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LETTER FROM THE EDITOR

Consolidated Feeds Demand a Second Look

At first glance, the current hullabaloo over high-frequency trading might lead one to think that consolidated feeds are a thing of the past, and the only type of datafeed that matters is ultra-low-latency direct exchange feeds. But while these are important, you'd be wrong: in many ways, as the volume of data continues to grow, the case for consolidated feeds is arguably greater than ever for the majority of market participants.

This is because while every trader cares about being fast, only a sub-set of these make their living from being the absolute fastest. Progressive reductions in latency have left relatively slim pickings at the cutting edge for those willing to compete, while the cost of achieving those reductions has become incrementally more expensive, leaving only a few with the inclination or budget to make heavy investments in latency. For many, more important than being fast is being stable under heavy volumes, and more important than speed—as described by S&P Capital IQ's Pierre Feligioni in an article in this report—is the ability to be smart about data.

So at first glance, MB Trading—whose chief technology officer William Floyd is featured in this report's virtual roundtable—might seem the antithesis of this, since the firm has abandoned consolidated feeds in favor of direct connections to exchanges and proprietary infrastructure in co-location centers. However, while this setup suits the firm's current requirements—for low-latency access to a small number of trading venues in one regional market—it would not be practical should the firm change its trading style and suddenly require feeds from more venues or international markets, and MB Trading refers clients to consolidated feed providers when they want data on markets not covered by the firm.

Even Aite Group senior analyst David B. Weiss, who emphasizes the importance of third-party datacenters to delivering affordable, low-latency access to local and international markets, acknowledges that as markets become more fragmented, demand for—and access to new datasets via—consolidated feeds will increase.

But ultimately, as long as cost remains an issue for consumer firms, as S&P Capital IQ's Brian Cassin says, "finding the ideal mix of direct and consolidated feeds is really dependent on the unique needs of the firm." Or to put it another way, firms must fully understand what business they aim to be in before they can hope to understand what will work for them. ■

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ICE Splits NYSE Liffe, Euronext Feeds

NYSE Euronext has introduced a new commercial model for real-time data from its Liffe derivatives market that will see London-listed derivatives unbundled from continental European derivatives, as a result of ongoing plans to spin off Euronext's European cash and derivatives markets following IntercontinentalExchange's acquisition of NYSE Euronext last year.

Effective April 1, London-listed derivatives data moved to ICE under a new package dubbed Liffe, while data from the Paris, Amsterdam, Brussels and Lisbon Euronext markets was split into three new bundles: Euronext commodities derivatives, Euronext currency derivatives, and Euronext equity and index derivatives.

NYSE Euronext previously charged monthly per-user fees of €37 for Level 1 NYSE Liffe equity and index derivatives data and €45 for Level 2 data; €20 for Level 1 NYSE Liffe commodities derivatives data and €24 for Level 2 data; and €40 for Level 1 NYSE Liffe fixed income data and €47 for Level 2 data, according to figures on its website.

However, from April 1, the entire set of NYSE Liffe London-listed derivatives is now part of a single market data product priced at $85 per user per month. Meanwhile, users of Euronext's equity and index derivatives datafeed will be required to pay a monthly user fee of €34, while Euronext commodities derivatives data will be priced at €15 and Euronext currency derivatives data will cost €2, a Euronext spokesperson says.

According to Euronext and NYSE Liffe, the new fee model will reduce costs for many data consumers. Under the previous model, for example, users purchasing all Level 2 NYSE Liffe products would have been required to pay $116 per user per month as opposed to $85 from this week.

Meanwhile, users of Euronext Level 2 derivatives data will see their fees reduced from $116 before the unbundling to €51 afterwards. "Overall, the data fees for the Euronext derivatives markets will be reduced for users," a Euronext spokesperson says.

Bloomberg Integrates SIX Market Data

Bloomberg is integrating SIX Financial Information's MDFselect real-time datafeed to its Bloomberg Platform managed data distribution service.

