

Skyler Enlists Tervela to Cut Latency

Skyler Technologies, a Walnut Creek, Calif.-based provider of order book aggregation and trading software, will this week announce an agreement with hardware-based messaging technology vendor Tervela, to reduce system latency by combining their feed handlers and analytical capabilities with Tervela's low-latency connectivity.

Skyler officials say that while its own C3 database can create an order book within 10 microseconds, this has sometimes been hampered by network latency. "Demand for low latency has been around for some time. While not a requirement for all customers, this is where large banks and broker-dealers are headed," says Skyler president and chief operating officer Michael Lenahan.

Customers for whom latency is not a top priority will still be able to feed data into C3 from their existing market data platforms, he says.

Embedding Skyler's technology and feed handlers in Tervela's messaging fabric enables users to reduce latency by cutting down on the number of hops between different functions. "Typically, a firm would have feed handlers, which is one hop, analytics, which are two hops, and would publish to an algorithmic trading engine... and often more hops," says Skyler's vice president of business development Valerie Bannert-Thurner.

"The feed handlers and analytics can all be in one system—even in the same process space—which eliminates hops... and the remaining hop to the router can be dealt with in Tervela. Combining different tasks into the same hop... significantly reduces latency," she says.

"Skyler is using our technology to radically accelerate its solution sets. Skyler has a couple of customers using its high-performance order book to provide depth of market across Nasdaq, the New York Stock Exchange and the ECNs," says Barry Thompson, founder and chief executive of Tervela. "But an intelligent order-routing solution... can add tens of milliseconds.... We act as the data flow fabric. Skyler sits as a service on our fabric, telling orders where and how to route."

No firms have yet rolled out the combined offering, which the two vendors plan to bring to market this summer. Thompson says he is also talking with other vendors to provide similar network acceleration capabilities.

Max Bowie

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