

## Data for Building High Frequency Trading Systems

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According to speakers at a webinar sponsored by Interactive Data and Streambase, the first step in building a high frequency trading system involves connecting and subscribing to low latency market data.

Additional steps demonstrated during the webinar, *Building High Frequency Trading Systems*, included normalizing Interactive Data's PlusFeed data for the Streambase application, rapidly building a high frequency trading application and connecting with an execution management system.

Richard Tibbetts, co-founder and chief technology officer at Streambase, explained that most clients develop their own proprietary trading models using Streambase as a development platform. As a demonstration of the system during the webinar, Tibbetts built a Bollinger Bands algorithm as an example of a trading application that operates in real time and could be developed with the Streambase system and connected it with data from Interactive Data's PlusFeed.

### **Development and Production Data**

David Brukman, vice president of technology at Interactive Data, told attendees that the PlusFeed global consolidated datafeed's latency for major exchanges within the New York and London metro areas is approximately 10 milliseconds, and that Interactive Data uses advanced message encoding techniques, designed to be twice as efficient as the FAST protocol. In addition, some of the largest datafeeds in the world, including the Options Price Reporting Authority feed, Nasdaq SingleBook and NYSE OpenBook are available on PlusFeed without any mitigation and with full depth of book. He stated that Interactive Data also offers mitigated feeds for applications that don't require every tick.

Brukman also discussed various data alternatives for firms developing applications and running them in production. Firms that are fine tuning and testing their applications may benefit from fast and comparatively inexpensive access to PlusFeed data via Internet delivery, he said. Firms that need to keep up with changes after the application goes into production can access pre-production or staging data via the Internet, allowing them to run a separate version of the application and test their algorithms without affecting their production environment.

In addition, one PlusFeed server can support multiple applications, each with a different level of permissions, which would enable firms to have production and development applications running at the same time, Brukman said. In conclusion, Brukman stated that Interactive Data can also enable firms to stress test their applications by accelerating the stream of events.

[Click here](#) to listen to a replay of the webinar.