Users of Bloomberg's B-Pipe consolidated feed can use the SIX data as an automated or self-managed service requiring no recoding or reprogramming, after SIX and Bloomberg's Enterprise Solutions division developed an adapter for the feed. Entitlements for both feeds are managed by Bloomberg's Entitlements Management and Reporting System.

IDC Upgrades TREP Handler

Interactive Data has released an upgraded feed handler for Thomson Reuters' Enterprise Platform (TREP) that includes new symbology remapping to allow customers to more seamlessly bring its Consolidated Feed of market data into TREP for use in their applications.

Previous versions of the handler enabled Consolidated Feed users to create an output format that emulates the format used by Thomson Reuters' RDF consolidated datafeed, so IDC's feed could be recognized in infrastructures utilizing TREP. The new symbology remapping capability allows users to create and maintain their own list of generic vendor symbols and translate them into equivalent IDC symbols, enabling applications to consume the Consolidated Feed content in the same way as legacy sources.

S&P Real-Time Debuts FPGA OPRA Feed

The Real-Time Solutions division of S&P Capital IQ (formerly QuantHouse, prior to its acquisition in 2012) has unveiled QuantFeed FPGA for OPRA, a hardware-accelerated version of its consolidated datafeed with additional processing power to handle anticipated traffic volumes over the Options Price Reporting Authority's consolidated feed of US options quote and trade data.

S&P Capital IQ developed the FPGA OPRA feed after realizing that projected volume growth on the OPRA feed would quickly outstrip the ability of software-only feed handler and book-building solutions to process the amount of options data being generated—which it expects to reach peak rates of 100 million messages per second (mps) within five years, and hit 120 million mps by 2020.

QuantFeed FPGA for OPRA can process 40 million mps per board enough to handle July's projected rates of just under 23 million mps on a single FPGA—with sub-microsecond message decoding and sub-10 microsecond overall processing latency.

"The options trading market is becoming more and more intense every year, and is about to reach an inflection point," says Stephane Leroy, vice president and head of global real-time solutions at S&P Capital IQ. "We think that using a pure software solution for this kind of demand is not possible anymore, because these kinds of volumes would force firms to stack up a lot of servers."

In comparison, Leroy says, most other FPGA solutions use FPGA processors for the "brute force" they can bring to data intake and decoding, but still use software to provide value-added functions such as reconstructing order books. Moving to hardware also allows the vendor to future-proof against the need to rewrite software and how it handles market data, and against the need for clients to rewrite internal applications that consume the data.

SPONSOR'S STATEMENT

Getting Smart About Big Data

The development of a distribution solution that can deliver large amounts of data and the analytical capabilities that financial professionals now need should be a top priority for providers, says Pierre Feligioni, head of real-time data strategy at S&P Capital IQ.

In today's market, huge volumes of information are mined from an ever-expanding pool of sources. Five years ago, the main content creators were companies, analysts and major news organizations, but in the current "Big Data" era, financial firms are seeking less traditional sources of information to feed their investment strategies and generate alpha.

This spectrum of less traditional information sources is vast, and includes content and sentiment indicators from social media channels, online forums, blogs, broker analyses, and basically anyone with the ability to share their opinion over the internet. Providers such as S&P Capital IQ must create new tools and infrastructure to help gather and process this wealth of information, ensuring consistency, quality and reliability.

The increasing volume of information that is now available has certainly not been a negative development. More content means more information can be gathered and used to inform the investment decision-making process. But simply ingesting this content is not enough; firms must ensure this data is high quality, and that the tools used to analyze it are just as strong. By combining quality data and high-performing analytics, firms can synthesize large volumes of information effectively and efficiently.

