

Yipes Readies LSE Ethernet Feed

Inside Market Data - Jean-Paul Carbonnier - June 18 2007

The London Stock Exchange is preparing to provide US clients with low-latency Ethernet access to its Infolect datafeed, under a new agreement with US-based Ethernet network provider Yipes Enterprise Services.

Yipes is currently connecting to the Infolect feed via two of the LSE's datacenters in London to ensure full resiliency, and expects to begin carrying live LSE data via its FinancialConnect! service by September, says Yipes chief marketing officer Keao Caindec.

The deal makes Yipes the first vendor to make the LSE's Infolect feed available to US consumers via an Ethernet network, says Wendy Morgan, head of real-time data at the LSE. However, the deal only covers communication of data, hence clients wishing to subscribe to Infolect would still need to sign a contract with the exchange, Morgan says.

With growing levels of electronic trading driving the race for low latency data, Yipes is expecting strong demand for the feed, which by utilizing Ethernet instead of multicast IP can offer performance advantages, Caindec says. "It's typically faster, more reliable and offers more consistent performance... [and] getting data even a millisecond faster is important to our clients."

The data will be carried and distributed using Yipes' proprietary fiber optic network connecting major metropolitan cities in the US, and via partnerships with other network providers, supporting connectivity between 60 of the largest exchanges, trading platforms and ECNs, as well as 360 US-based buy- and sell-side firms. "We have 14,000 fiber-route miles in our network that we own. Most of that is within the US. In other markets we partner or acquire fiber," Caindec says.

The vendor also sees strong potential to expand access to data from other European markets, and expects to name similar deals with other exchanges in the region, says John Panzica, general manager for Yipes' financial services practice. Officials are also not ruling out the possibility of exporting Yipes' Ethernet-based data delivery model to user firms in Europe.

At the same time, UK-based low-latency data vendor Fixnetix, which also delivers data via Ethernet and has an existing relationship with the LSE, is considering targeting the US. "We're in discussions with a number of parties about delivering LSE and other exchange data to hedge fund customers in the US via a point-of-presence in New York," says Fixnetix director Alasdair Moore.