



PDQ Enterprises Deploys New Electronic Equity Trading Venue using Savvis Markets Infrastructure

Overview

Through its unique process, PDQ creates an electronic crowd which emulates the interaction and dynamism of the traditional floor. It provides an opportunity for algorithms to compete for order flow in the same fashion as traditional pit brokers before electronic exchanges. This competition creates a more efficient market. PDQ's process and trading model received patent protection in January 2008, and since going live in June 2009 PDQ has grown to receive close to 50 million marketable shares of activity per day.

Business Opportunity

Mr. Chris Keith, PDQ Enterprises' chairman invented and patented a new efficient electronic algorithmic trading process. A critical element for implementing this new high speed process was a reliable state-of-the-art data center to house the sophisticated servers and software.

"We were looking for an environment where we could collocate with other tech-savvy trading firms," said Jason Wallach, managing director at PDQ ATS. "While establishing our initial subscriber base and registering the company as a broker-dealer and ATS, we also needed to find a low-latency solution that would allow us to create a larger, more efficient electronic crowd of liquidity providers."

Just across the Hudson River, adjacent to PDQ's New York office was the answer: Savvis' New Jersey-based NJ2 data center. With Savvis collocation services, PDQ was able to implement its low-latency electronic trading and matching engine in the timeframe and environment necessary to get its business up and running.

Solution

Today, PDQ's infrastructure leverages cross-connects to link to other marketplaces and subscribers within the Savvis data center. In this trading ecosystem, PDQ is conveniently able to bring together liquidity points, content, services and IT infrastructure all in one place to ensure smooth, high-speed transactions throughout the trading lifecycle.

Company:

PDQ ATS Inc. (PDQ Enterprises LLC)

Industry:

Financial services

Line of Business:

Broker-Dealer / Alternative Trading System

Target Market:

Algorithmic trading

Location:

Glenview, Illinois; New York, NY

Summary:

PDQ is an Alternative Trading System (ATS) where stock trades from buyers and sellers are matched. The PDQ trading process creates a paradigm shift in the current trading model by allowing liquidity providers to respond to orders and make better markets. This is a latency sensitive process. PDQ maintains a competitive edge by collocating its trading systems in the low-latency, highly resilient "trading ecosystems" found in Savvis' financial data centers. Knowing their servers run in a secure data center allows PDQ to focus on developing more value-added services, software and marketplace strategies to best serve their client base.



Thanks to Savvis Markets Infrastructure, PDQ can also house resident liquidity providers locally, allowing the company to be in even closer proximity to its trading partners and control the delivery of order and trade data. These providers collocate their own automated market-making strategies within the company's cages and behind its firewall. "We do this for confidentiality purposes," explained Wallach. "The firewall prevents valuable order information from leaving the PDQ facility, essentially eliminating any pre-trade information leakage. This opportunity to collocate within our cage is another value-add for our subscribers enabling an ultra fast and secure order matching process."

"The Savvis Markets Infrastructure meets PDQ's requirement for speed and reliability which is an essential characteristic of our product."

**- Jason Wallach
Managing Director at PDQ ATS LLC**

Benefits

For PDQ ATS, operating in Savvis' trading ecosystem, with access to liquidity venues as well as trading firms, has made a profound impact on the success of the trading venue. "Whether it's current or potential subscribers, having them in the same place is a huge advantage for us," said Wallach.

The ease of connectivity to these subscribers via cross-connects and Savvis' speedy implementation of new connections has also allowed PDQ to differentiate itself by being more efficient. "As a small firm, we like to move fast for our subscribers, and with Savvis collocation services, we're able to do just that."

Thanks to this high-frequency, low-latency infrastructure, PDQ can handle more orders, more efficiently. In fact, at its peak, the venue has handled close to 400 million liquidity-seeking shares in one day. "We want to grow our market share not just in terms of volume, but by expanding our subscriber base as well," said Wallach. "With more liquidity providers running more strategies and symbols on a day-to-day basis, our goal is to create a more efficient market in the process."

Future

PDQ continues to look for new ways to improve and hone its ATS, and hopes to leverage the market data available from Savvis in the near future. The company is also considering cloud-based storage from Savvis as a means to back up its increasingly growing data archives. "We've been very happy working with Savvis," said Wallach. "As we've grown, the company has always accommodated our needs. We look forward to enlisting their help again in the near future."

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