Current sentiment analysis tools certainly help firms to interpret the wealth of information available, but demand is now growing for smarter tools that will allow users to understand the likely impact of all of these new signals in real time. For example, these types of tools would allow traders to quickly amalgamate relevant information and update a target price for a specific stock, or to calculate implicit volatility for the options market using underlying stock dividend information. Whatever the goal may be, technology will be key to satisfying this need for smart content and better analytics. As such, providers must develop the means to not only gather huge amounts of data and distribute it to clients in real time, but also to help clients analyze and act on this information.

"Current sentiment analysis tools certainly help firms to interpret the wealth of information available, but demand is now growing for smarter tools that will allow users to understand the likely impact of all these new signals in real time."

This actionable information or "smart content" must be able to support multiple functions within a firm, including trading, risk management, asset management and private equity. And by employing this smart content, firms can further develop their value propositions. For algorithmic traders, this could mean identifying alpha, while for private equity professionals, it could involve monitoring the profit and loss accounts of many different companies. With access to the right tools to create an analytics infrastructure, each client should be able to filter all of this available data through its own unique lens.

Of course, every company is organized differently, and so internal customization may also be necessary to address the requirements of each department within a firm. For example, a risk manager at a large bank may wish to use smart content to fulfill its Know Your Customer (KYC) requirements. By identifying data on shareholders, management, and the organizations or people to which a company or counterparty is connected, the firm can provide the necessary financial and risk-related information required under the KYC principle.

Alternatively, the next time Apple announces a new iPhone launch, traders at the same large bank could use smart content to search for historical data detailing the impact of previous launches on Apple's share price. Smart content tools could also identify alpha around new developments using financial information from Apple itself, as well as analysts' briefings, technology news reports and even comments from potential users on Facebook or Twitter. In order to sift through all of this information, traders must have the right technical and analytical tools to create an accurate picture of Apple's current strategy, as well as that of any competitors that might present additional arbitrage opportunities.

Developing or implementing the optimal technology to derive smart content is the greatest challenge for firms. If a client can process more information, it can discover more signals, and thus be better equipped to manage risk and profit from market events. To ensure tomorrow's success, today's providers should be working to develop a robust technological infrastructure that will underpin this process for our clients. ■

Inside Market Data
DATAFEEDS | Special Report

SURVEY

Cost, Latency Issues Dominate Datafeed Decisions

While latency is an increasing concern to trading firms using consolidated datafeeds, cost remains the largest barrier to adopting and rolling out new data sources. And with cost concerns causing some firms to balk at the investment required to support dedicated low-latency infrastructures, the results of a poll of *Inside Market Data* readers suggest that consumers will want vendors to take some of that heavy lifting off their hands.

Despite an improving economic climate, budget pressures remain an overwhelming concern that dominate decisions about purchasing and deploying market data feed solutions, reflecting many of the same issues that this same report highlighted last year, with latency the leading driver of change for datafeed investment.

According to a poll of *Inside Market Data* readers, 44 percent of respondents cited cost as the single most important criteria when selecting a consolidated feed, beating factors such as latency, comprehensiveness of coverage, provision of specific data types and ease of integration, suggesting that even when other criteria are met, the final decision on a service may come down not to what it delivers, but how expensive it is, and whether that cost is within budget, can be found by cutting back elsewhere, or is prohibitive to a firm entering a new line of business that might ultimately generate revenues that pay for the data many times over.

Like last year's survey, respondents also cited budgetary issues as the biggest challenges to adopting new datafeeds within their organizations, with 42 percent and 27 percent respectively citing the cost of deployment and support, and the ability to justify new spend and demonstrate return on investment as the biggest challenge, adding up to more than two-thirds of respondents indicating that cost-related issues are their greatest challenge to not only sourcing but also rolling out new data sources, with almost two-thirds of those who picked another issue as their top priority citing these as their second-greatest challenge.

