

Inside Market Data

Mightier: Count Keyboards, Cut Data Costs

UK-based trading hardware manufacturer Mightier is proposing that keyboards should be used as a unit of count, which could enable firms to save money for the same data used on multiple applications running across different PCs, officials tell *Inside Market Data*.

The proposal comes from the summary findings of research conducted by the vendor into market data charging policies adopted by exchanges worldwide, which covers data license policies from almost 140 exchanges worldwide, including 88 equity exchanges, 23 futures exchanges, 17 commodity exchanges and 11 fixed income exchanges.

According to the research, only eight exchanges allow market data fees to be netted across multiple applications when those applications are accessed by a single user, a policy known as MISU (Multiple Instance Single User). The survey found that most exchanges charge either according to the number of physical devices that consume their data, or according

to the number of unique user IDs. These types of unit of count pose greater challenges to clearly defining usage numbers, because exchanges that charge according to these models often provide discounts on user ID or device charges if these applications cannot be used concurrently, says Mightier founder and chief executive Mike Murton.

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Mike Murton, founder and chief executive, Mightier

In these cases, using a single keyboard with the ability to toggle between multiple workstations could potentially cut a trader's market data costs significantly because some policies permit "the sharing of unique user IDs... provided the user cannot access more than one device

simultaneously," Murton says.

Some traders may be paying five or six times for the same exchange data via different applications on different PCs, he adds.

While a user with a distinct keyboard for each PC can simultaneously access multiple screens, replacing multiple keyboards with a single multi-purpose device removes the ability to access multiple computers at the same time, and allows banks to prove that they are compliant with the simultaneous-access clauses within exchanges' policies, Murton says.

He concedes that consolidating keyboards is not a "panacea" because savings may only apply to those exchanges that charge on a per-device basis and offer discounts for non-concurrent access. However, he says that the high cost of exchange fees means that any saving can prove significant, particularly as the fallout from the credit crisis continues to constrain market data budgets.

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