

Inside Market Data

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Delivery Technologies

Yipes Launches Market Data Extranet

San Francisco-based Ethernet network solutions provider Yipes Enterprise Services last week announced its entry into the data provider market with the launch of FinancialConnect! Market Application, which will provide direct access to exchange datafeeds.

The first exchange feed to be offered via the service comes from the IntercontinentalExchange (ICE), though officials say Yipes plans to extend Market Application to provide low-latency direct feeds from at least the 50 exchanges and trading platforms that the vendor provides access to via its Market Platform Ethernet.

“We have a number of others that we’re going to announce in the fourth quarter of this year,” says chief marketing officer Keao Caindec. “We’ve already signed with SIAC, which distributes NYSE, OPRA, Amex and Arca data.”

Caindec says that Yipes’ 13,000 miles of fiber in major metropolitan areas with 18 points of presence in major market centers worldwide produces latency of between 0.7 and two milliseconds, with 250 microseconds of “jitter” – the variation in delay. “The nature of content and real-time demand...is stressing many of the networks... They are all trying to make their networks faster...and support millions of transactions per second. That and algorithmic trading are forcing traders to have the fastest networks with the lowest latency,” he says.

Yipes already has around 300 sell-side and buy-side firms using its network to access data, and believes that as more join up, their customers will also migrate. “The primary driver for migrating to Yipes will be the role that latency plays in profitability for sell-side and buy-side firms,” Caindec says. “They will have to change in order to hold on to their liquidity pools.”

Another advantage of using Ethernet is that clients can log into Yipes’ Web portal and add or reduce bandwidth on the fly so that they can prepare for increased volumes without permanently over-provisioning their network, Caindec says. “We give the user a secure, managed network, we splice them into our network and deploy our equipment at exchanges...then the buy-side or broker firm can subscribe to different exchange feeds, like Cable TV,” he says.

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