Based on the results to the same question, firms seem comfortable with the ability of their existing infrastructure investments to support the performance and capacity requirements of direct and consolidated feeds, and the breadth of content and exchange coverage offered by data suppliers (both of which respondents deemed less important than last year), though the full depth of the survey results revealed significant numbers of respondents expressing concern about the lack of open architectures and flexibility of platform vendors to support the addition of new datasets from third-party sources. These abilities would be key to enabling firms to create best-of-breed solutions—something highlighted by 10 percent of respondents as something they are doing or seeking to do—at lower cost, avoiding lock-in to specific vendors and the expense of wholesale displacement projects.

What is the biggest challenge to adopting new datafeeds within your organization?

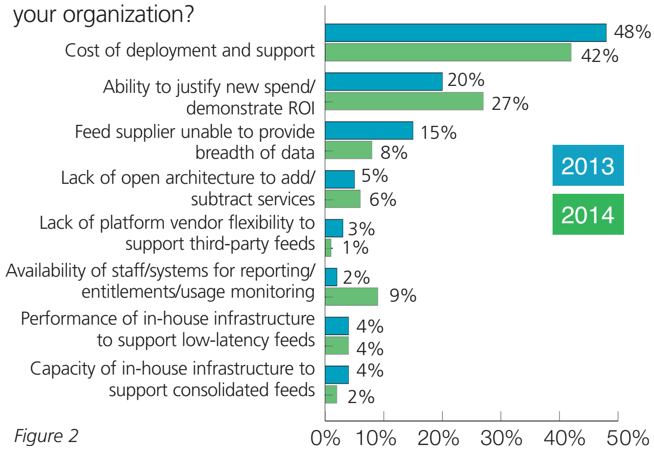

Figure 2

Cost issues also surfaced when respondents were asked how they currently use direct and consolidated datafeeds, and what would make them more likely to use these further, with 16 percent of respondents citing the need to lower enterprise costs, and 14 percent citing scalability, to be able to use the same data sources to serve different parts of their firm—both of which attracted consistent levels of support throughout the depth of responses—while 5 percent said they are using data to augment lower-end terminals to replace premium data products.

However, in direct contrast to the issue of cost, latency was respondents' second-greatest concern when selecting a consolidated datafeed, attracting 16 percent of votes as being the most important issue, overtaking exchange coverage (which was users' second priority last year), and with more than 50 percent of respondents placing it among their top three concerns.

Despite the latency threshold continuing to lower on its race to zero and the costs of achieving low latency continuing to rise—so much so that some firms are choosing to exit trading strategies that depend purely on speed in favor of other strategies that

What are your primary criteria when selecting a consolidated datafeed over other data sources?

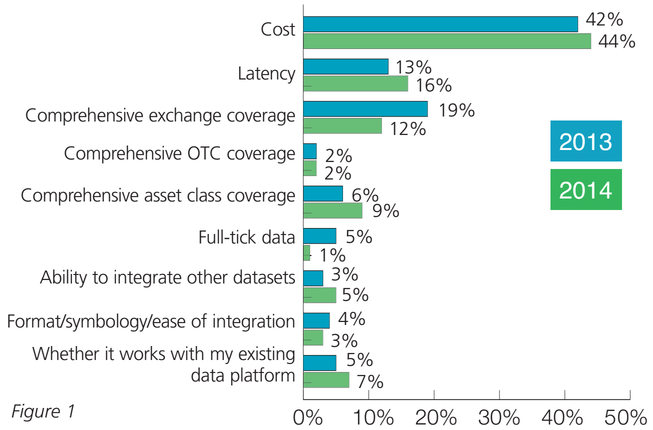

Figure 1

Why are you using/what is the most important factor that would make you more likely to use more direct and consolidated feeds?

