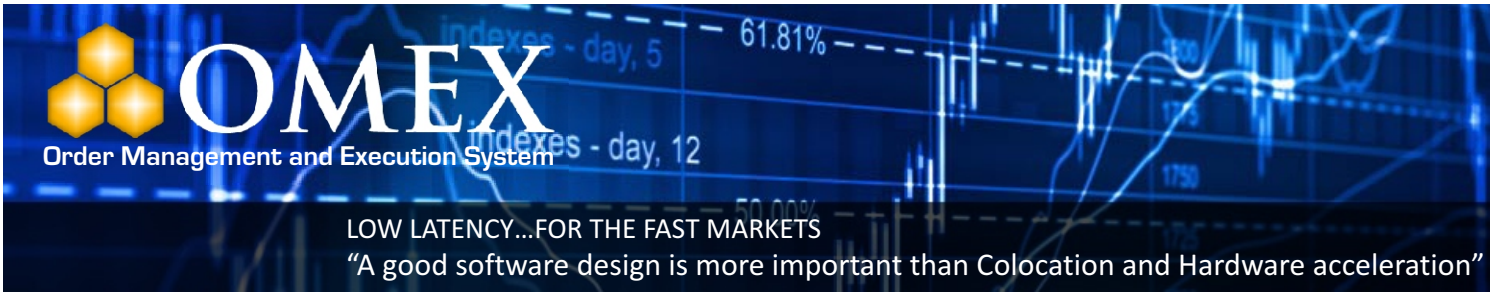

LOW LATENCY

Low Latency for fast market

Low latency is a key accelerator where trading is based on algorithms used to process market updates and turn around orders within milliseconds. Low latency trading refers to the network connections used by trading firms to connect to stock exchanges and ECNs to execute transactions.

With the emergence of electronic trading, high-frequency trading is estimated to account for more than 60 percent of overall U.S. equity volume. Trading using computers has developed to a point where millisecond improvements in network speeds offer a competitive advantage for financial institutions. Banks, hedge funds and proprietary trading shops use algorithms to make markets and consistently earn thin profits from inefficiencies among various marketplaces.

Low Latency network and trading connectivity

As exchanges and ATSs have moved to support high-speed access to their matching engines, new opportunities have emerged for arbitrage between different market centers or different asset classes. The search is on for new ways to maintain the so-called "infrastructure edge." One answer is to focus on development of a low latency network.

A key challenge today lies in successfully connecting physically diverse trading locations. The trading network latency encountered between two or more co-location facilities can be a major factor in determining the success of cross-market trading.

In a world where trading firms are spending huge sums to reduce their transit time, variations in network latency are extremely significant. The speed of trading has moved from being measured in seconds in the pit to milliseconds on the screen and now microseconds with the advent of proximity access and strategy automation.

In the past, achieving speed at the millisecond or microsecond level was more important to quant traders and hedge funds. Today, traditional asset managers consider latency an important factor in obtaining the best execution.

How to reduce latency?

Collocation servers and hardware acceleration can reduce latency but the one thing that is most important for reducing latency is good application or software design. There are many ways to reduce latency in application design and networks before using hardware accelerators. OMEX is designed as a low latency trading application and as a hosted solution which will give you a competitive advantage in getting the best executions in fast markets.

About OMEX

OMEX Trading Technologies, LLC. designs and develops multi-asset trading systems for equities, options and futures trading. OMEX is a neutral,real-time platform that provides direct access to major global exchanges, dark pools, crossing networks, algo providers and leading market makers through a single trading interface. OMEX can be white labeled and branded to your firm's own trademark and look-and-feel.

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