



Proximity Hosting Enables Firm to be Fastest on the Street

Business Challenge

Diversified financial services organization requires ultra-low latency connectivity to key financial exchanges.

Overview

This privately held company has grown from a trading firm on the Philadelphia Stock Exchange to one of the largest privately held financial institutions in the world. They are comprised of an international group of companies, forming a comprehensive trading, technology and quantitative research firm. Most recently the firm has expanded into institutional sales and investment banking. The company has 1,500 employees, including 275 financial traders. The firm distinguishes itself through its global market presence, capital commitment, and its grasp of trading dynamics. It excels at decision theory and implementing sophisticated pricing probability models — all of which demands a sophisticated yet flexible technology platform.

Participating in the highly competitive and volatile financial markets requires advanced algorithmic trading technologies, and preferably hosting in close proximity to an exchange's own market data and trading systems. Programmed trading has driven the financial industry to provide data ever faster. To grow their business, the firm faced a key decision — balancing the risk of being second to the trade, versus managing remote hosting environments at a higher cost, enabling them to be the first to trade. The firm turned to Savvis to develop a cost effective solution that would cut latency and save milliseconds per trade, giving them a distinct competitive edge.

Solution

A relationship cultivated through the American Stock Exchange (Amex[®]) led to a discussion about Savvis' ten years of expertise in serving Wall Street, and how that experience could support the firm's future growth plans. At the heart of the solution was Savvis Markets Infrastructure Connectivity, which establishes ultra-low latency connectivity between Savvis customers and the major leading exchanges and execution venues that have chosen to host their trading infrastructure within a Savvis data center.

Company:

Diversified financial services organization

Industry:

Investment Banking and Securities Dealing

Savvis Business Solution:

Colocation, Savvis Markets Infrastructure Connectivity

Line of Business:

Market Maker, Institutional Sales, Commodities, Research, Venture Capital and Investment Banking

Target Market:

Major securities markets and institutional clients

Location:

North America, Europe and Asia-Pacific

For this specific Proximity Hosting solution the customer was migrated to Savvis' New Jersey-based 'NJ2' data center, which had the added benefit of accommodating the customer's requirement for a sizeable hosting footprint. The migration decreased the latency between the source exchange and customer's trading applications, placing them geographically and logically as close to the market data sources as practical, with as little hardware as feasible in between.

Utilizing Savvis Markets Infrastructure Connectivity, the customer could then connect their equipment to a variety of services, such as low-latency connectivity to Amex. They also now have the choice of accessing over 200 data feeds from various exchanges, Multi-Lateral Trading Facilities (MTFs) and Electronic Communications Networks (ECNs). Gaining the advantage of speed they required, only months later the firm expanded into the Chicago 'CH4' data center, which offers the same proximity advantage to financial exchanges co-located in 'CH4', such as the CME Group and InterContinental Exchange (ICE).

Benefits

The Savvis Markets Infrastructure Connectivity solution yielded several critical benefits for the client. By leveraging Savvis' data centers and financial services infrastructure, the customer has been able to win the race to the trade on a daily basis. Increased speed to market, reduced latency, and the assurance of security and anonymity, are all benefits that the customer has identified from this Savvis Business Solution.

The Future

Recent turmoil in the financial markets makes this customer a prime candidate for additional Savvis services. As financial markets consolidate and companies are driven to cut costs, the firm is well-positioned to leverage Savvis' flexible financial solutions model providing consolidated network connectivity to pre and post-trade data, in addition to synergistic on-net connectivity with their clients via other Savvis Markets Infrastructure Connectivity offerings.

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