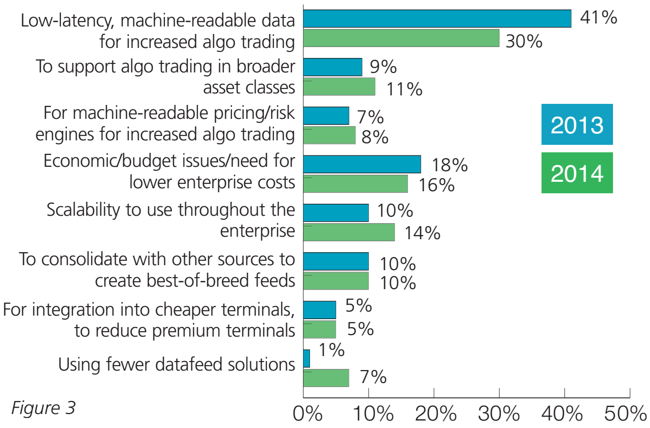

Figure 3

Which of the following data delivery mechanisms do you use most within your organization?

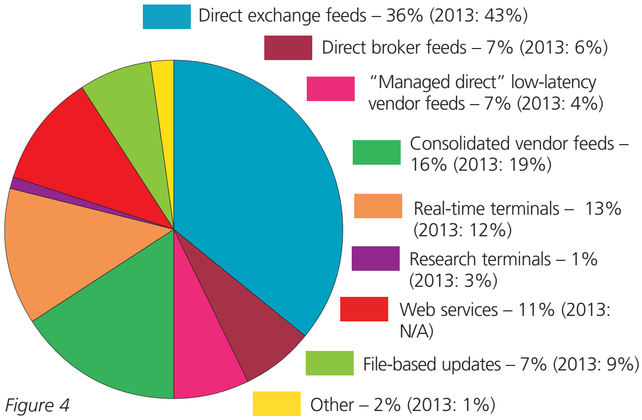

Figure 4

leverage different types of analysis—latency is clearly still a major pain point for many firms. In the *IMD* survey, almost 50 percent of respondents cited latency sensitive algorithmic strategies as a driver for increased use of datafeed solutions—specifically, 30 percent highlighting the requirement for low-latency, machine-readable data to support increased levels of algorithmic trading in their firm, 9 percent to support adoption of algo trading in broader asset classes, and 7 percent to serve pricing and risk engines that support algo trading (though supporting the above point that some firms are backing away from latency sensitive strategies, all three of these figures were lower than in last year's results).

Direct exchange feeds continue to be the most widely used delivery mechanism, with 36 percent of respondents claiming to use these most, followed by consolidated vendor feeds and "managed direct" vendor feeds and direct broker feeds—though the full depth of results shows that these two categories attracted higher responses as firms' second, third or fourth most widely used mechanism—and other delivery vehicles, such as data terminals, file update systems and other data capture tools.

Almost all these mechanisms fell slightly over last year, with two exceptions: Firstly, the use of Web services—which last year had been part of the "other" category—attracted 11 percent of responses as firm's most widely used data source, most likely reflecting firms' continuing need to find cheaper ways to obtain data. Secondly, the number of firms citing "managed direct" feeds—where a vendor provides direct access to exchange data sources, but manages the infrastructure, feed handlers and data processing, and often provides some level of data normalization and format standardization—as their primary source almost doubled from 4 percent last year to 7 percent this year, possibly supporting the hypothesis that firms without the budget to support the lowest-latency connections to exchange data are turning to vendors to perform that "heavy lifting" instead.

In fact, this desire for others to take on the heavy lifting of processing low-latency data is also evident in respondents' choices about what content and capabilities they would like to see made available via direct feeds in future, with 36 percent wanting feeds that combine direct feeds with real-time consolidated and delayed data via the same delivery mechanism. Although content such as volatility data, analytics and signals and sentiment—surprisingly, given the investment over recent years in machine-readable sentiment feeds to support low-latency trading triggered by text-based news and social media sources—and index data saw some demand as users' third and fourth choices, they attracted less than 10 percent of respondents' first choices, along with evaluated prices, estimates and reference data. Only corporate actions with 10 percent and more use of open standards and data models—again ultimately highlighting cost issues by underscoring the importance of being able to integrate different sources and platforms to create best-of-breed data architectures and reduce vendor lock-in—with 12 percent managed to break into double figures.

