

Glossary

API – Application Programming Interface. Defines the interface used in communications with software.

Arbitrage – Proprietary traders act on their own or their firm's account.

ATS – Alternative Trading System. An electronic system that is aimed at bringing together buyers and sellers of financial instruments.

Basket trading – Orders involving several shares – a “basket” – as a single order.

Broker – Brokers trade on behalf of their clients, which are institutional and private investors.

ECN – Electronic Communication Network. Electronic trading networks that connect the most prominent brokers and individual traders to enable them to trade directly with each other instead of via middlemen. ECN is a type of ATS.

FAST Protocol – FIX Adapted for Streaming. A compression method for large volumes of data.

FIX – The Financial Information eXchange (FIX) Protocol is a technical specification for electronic communication involving trade-related messages.

FPL – membership-based organization for Financial Information eXchange Protocol.

Market Maker – Market makers have undertaken to regularly place buy and sell prices for the financial instruments to which their undertaking pertains.

MiFID – Markets in Financial Instruments. Regulations prepared by the EU for the European financial markets.

Order routing – Transmitting orders to different destinations based on manual or automatic logic.

Proprietary trading – Players in proprietary trading act on their own or their firm's account.

RegNMS – Regulation National Market System; regulations prepared by the US Securities and Exchange Commission (SEC) for the US financial market.

VWAP order – VWAP stands for Volume Weighted Average Price. A VWAP order is placed at the volume-weighted average price during the day.