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Essex Radez Integrates Apama

At the behest of a customer, Essex Radez has integrated Progress Software's Apama algorithm platform with its own clearing platform, providing users with market data straight from the source as well as graphic controls to build and adjust algorithms.

Chicago-based Essex Radez clears for high-volume traders, especially those in the blackbox arena. Essex Radez, which views itself as primarily an IT firm, has connected HG Trading to one execution destination so far, Archipelago, as well as given the proprietary trading firm direct access to sources of market data.

John Muehlhausen, chief technology officer at Essex Radez, described HG Trading as a pilot for a service the firm will offer to other customers. Muehlhausen said the proprietary trading firm is essentially using three components, the Apama software, Essex Radez's execution and clearing platform, and the clearer's V-Tick product and KMD library, which offers direct access to data sources.

"We send the market [data] feeds directly into Apama servers rather than having a vendor in the middle. So the data leaves SIAC or another source and doesn't touch any other box until it gets to the Apama box," Muehlhausen said.

He added that "according to our customers, we're at least

a quarter of a second faster in slow markets, and several seconds faster in fast markets, such as just after the market opens."

Muehlhausen said broker-dealers can take advantage of the direct feed either by using Essex Radez's clearing system and V-Tick product, or by using the Apama integration coupled with KMD, and its own clearing firm and choice of raw data provider.

Lou Morgan, managing director at HG Trading, introduced Essex Radez to Progress Software. Morgan said he was impressed with Apama's event processing software, enabling HG Trading to monitor tens of thousands of securities pairs in search of specific conditions that trigger trades, typically long-short combinations.

"The biggest thing about algorithmic trading is it's a constantly changing world, so you have to tweak the algorithm as you go along," Morgan said.

Apama's Scenario Manager is a graphical development application, allowing traders to develop applications in days that might otherwise take weeks or months of rewriting code, or make smaller changes in minutes that might have taken days to program, Morgan said, adding, "Apama pushes that capability out to the sophisticated trader level."



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