

Electronic Trading

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FTEN's global expansion prospects in Europe and Asia has been accelerated by a strategic minority investment from a consortium of US banks

FTEN's Global Expansion Fired Up By Strategic Wall Street Banks' Investment

The strategic investment by four leading Wall Street sell-side firms in FTEN, an independent solutions provider of ASP-based mission critical financial technology applications, allows the vendor not only to become debt-free and maintain a healthy balance sheet but facilitates the building out a global infrastructure in an accelerated way in Europe and Asia.

Specifically, the Series B Preferred Stock funding from a consortium including Merrill Lynch, Goldman Sachs, JP Morgan and Credit Suisse, will help expand the global footprint for multi-asset class and multi-prime broker offerings beyond FTEN's existing strength in the US and European equities, options and futures markets.

This will encompass risk management, compliance, high-frequency trading gateway, and market data offerings. Currently, FTEN is live with its European infrastructure and in the process of building out an Asian presence.

In terms of how the expansion in Europe and out across Asia will pan out going forward, Ted Myerson, President and founder of FTEN, says: "We're building upon our technology framework and extending our best practices in the US in our expansion into Europe and Asia. There is also a great demand from our US client base to extend our solutions globally as well as a growing interest from firms in Europe."

Myerson adds: "Our strong client base allows us to stay ahead of the curve by collaboratively working with clients on issues that affect their business and strategies - ever evolving requirements, regulations, and compliance mandates - on top of issues that come with trading in multiple currencies in multiple assets across multiple regions."

Looking at how the firm's technology may help it capture market greater share in territories in both Europe and Asia, Myerson points out: "Our technology has enabled our current US clients to grow by providing a scalable and reliable infrastructure that allows them to trade at higher speeds and higher volumes, even with stringent risk controls in place - without compromising latency."

He asserts that: "This has directly contributed to our own success and market dominance in the US and provides the foundation for us to be successful in Europe and Asia as we take on new clients and as our current clients leverage our technology and extend their own business in the global market."

Myerson says it has always been FTEN's "fundamental focus" to provide clients with the most effective tools and environment so that they can focus on what they do best.

On this he adds: "FTEN accomplishes this by delivering time-to-market solutions, providing superior customer service and maintaining a continuous technology development process."

According to Myerson, in today's volatile market the application of the vendor's risk management solution by prime brokers, broker-dealers, hedge funds and prop trading desks is not only mission critical to them, but also "critical to the overall marketplace as a way to thwart systemic risk."

The technology behind FTEN's offerings allows such investment firms to achieve greater access, speed and control through scalable, low-latency routing, real-time intra-day risk management, compliance, surveillance and market data signal services.

An added advantage of FTEN's software is that the firm among those providers that have available computer servers at exchanges' data centre, which through co-location provides an algorithmic edge. On each trading day, the vendor's technology processes millions of securities transactions globally, including over 20% of the entire US equities daily volume. The technology, which is all proprietary and built in-house, is used by firms engaged in high frequency and algorithmic. (The firm has a few patents pending too).

Hedge funds utilising high-frequency trading strategies are especially lucrative for the prime broking community, who according to Tabb Group research may earn over \$10bn from all such business this year.

- by Roger Aitken -