



Trading Technology for the Sell-Side

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Chi-Tech Adds FTEN To MarketPrizim

LONDON-Officials from trading infrastructure provider Chi-X Global Technology (Chi-Tech) announced today, Sept. 7, that the vendor has integrated pre-trade risk management and high-frequency execution capabilities from FTEN into its low-latency trading ecosystem offering, MarketPrizim.

"Both of these components are very complementary," says Nicholas Levy, managing director for MarketPrizim with Chi-Tech. "MarketPrizim relates to the market data portion of the pre-trade lifecycle and FTEN provides dedicated risk control and access to the exchanges," he adds.

Although the respective Chi-Tech and FTEN platforms are in production in Europe, Levy expects the new joint offering to go live in the coming weeks. "It should be up and running by the end of September," he adds.

According to Ted Myerson, CEO of FTEN, the goal is to provide clients with a passport for trading across Europe. "We feel that this is a complementary offering for the marketplace, since the barriers to entry for [high-frequency trading] will continue to fall," he explains. "Large and small players are going to experience the same infrastructure dilemma: If they invest too late, they lose. If they invest too aggressively now, they can wind up going over capacity or with the wrong solution."

Currently, the MarketPrizim infrastructure connects to 19 European market centers. "This includes the NYSE Arca Europe multilateral trading facility (MTF)," says Levy.

"Those 19 market centers are the core market centers that we are relying on," says FTEN's Myerson, who adds that some development work was involved to connect to all 19 venues.

Chi-Tech's MarketPrizim connects to all major liquidity venues in London, but it has also co-located in regions where the markets are trying to keep trading local, such as in the Nordics, says Levy.

Connection to new trading venues will be driven by customer demand. At press time, Chi-Tech had not yet connected to Quote MTF (see story, page 1). Many people are not ready to connect, but Chi-Tech is ready to connect when necessary, says Levy. "As soon as we have clients wanting to trade there, we'll connect."

"There will be many new MTFs and this demonstrates the challenge that the community has in staying abreast of where the liquidity and innovations are," says Myerson.

The two vendors have a gentlemen's agreement to connect to any major new trading venue right away. "This has happened with Bats Europe, Nasdaq OMX Europe and NYSE Arca Europe," says Levy. "However, there isn't a race to connect to the exchanges," he adds.

In the coming months, Chi-Tech officials expect to add additional components to the MarketPrizim offerings. These components will provide market data management and technology to control orders, among other capabilities.

Chi-Tech has no plans to expand its MarketPrizim model outside of Europe in the near future. "First, we have to prove what we have here. But anything is possible," says Levy. "The U.S. market is very mature. If we go there, we would have to be sure that we bring something that is new and necessary to the market."

Rob Daly