With latency potentially becoming less of a priority and cost issues remaining high on the agenda, these issues of interoperability may yet come to the fore, depending on how budgets change in future years. Though this year's survey results again show end-user firms clearly prioritizing what they can afford, a changing economic environment may produce a shift in responses in future. If firms want content that they can capitalize on, the question in future may not be whether they can afford to implement a new feed, but whether they can afford not to. ■

What additional content/capabilities would you like to see as part of real-time consolidated datafeeds in the future?

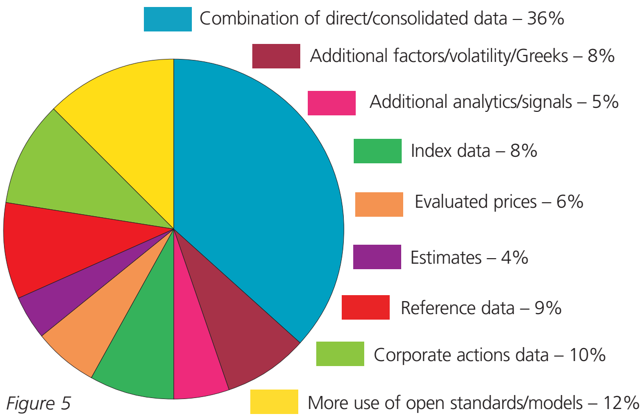

Figure 5

The Price of Performance: High-Speed, Low-TCO Delivery in an Era of Constant Change

When weighing increasingly costly latency options, firms must examine their needs: some latency sensitive firms only need direct feeds from a few markets; others need to source data from so many international markets that direct feeds would be prohibitive; while non-high-frequency traders can rely more heavily on the broader range of datasets provided by consolidated feeds. In an ever-changing economic and competitive environment, what approach and mix of services is best for different types of firm?

IMD: How are cost and latency pressures affecting demand for direct exchange feeds and consolidated vendor datafeeds, and what is driving this change? How is this also affecting demand for business-specific ultra-low latency infrastructures compared to enterprise-wide data architectures?

William Floyd, chief technology officer, MB Trading: From our perspective as a broker-dealer, we are getting pressure from both perspectives—to lower costs, and to find ways to decrease the latency of our datafeeds. The only way we've found that gives us enough control over our environment is to implement our own ticker plants and direct feeds, and we established a datacenter at Equinix's NY4 facility to be closer to where we can directly source data. We used to go to consolidators, but since moving to our own infrastructure, we've been able to reduce both our costs and our latency by about two-thirds. And it gives us more control over our latency—so we are continuing to work on projects to further reduce cost and latency this year. We've rolled this out across our firm and made it available to customers. Now, we don't use any consolidated feeds anymore. Before, we had access to just about any market [via our consolidator], but we narrowed it down to just what we needed.

Brian Cassin, managing director, product and content, and head of Real-Time Solutions, S&P Capital IQ: The buying decision process is typically based on three sets of questions the client should ask themselves. First, what do I really need? For instance, am I latency sensitive or not? Do I need every single update? Second, what can I afford? And third—which is probably the hardest to answer—what is the long-term strategy for my firm on a three- to five-year scale, as it relates to generating alpha? And, which investments does my firm need to make in order to execute that strategy?

It is actually very common now for an organization to be interested both in ultra-low-latency solutions and also in consolidated market data feeds. Many firms use low-latency solutions for local markets in which they trade heavily, and consolidated feeds for non-core markets or new asset class strategies. Firms today are also looking for flexible distribution channels and middleware applications that allow the consumption of high-speed exchange data for trading, along with reference data and derived data for off-trading floor needs. They need a mixture of many different flavors.

