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High-Frequency Trading Leaves Big Footprint at SIFMA Tech Expo

By James Ramage

High-frequency trading remains the story, the subject, the thread, the gossip and the conversation of the day in the equities business.

This was evident in the marketing efforts by vendors at this year's Securities Industry and Financial Markets Association Technology Expo, held at the Hilton New York. Technology providers highlighted how high-frequency trading has become more mainstream, as they've begun to tailor HFT tools into their products.

Vendors talked up how their neighbors at the SIFMA technology expo mentioned ultra low-latency on display banners and in marketing literature in reference to HFTs. Whereas recently, speedy technology often referred to the processing of market data to support rapid decision-making and trading, now it also connotes HFT. And more than a few vendors at the expo noticed.

"This year, a lot of people seem to have discovered high-frequency trading," said John Bates, chief technology officer and head of corporate product development and strategy for Progress Software. "I'm seeing [firms like] IBM and Cisco advertising products and services for high-frequency traders."

Progress, an infrastructure software builder and complex event processing provider, has been building technology for high-frequency trading for years, Bates said. For the expo, the firm promoted its pre-trade risk check product, geared toward HFTs using sponsored access arrangements to reach the markets.

For ULLink, the high-frequency trading space was a natural fit, said Mark O'Hara, a vice president in the sales department who was manning the firm's booth. This year, the HFT marketplace became a major part of the U.S. sales effort for the firm, which provides direct-market access, trading and low-latency connectivity technology.

"We already had a lot of the pieces in place," O'Hara said about selling HFT tools and services. "It was just a matter of fine-tuning and gearing them specifically for that client."

The attendants at the FTEN booth, which was decorated in an "Alice in Wonderland" theme, said that they've noticed how the conversations about HFTs have changed. Only last year, the firm's biggest chore was to explain what HFT and sponsored access meant. This year, they said SIFMA attendees were much further along the learning curve.

This year, the SIFMA technology expo remained a smaller affair than in years past. There were 200 vendor booths--the same as in 2009. The number is down by 33 percent from those 2007 and 2008, when 300 vendors opened booths, according to SIFMA.

In addition, 62 of those vendors were new to the expo, according to the industry trade group. Last year, that number was 43.

Attendance also climbed as more than 9,000 people registered for this year's show, SIFMA reported. It's a jump of more than 20 percent from last year, when roughly 7,500 people registered. Registration for shows over the past six, or so, years averaged around 8,000 people.