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TRANSACTION SYSTEMS

TradingScreen Introduces Version 1.1

NEW YORK – TradingScreen is releasing version 1.1 of its multiple-asset, multiple-dealer electronic trading system at the SIA Technology Management Conference & Exhibit this week.

The platform will now support foreign exchange, convertible securities and warrants in addition to equities, options on futures and equity options. The company has also added three more methods of connectivity to its original Java AP and GUI (graphical user interface). Now it offers TS FIXGate, an FIX connection; the ability to upload Excel spreadsheets; and TS Link, a file-based mechanism that can transfer flat files from legacy systems, analogous to an "automatic letter opener," says TradingScreen chairman, president and CEO Philippe Buhannic.

Buhannic—who, as managing director of fixed income and e-commerce development at Credit Suisse First Boston (CSFB), built the PrimeTrade trading platform—started the company in 2000 along with Joseph Ahearn, CTO, who was formerly responsible for front-office e-commerce trading application development at CSFB.

"Every time we took PrimeTrade to a client they said, 'Can you make it multi-dealer?' " Buhannic says.

However, TradingScreen does not use any CSFB technology; Buhannic eschewed his former employer's proprietary protocols in favor of JMS (Java Message Service) messaging, ISO 15022 and XML.

TradingScreen employs a proprietary method of compressing trades into small messages for transport over lines with bandwidth as low as 36kbps. Through its database, the vendor also "normalizes" seven million products with diverse identifiers such as CUSIP (Committee on Uniform Securities and Identification Procedures) numbers and RICs (Reuters Instrument Codes) into XML trade messages, Buhannic says.

TradingScreen is built on the proposition that there are only four types of trading, and that all instruments can be described by a basic message in one of these areas.

The vendor has the capacity to support the first three of these trading models: "listed-product," in which there is a central point, such as an exchange, and a price or a trade to be negotiated; "fast-moving inventory product," such as FX, treasury, illiquid OTC products, usually dealt on a request-for-quote (RFQ) basis; "slow-moving inventory," such as credit or mortgage products, whose prices involve heavy negotiation and no "central" price. The fourth, "esoteric products" such as structured derivatives, sold on an auction basis, is not yet supported.

"Our system is better suited for liquid products," Buhannic says. "We will seek partnerships to provide the fourth area."

TradingScreen is hosted by Savvis in its St. Louis, London and Tokyo data centers and uses its VPN and "business-grade" Internet services, which exempt TradingScreen from many of the traffic jams associated with the public Internet. The system is supported on Unix servers, with Linux running on its telecom-facing machines.

TradingScreen has its own order management system but can also interface with third-party systems.

TradingScreen now claims 65 buy-side and 40 sell-side destinations on its network, which is delivered on a remote-hosted, ASP (application service provider) basis.

Unlike Liquidnet and Instinet, which charge agency commissions for linking bids and offers electronically, TradingScreen is purely in the connectivity space, Buhannic says.

"We're not a broker, ATS or ECN," Buhannic says. "We're just facilitating a link between brokers and their clients. We're trying to work within the financial markets, not change them."

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