

Demand for HFT Firm Data Growing

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High-frequency trading firms are going to have to update their technologies in order to comply with growing data demands from the **Securities and Exchange Commission**, according to **Ted Myerson**, CEO of **FTEN**.

While the SEC is increasingly asking all trading firms for order data, complying is more complicated for high-frequency trading firms, as it requires more technology to store the data generated and retrieve it at a moment's notice.

Firms used to have a month's time to retrieve data for regulators, Myerson said. Now the time period is greatly shortened to within a day or less. Following the May 6 "flash crash" in the market, many trading firms were asked for data not only about trades that were matched during the 20-minute period when the Dow Jones Industrial Average fell nearly 1,000 points, but also for unexecuted orders. More than 90% of all high-frequency orders are unexecuted-at some firms that percentage is closer to 99%, Myerson said.

Even before May 6, data was being demanded on an increasingly urgent basis. Myerson told *WSL* these requests are linked in many ways to the SEC's concept release on equity market structure, out in mid-January. Since then, the SEC has asked for "loads" of data, with many of the requests defined as educational, Myerson said. According to Myerson, many of FTEN's clients are voluntarily giving their data to the SEC related to the May 6 incident, even though it's a tedious job, to get to the bottom of the phenomenon.