of our customers is: pick the markets you want to excel in and supercharge your sales and customer service by harnessing the power of your untapped transaction data.

## 2. Banks will seek out tools to combat the FICC liquidity scarcity

Amidst a backdrop of volatility, economic uncertainty and lower market activity in some asset classes, FICC market participants are struggling more than ever to source and protect liquidity. Data is the key to getting the insights that allow you to see where the herd is trading, where the alpha is, and where you can find the specific instruments you want to trade.

### 3. Banks will need to do even more with less

It goes without saying that the last year has been a turbulent period for banks across the globe. For those that have remained profitable, a laser-sharp focus on efficiency has become central to their businesses. With an uncertain year ahead, sales and trading teams must be equipped with tools to improve productivity and efficiency in a cost-effective manner against a backdrop of cost cutting and headcount slimming.

### 4. A new class of market data will begin emerging

The cost of market data for buy- and sell-side firms has [increased by 12%](#) in 2023- even more than inflation. To ensure ROI, the vast majority of participants now select their data providers based on overall data quality rather than price, according to a recent Greenwich study. To meet the growing demand for richer, contextualised market intelligence, we will begin to see an entirely new class of data emerging that provides an unprecedented level of market insight and bang for your buck.

### 5. Innovation will be centred around driving KPIs

There is a never a good or bad time to innovative – but in the current environment, all innovation should be laser-focused on helping achieve the business's KPIs. Technology platforms will be judged by their ability to impact a bank's bottom line – without breaking the bank to deploy in the first place, and their strength when it comes to supporting change management. It is these solutions that will benefit from more selective investment in technology in 2024 and beyond.

### 6. Sales and trading desks will continue becoming truly multi-asset

Clients across the board are trading across asset classes – and banks must keep up with this evolution. Sales and trading teams must be literate across asset classes and must be equipped with the tools to provide multi-asset insights.

### 7. AI will become table stakes for capital markets

After a period of intense innovation, we will begin to see the kind of insights that can be driven by AI, machine learning and API automation become table stakes in the capital markets space, while forward-thinking tech players continue to build on this innovation and shape the future of the industry for the years ahead.

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**Matthew Hodgson** is CEO of [Mosaic Smart Data](#), which he founded in 2014. Mr. Hodgson has more than two decades of experience in financial markets. He is the former Global Head of Rates & Credit Ecommerce Platforms at Deutsche Bank, where he was also a managing director and Head of FICC Data Strategy. He was also Head of Non-Yen Rates at Deutsche Bank and Citigroup.