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## Aegis' Athena Suite Offers Integrated Trading Solution

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NEW YORK — Aegis Software Inc.'s AthenaTrader is a front-end trading solution for proprietary trading, position trading, agency broker and foreign exchange (FX) trading in a suite of offerings designed for both the buy- and sell-side firms. The system supports multi-asset class algorithmic trading of equities, futures, options and FX. Fixed-income capabilities are to be completed by year-end 2008.

Aegis is making significant strides in the FX marketplace, according to Norm Friedman, Vice President at Aegis. Among the most important functionalities its software offers is an aggregated book feature that consolidates market depth from multiple exchanges into a single view for best execution order routing. The aggregated book feature is especially important in the FX marketplace. For instance, the US dollar/euro contract is traded on as many as 40 venues including ECNs and banks. With one click, a trader can get the best price across 30 liquidity pools with the best price popping to the top.

Plimsoll Capital LLC, a currency trading firm based in Summit, N.J. that offers a portfolio of 10 trading strategies for customers who are seeking alpha through FX trading, turned to the Aegis solution, including AthenaTrader, says Thomas Parry, Director of Quantitative Research at Plimsoll. "The strategy involves doing various forms of arbitrage and market-making across the various different FX platforms," says Parry. "We focus on strategies. We don't want

to have to worry about connecting to everybody and integrating to all these liquidity destinations. A big thing for us is connecting with everyone relatively easily. That was one of the biggest strengths of Aegis — its pretty much out-of-the-box functionality.

"We could tell Aegis what we wanted and it was done," he adds. "It was huge that we could add new people and connect to all the different liquidity. In that sense, it's extremely fragmented across Hotspot, Currenex and EBS and all the single bank connections that are available." Devoting time to develop the necessary technology costs more than software, notes Parry, which made choosing Aegis an easy decision, he adds.

Aegis's AthenaTrader offers a solution that includes AthenaTrader, Athena Gateway Server for order routing and Athena Price Server, which is used to bring in real-time market data through direct or consolidated feeds. Every customer gets those products, says Friedman. "They all work in tandem," he explains. In the next release, available in the first quarter of 2008, coverage will expand to forwards and swaps, as well as spot trades. New venues will also be added, including FXall and eSpeed.

AthenaTrader is the front end, including a FIX server and a pricing server with an interface to Reuters and other direct feeds. As an independent EMS vendor, Aegis must be agile, says Friedman. "The rate of change of the FX market is so phenomenal that market participants

## MULTI ASSET CLASS TRADING

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can't accept six months or 12 months deployment and development cycles.” Aegis focuses on providing its customers rapid deployment and fast turnaround. “They need a new screen. They need a new formula for slippage computed. They need to add a new instrument class. We customize and support rapid change in the EMS marketplace,” says Friedman.

A second aspect addressed by Aegis is performance. Transactions are down to milliseconds, says Friedman. “We have customers that come to us solely for our API,” he says. “They need to do a wide range of proprietary trading and arbitrage trading, but the system they use does not have a rich enough API to enable them to do so.” Aegis offers direct FIX connectivity to exchanges and ECNs.

The Aegis system, through AthenaTrader, controls order messaging, market data and live prices from markets around the world. A trader may want to get out of Yahoo! and into IBM, for instance, Friedman explains. They may have a program or algorithm to trade those stocks. They would import all staged positions. “Our EMS has the concept of staged positions whereby a trader imports a basket with instructions to buy specific securities and sell others.” From that point, a number of traders can work off the staged positions in tandem, everyone seeing the progress throughout the day.

“The ability to deploy quickly and move with the market is absolutely crucial,” points out Friedman. “Time is of the essence with every customer. Both the sell side and the buy side want a strong API for proprietary trading for algorithmic trading. Both the buy side and the sell side want DMA access. Everyone wants to get to the market as fast as possible. Everybody wants a user interface, a blotter, a shared blotter, a wizard for formulas and slippage calculations.”

Aegis emphasizes broker independence. Traders import positions that they want into the Aegis system and execute them

throughout the day. Parry of Plimsoll notes that traders don't want to be tied to one bank. “What if all of a sudden you don't want to trade with them or you find a better opportunity elsewhere and all of a sudden all your codes and algorithms have to be rewritten to some other platform,” he says. “It would be a nightmare.”

Previously, Plimsoll had used several ECNs with GUIs, such as Hotspot and Currenex. Each had their own program and user interface for orders. “We looked everywhere. It took us longer to figure out who we wanted to use than actually building everything,” says Parry. “It is important to find a provider who meets your needs that will provide support and that can grow with you, as well. You need to figure out what your needs are going to be a year or two from now. You don't want to switch in mid-stream when everything is running. Down time is pretty much unacceptable.”

Parry notes implementing the AthenaTrader was relatively easy and took a third of the time it took to implement software from another firm a year before. “What Aegis offered right out of the box stood out,” he says. “It is very easy to customize for any particular need. It gets done really fast. I can't even think of anything offhand that I couldn't do with it. You are only limited by your imagination or creativity.”

For Plimsoll Capital, another attractive proposition was that Aegis offered everything, across the board, that was needed, says Parry — the Pricing Server, the front-end AthenaTrader, and the FIX gateway. “If we had a problem, we knew there weren't going to be any integration issues. Everything on our site functioned seamlessly.” If Plimsoll had selected another solution, they would have had to use third-party vendors for pricing and other functionality. The upshot of using the Aegis system is “a trader is able to do more, faster and therefore take advantage of their strategies. If you take advantage of those strategies for more clients,” says Parry, “you make more money.” □