Within large sell-side firms, the cost of migrating to a new market data provider is huge. Creating adapters to their internal systems is key to a successful transition. Changing the water flowing through the pipes is straightforward, but changing the plumbing is a massive overhaul.

David B. Weiss, senior analyst, institutional securities and investments, Aite Group: The countervailing pressures of cost and latency may soon be supplemented by compliance and regulatory pressures for high-frequency trading, though the latter may have a special "latency" all its own (e.g., 2.5 years in the European Union for new HFT regulations). At a higher level, though, there are also overriding pressures of alpha, competitiveness, and effectiveness driving demand, while commoditization is driving down costs for lower-latency feeds and architectures. Overall, enterprise data architecture is being driven independently, in great measure by performance requirements from regulatory measures and seems to be taking precedence over ultra-low latency architecture, at least in terms of buying solutions rather than building them.

David B. Weiss
Aite Group

IMD: In what areas are direct and consolidated feeds suitable or not suitable, and what are the cost, infrastructure and compliance challenges facing trading firms attempting to identify and integrate the optimal mix of direct and consolidated feeds?

Weiss: With the improved performance of consolidated feeds, the choice between them and direct feeds can be distilled to the difference between algorithmic trading and true HFT, where sub-millisecond is an absolute requirement. The real challenge lies at the business level in determining where the alpha remains both in terms of asset classes, products and geography…. That has to be straightened out first, or all else will be a fast mess. A major but positive and rewarding challenge is in figuring out how to integrate corporate, third-party, and market co-located (i.e., when not in third-party) data-centers at the corporate enterprise level. Compliance challenges heretofore have been relatively minimal, but this is changing right now as regulators are beginning to re-enter the fray after years of permitting, encouraging, or even laying the groundwork (e.g., Reg. NMS) for HFT, as well as generally examining the kinds and means of electronic and algorithmic access currently in place.

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Cassin: It is becoming less common for firms to own their entire technology infrastructure end to end. This is a very expensive endeavor that requires hardware, software, networks, and investments in human capital for development, implementation, and maintenance. As such, many firms turn to outsourcing, especially for non-proprietary operations and technology. Faced with budget tightening and more stringent return on investment requirements, these firms would prefer to spend more on trading and execution strategies, and less on in-house development.

The outsourced firm can handle a lot of the compliance needs, and can build out robust networks and infrastructure at scale to save the client time, resources and investment capital.

Finding the ideal mix of direct and consolidated feeds is really dependent on the unique needs of the firm, and the ability to balance risk tolerances and expenses to optimize returns.

Floyd: If you are only trading a single marketplace—like we only trade North American markets—direct feeds are the way to go. We can get them at lower latency and reasonable cost, and the APIs for dealing with the exchanges are similar enough that [development and support] is manageable. If you are going to foreign markets, that's when it becomes more cost-effective to use consolidated feeds. We aren't looking at trading any foreign markets at this time, but when we looked into trading in London and Asia, we found that consolidated feeds would be more cost-effective.

IMD: How can traders seeking exposure to greater risk and returns outside major exchange markets gain access to timely and comprehensive data without incurring impractical cost and management burdens?

Cassin: Again, this is about thinking through a build-versus-buy strategy and choosing the right partner for your trading or market data consumption strategies. As firms explore new markets or asset classes, it is important to find a partner that can deliver content in multiple ways, whether it is raw data directly from the exchange, through high-speed, normalized channels, or through consolidated market data feeds. In fact, most firms need all three, if you look across their spectrum of products. By partnering with a provider that has already established connectivity, infrastructure and expertise in a new market, clients gain access more quickly and time to market is optimized.

ROUNDTABLE

Weiss: In three words, third-party datacenters. It's far better to move closer to the mountain (of data) than to try and bring it to you. Whether on a hosted, consolidated, or direct basis, hosting in third-party datacenters reduces time to market and costs as more and more vendors, feeds, markets, networks, and connectivity are available only a cross-connect away.

