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Broker BGC Contributes to ConteX

BGC Partners, the money broker spin-off from eSpeed, is upgrading its contributions architecture to standardize on a single system. The project will help the firm deal with the rising amounts of contributed data produced by its broking desks.

BGC went live with Gissing Software's ConteX MCS price contributions tool at the start of this year for its contributions to Bloomberg, and it is currently readying the software to contribute prices to Reuters as well, says Emil Lawrence, business manager for e-commerce at BGC.

"The business drivers were that BGC has phenomenally expanded in the last six months—it's probably doubled in size," says Lawrence, through the acquisition of rival Eurobrokers earlier this year and the opening and expansion of several offices in Asia-Pacific. "So the amount of data we are able to flow to vendors... has expanded. So we were looking for a robust product to handle our Bloomberg feed."

Prior to implementing the Gissing software, BGC used Bloomberg's Pricelink Excel add-in contributions technology plus a handler that it built in-house to send contributions to Reuters.

Now brokers on BGC's desks worldwide input prices into a proprietary publishing tool, which sends data via BGC's "X-Cloud" network to the firm's hub in London, where ConteX is installed on dual Wintel servers.

Since implementing ConteX for its contributions to Bloomberg, BGC has "significantly increased" the

data flow that it collects and sends to the vendor, Lawrence says. "It has added value to our business. Being able to distribute prices quickly... has enabled us to disseminate live and indicative prices to the marketplace, and that in turn grows our business."

The data is also used by internal staff at the firm for pricing various instruments. "When you price a switch bond or European government bond, you need to take an EU swap curve... from the EU swaps desk," Lawrence says. "To be able to distribute it globally and in a timely manner into calculation engines is invaluable."

The implementation may yet expand, as BGC is looking at moving into new product types, although Lawrence declines to be specific. If it does move ahead with those plans, BGC will have to go back to Gissing and buy a new license for each additional destination, says Gissing chief technology officer Richard Gissing.

Gissing believes that the general industry-wide increases in contributions volumes are "partly due to the fact that there's a broader range of instruments, people are trading more complex instruments, and they want to get their prices out there," he says. "And whereas before, contributions were... indicative prices, a lot of the data now is executable prices. Different desks are looking to get their securities out there for people to trade on—so the volumes of data we are seeing over the system are growing quite considerably."

Max Bowie