

# Think small to win big

Currency markets are famously volatile. But Patrick Teng and Six Capital, the company he founded in 2009, have developed an innovative system to take the risk and the emotion out of currency trading. Using a proprietary trading system called the Rice Bowl, Six Capital is redefining currency trading and disrupting the markets in a big way. He speaks to **GlobeAsia** on disruption in the currency markets and what the future holds.

**GlobeAsia:** You have often said that your vision is to create future jobs worldwide by empowering individuals with life skills. Can you elaborate on this?

Patrick Teng: Globalisation has created many opportunities as well as challenges for people around the world. My vision is to create opportunities for individuals across the developing markets, so that they too can have access to jobs with the same potential as those living in London, New York, Tokyo, Hong Kong and Singapore. These are jobs and skills that will not simply be relevant for the next few years and then become redundant – these are jobs and skills that will increase in value over the long-term, enabling more and more people to become empowered and take control of their finances. Our approach is very much in line with the old adage – ‘give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime.’ We aim to develop skills in people that will be valuable to them throughout their lives.

At Six Capital we have now trained more than 40,000 people from across Asia on how to trade FX for free. This has led to direct employment with the company – all of whom are able to be paid Singapore level salaries, regardless of the fact they live in India, Indonesia or China. Whether a trader working for Six Capital lives in Singapore or Jakarta, they are of equal value, and therefore we ensure our pay mirrors that.

On top of these direct opportunities, the training has also opened doors for all of these individuals in jobs across Financial Services. The skills we are helping individuals to develop are transferable to many jobs in the sector, not just FX trading. In addition, there are also those who take on the skills we teach them around how to de-risk trading FX by amalgamating small wins, and choose to trade at a personal level. As we train more and more people across the world, we are empowering individuals and opening up their lives to job opportunities that would not have been available otherwise.

**How would you define life skills?**

I see life skills as quite simply those skills that provide tangible value and benefits to your everyday life. These are the skills that enable individuals to become more employable and earn more money. These are the skills that we at Six Capital are absolutely focused on delivering.

**Six Capital has been described as being a disruptor in the financial sector. Can you explain the business model behind Six Capital?**

Six Capital is a fin-tech company that seamlessly combines advanced FX training with FX trading. For aspiring traders, we run courses in FX trading, while for investors and wealth managers, we offer financial products founded on dependable data. In the process we seek to create lasting, positive impact on economies and society by utilising the power of the currency markets.

Following the financial crisis of 2008 it became clear to me that the market transformations that were occurring would create opportunities for new players in the FX trading market. New regulations and new developments in technology have come together to create an entirely different market environment. The introduction of the Volcker Rule stripped away the ability of the major banks to play the role of market maker in the currency markets, which in turn has led to an unprecedented level of volatility in FX markets today. You only have to look around Asia – the Indonesian Rupiah and the Ringgit – and you understand this immediately.

Embracing the new market environment, we have developed a business model based around thinking small, and aggregating

consistent wins to create substantial profits for individuals.

We created our proprietary system – Ricebowl – through which all our trainees trade on dummy accounts and in doing so, we removed all the emotional aspects of trading. By restricting trades to a maximum 90-second period, we are also able to collect an unrivalled depth and scale of data, analysing at least 16,800 trades every hour. The real time, continuous analysis of the Big Data generated enables us draw insights and determine high probability winning trades, which can then be copied live into the markets and offered to professional and retail customers. This process enables substantial profits to be made through the amalgamation of consistent small wins.

We do not believe in the ‘big-swings, big-bet’ FX trader mentality and instead are committed to the consistent, aggregation of a small-wins trader mentality. We believe that the era of the ‘big-swings’ FX trader is over and the pendulum is shifting from the long-position, big-bet trader to the consistent, aggregation of a small-wins trader mentality.

**In your view how is the financial sector, especially financial trading, changing? What is the future of currency trading?**

The digital revolution has disrupted the market greatly. It has enabled resources to be scaled like never before – we can now draw on the resources of crowds and have access to entire populations. The power of crowds and the pooling of resources is something that should not be underestimated. The future of trading will be all about bringing people together, being able to analyse the data they create and produce insight into the markets, and providing customers with access to reliable, consistent returns – something FX trading has too often failed to deliver.

**Six Capital has introduced some innovative financial products and**



**services such as TAGG and Price Action Trading. How do these work and what is the thinking behind such products?**

We came up with TAGG as a platform through which we could democratize access to yield and empower small traders to reach their goals. TAGG enables individuals to obtain access to Six Capital’s FX trading approach and insights generated by Ricebowl and therefore offers a way for retail traders to enter the FX markets in a way that minimises their risk. The inspiration behind these innovations comes from our view that financial trading, and the markets in general, must perform to fulfil a higher purpose.

**What other innovative financial products is Six Capital developing?**

Six Capital is focused on the ASEAN markets, as well as China & India; that comprises half the world’s population. We believe disruptive financial innovations can influence and catalyse change in sectors such as education and healthcare. This is where we want to make a difference. Our internal business accelerator & incubator, Six Labs, which has invented TAGG 1.0, is currently focused on developing a disruptive product called BioPay that aims to transform the way consumers can access and benefit from their healthcare ecosystem.

We are also working with financial institutions, such as central banks, in the region on ideas to deploy smarter strategies for achieving currency stability, as volatility has greatly impacted flow of foreign investment into emerging markets. We believe that this can be a massive catalyst for economies in this region so governments can focus on domestic economic & social development agendas.

**Six Capital has expanded beyond Singapore and has a presence in China and India. You are now looking at expanding into Indonesia. Can you share with us your plans for Indonesia?**

We will open our offices including a 40-seat dealing room in Indonesia by the end of the year. Our goal is to have a large volume of traders in Indonesia within the next 18 months by working with top universities in the country. As I mentioned before, our ultimate objective is to create new jobs with globally-pegged salaries. Indonesia is a young, dynamic, emerging economy and job creation is one of the biggest challenges facing the government. This is where I think Six Capital can play a meaningful role and contribute to the overall growth and progress of the country. ©

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