Floyd: We recommend to our customers that if they have a need for access to foreign markets, they go to consolidated vendors. We don't get those requests very often, so there is not high enough demand for us to pay the cost of the infrastructure that would be required… but they could use some data consolidators that provide access to our brokerage.

IMD: What other factors—such as networks, support, datacenters and existing internal architectures—must firms consider when creating and maintaining their datafeed strategy and selecting providers?

Floyd: You definitely need to have the expertise on-staff, because this is not something you can easily outsource—and that was one of the key deciding factors for us. Firms that don't have the expertise are better off finding a consolidated feed or vendor solution that can integrate into their infrastructure.

William Floyd
MB Trading

We also look for direct access to markets—such as in NY4, where we are a cross-connect away from the main markets, and have cross-connects to our bank clients and feeds from foreign exchange trading venues—except in the case of futures data from Chicago, which we get from a data provider that can deliver it to us in NY4 with very low latency.

NY4 is highly sought-after real estate, so it is more expensive… and we do consider the cost of getting access to those direct connections.

Being able to get telecoms access from our other datacenters to that datacenter is also a factor. NY4 is where we have our ticker plants and some of our trading engines, as well as being where we receive and consolidate data, and from where we distribute via multicast to our other datacenters in Dallas and Los Angeles, where customers connect to us over the internet to access our real-time and historical datafeeds, and where a lot of our web and algorithmic trading platforms are housed. These are all bigger than NY4, so to have everything in NY4 would be very expensive.

Weiss: Choice of third-party datacenters is a critical factor, both in determining the aforementioned availability of vendors, feeds, markets, networks, and connectivity, as well as the customers, brokers, partners, and counterparties also located there. It's become increasingly common for markets to choose these datacenters, exchanges and connectivity providers to establish points of presence (PoPs) there, and even for competing datacenters operators to establish PoPs in each other's facilities. In combining the internal and external, firms must pay close attention to negotiating and enforcing service-level agreements. These can be just as important, and in some cases override pure performance considerations of any single vendor on its own.

Cassin: Key questions here include: how does the firm want to build its strategy? And, can it partner with the right organization in order to grow and expand? In identifying the right partner, it is critical to confirm that the provider's investment in technology, networks and infrastructure continues to keep up with regulatory, equipment and exchange developments, and that it has the scalability and coverage to meet future growth with a nimble technology and support model.

Other considerations should include how much downtime the firm can afford during implementation, and the availability of any new content, features and support that might be required in the future. One of the advantages of utilizing an external provider is that it can offer all of this support, but firms that choose to use a partner should set up a strategic partnership roadmap to ensure both organizations grow together.

IMD: What other datasets would benefit from being made available via consolidated and direct feeds in future, and why?

Weiss: As more markets become newly fragmented both by product and region (e.g., over-the-counter derivatives), look for greater demand for their datasets in consolidated feeds. Likewise, as slower markets become more electronic, look for valuation datasets to be included with live market data.

Floyd: We can pretty much get access to any of the exchange data we would want in North America and Canada…. We already have access to news feeds, which also take into account Twitter feeds and other, more reliable social media venues, which we get from another vendor. It's an added benefit that we provide to our customers and we use internally for our own knowledge.

Cassin: The market continues to look for new content, not only to help generate alpha, but also to help evaluate and control the risk in an investment strategy. Many firms are starting to use more creative "signals" to determine the direction of their portfolios using social media, regulatory filings and news, earnings guidance, sell-side estimate changes and equity ownership changes, among other sources. They can use that information to make a determination about which way their assets are going to move.

I also believe the ability to offer a wide array of content over a single API is a very powerful proposition to many firms today. It solves a major problem—the need to support multiple vendors and integrate multiple APIs and feeds. If a firm can code to one interface that provides a wide range of differentiated content and metrics at the required speed, that will contribute strategically to the growth of the organization. ■

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