



## London Stock Exchange steps up a gear with £40 million TradElect switch

**June 18<sup>th</sup> 2007 - The London Stock Exchange will today flip the switch on TradElect, a new £40 million trading system that is designed to raise capacity fivefold and position the market for higher volume automated dealing.**

The switch over follows a third and final dress rehearsal of the new system at the weekend. The platform will allow the LSE to handle 3000 messages a second, rather than 600 now, and it will cut the amount of time taken to process an order to about 10 milliseconds from 140 milliseconds.

The Exchange expects the revamped system to capture more orders from hedge funds and investment banks running algorithmic trading systems.

In an interview reported on Bloomberg, David Lester, LSE chief information officer, said the arrival of TradElect will enable the Exchange to handle higher volumes, lower fees and fend off the challenge from new competition, such as the Turquoise collective of investment banks.

"We had our last fee review in January and after the first six months of TradElect we will examine fees again," Lester said. "Turquoise has positioned itself to say exchange charges are excessive. With a high-volume business we can be more competitive."

In an effort to attract more international business from automated trading systems, the Exchange has partnered with the Yipes FinancialConnect! service. The service will provide more than 350 connected financial services firms with low-latency Ethernet access to the Exchange's Infoelect market data platform.

Wendy Morgan, head of real-time data of the London Stock Exchange, comments: "Electronic trading volumes are growing rapidly, and providing our customers with fast access to our platform is critical to our competitive edge. We were keen to extend our reach through a network service partner with an infrastructure that provides extremely low latency and with a reach that extends throughout the US and around the world."

TradElect increases the Exchange's capacity, initially fivefold, to enable significant trading growth. The new system enables the Exchange to further double capacity on demand, at less than one fifth of previous costs.