

Interdealer Broker Joins Other Top IDB Firms Using Diffusion for Real-Time, Event-Data Delivery Worldwide



Quick Facts

Tradition SA decided to create a new Electronic Trading System and they turned to Push Technology for the Diffusion Intelligent Event-Data Platform, to assure reliable, real-time data delivery to their brokers worldwide.

Industry

Financial Services/Trading

Challenges

- Handle hundreds of thousands of messages/second over private networks & the Internet to meet trading clients' demand
- Reliably, securely, deliver data in real-time
- Simplify & speed development of a new Electronic Trading System platform.

Solution

The Diffusion Intelligent Event-Data Platform

Benefits

- Reliable, secure, real-time trading event-data delivery for hundreds of thousands of messages/second.
- Enrich and transform data in-flight
- Simplify and speed development of new trading platform.
- Assure always-available, trade data for bank and financial institution clients.

Overview

Tradition is the interdealer broking arm of Compagnie Financière Tradition, one of the world's largest interdealer brokers of financial and non-financial products on OTC markets and #1 in continental Europe. With operating companies in 29 countries and more than 2,225 people around the world, Compagnie Financière Tradition acts as an intermediate providing broking services for a complete range of financial products (money market products, bonds, interest rate, currency and credit derivatives, equities, equity derivatives, FX products, interest rate futures and index futures) and non-financial products (energy and environmental products, precious metals, and commodities). The Group's client base primarily comprises banks and financial institutions around the globe. The company also develops information services and sells market data. Compagnie Financière Tradition SA (CFT) was founded in 1959, is based in Lausanne, Switzerland and is listed on the SIX Swiss Exchange.

Tradition has a prestigious reputation in the financial world, garnering numerous awards, including recently being named by ParFX as the 'Best e-FX Trading Venue' at FX Week e-FX Awards.

The Challenge

Interdealer brokers improve price discovery and transparency by posting a bid, offer, and size of available securities for trading. Historically, this process was dependent solely upon people constantly on the telephone relaying information and maintaining anonymity between the buyers and sellers. The objective of the new Tradition platform was to electronically automate the interdealer broker process by matching buyers and sellers and allowing these traders to trade directly with one another, while each side's identity remained hidden.

“At Tradition, we are continuously looking at how technology can enhance the way we deliver services to our clients.”

*Yann L’Huillier, Group CIO
Tradition*

To build the new Electronic Trading System, the Tradition development team had to: plan for their existing high data volume, the expansion of their data volume as the company client base grew, and the additional system functionality slated for the future. The data to be managed was bids, offers, and size of available securities for trading.

“Diffusion is a secure, robust, fast & flexible real-time platform which supports our Electronic Trading Platform & the features within our GUI.”

Yann L’Huillier, Group CIO, Tradition

Overall Top 5		
Overall brokers		
2018	2017	Broker
1	1	Icap
2	4	Tradition
3	2	BGC
4	5	GFI
5	3	Tullet Prebon

Source: Risk 2018 Interdealer Broker Ranking

Three of the top five global interdealer brokers use the Diffusion Intelligent Event-Data Platform to assure reliable data management integration & delivery - Icap, Tradition, & Tullett Prebon.

The Requirements

Tradition had to build an electronic trading platform that could easily scale, run over private networks, and allow them to demonstrate their trading platform to prospective clients via the Internet. Also high on Tradition’s list of requirements, was the flexibility to structure and transform data so that clients could access exactly the information they required, as well as give Tradition control over entitlements and data access permissions.

Further, as of January 3, 2018, IDB firms faced the challenges and increasing technology costs of complying with the revised Markets in Financial Instruments Directive (Mifid II). Mifid II is driving trading process changes in the OTC market in order to regulate the systematic risk potential of the huge volume of OTC (or off-exchange) trading, for there to be transparency in trading.

To maintain position among the largest global interdealer brokers in over-the-counter financial and commodity related products, it is vital for Tradition to provide critical pricing and market information to their customers securely, reliably, and at speed.

The Solution

Tradition turned to Push Technology’s Diffusion Intelligent Event-Data Platform to address their requirements and simplify and speed development of their new electronic trading platform.

With the use of Diffusion to consume, enrich and deliver data, the challenging load on Tradition’s back-end systems has been eliminated.

The firm’s employees and the bank and financial institution clients around the globe receive reliable, real-time access to the data they need, thanks to Diffusion’s proprietary streaming and messaging technology. Hundreds of thousands of messages-per-second are delivered through Tradition’s multi-channel services.

Today & Tomorrow

Today, the Diffusion Intelligent Event-Data Platform powers Tradition’s: Trad-X multi-asset class trading platform for OTC derivatives, ParFX wholesale electronic spot FX trading platform, and Torrent hybrid order management platform for trading foreign currency NDFs. The quality of Tradition’s platforms repeatedly garners awards including Global Capital Americas Derivatives Awards 2018 Interdealer Broker of the Year and Interest Rate Derivatives Interdealer Broker of the Year for the Americas region.

With Push Technology’s Diffusion Intelligent Event-Data Platform, Tradition eliminated the data management and delivery challenges faced by their development team.

Further, as Tradition evolves and changes their back-end systems to meet increasing regulatory demands, the Diffusion Intelligent Event-Data Platform will minimize the impact of those changes on Tradition’s electronic trading platforms.



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