

Direct Edge Debuts New Features

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By James Ramage

Direct Edge ECN has rolled out several new product enhancements aiming to improve trading on its markets.

Traders sending hidden orders to Direct Edge's two platforms, EDGA and EDGX, can now opt for a minimum execution quantity. Hidden orders are typically sent by algos that don't want to show their hand, and that want to interact with the liquidity with minimal market impact. The minimum quantity feature allows that to occur, said Bryan Harkins, head of sales and strategy at Direct Edge.

"They don't want to be pinged by smaller orders of insignificant size and they don't want to be gamed," Harkins said. "It allows them to choose what order size the contra will be at a minimum."

In addition, the ECN's new Dual IOC-immediate or cancel-order type lets traders check both its platforms with a single message. Without it, a trader would have to place one order onto EDGA and, if it's canceled, place another order onto EDGX. A Dual IOC order allows smart routers to take out the liquidity in both books through one message type, Harkins said.

In the first quarter, Direct Edge also rolled out a new data feed to keep up with the ECN's increased message traffic. Direct Edge is now executing between 500 million and 600 million shares per day, Harkins said.

"We really rewrote and optimized our data feed," he said. "Instead of customers looking at our public quote, they'll take our depth-of-book feed, which gives them more information, and it's faster."

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