



Well Connected

Providing access to trading venues has always been part a core of GL TRADE's global strategy. It's a process that starts when markets 'emerge' and continues as they grow and mature

GL TRADE has always developed connectivity to multiple trading venues around the world, often driven to a large extent by client demand. The result is that there are now around 150 different platforms residing on GL NET; GL TRADE has become the first choice partner for many markets as they seek to expand their international presence. In addition, GL TRADE provides clearing and allocations processes on more than 34 cash and derivatives exchange.

Recent agreements between GL TRADE and three trading venues at quite different stages in their development shows how these relationships evolve once connectivity is established. In May, GL TRADE opened a connectivity hub in Tel Aviv, its 18th in the EMEA region. This has improved access to the Tel Aviv Stock Exchange (TASE), while at the

same time allowing Israeli institutions to join the vast trading community already residing on the GL NET.

"Israel is no longer classed as an emerging market. It has matured to the extent where it is regarded as a major financial market. There are many sophisticated and high tech companies listed on TASE and often these have dual listings elsewhere, such as in London and New York," says Philippe Carré, Global Head of Client Connectivity at GL TRADE.

Further motivation for TASE's decision comes from the fact that it wants to develop its remote membership and attract more foreign investors. Thanks to GL TRADE's connectivity application service provider (ASP) offering, this can be achieved at an extremely competitive cost, which should encourage the flow of trading volumes from non-Israeli market

participants. Today, GL TRADE provides such ASP connectivity service to over 60 equity and derivative markets.

"Investors want easy and low-latency access to both the domestic and international markets where Israeli stocks trade. The opening of a hub in Tel Aviv was a logical step to take to support TASE's development," Carré adds.

At the other end of the spectrum, GL TRADE is providing greater connectivity to the Indonesia Stock Exchange (IDX). This was formed at the end of 2007 by the merger of the Jakarta Stock Exchange and Surabaya Stock Exchange. While still small by international standards, Indonesia's stock market was among the top three global performers in 2006 and 2007, perhaps reflecting this vast commodity-rich country's potential. The government is keen

to build on its recent financial success and has introduced significant reforms to its financial infrastructure.

IDX is in the process of migrating its current trading engine on to OMX, which will significantly speed up and increase its order processing capabilities. "We are providing gateways for IDX brokers to receive direct orders from overseas and also allow them to route orders back to SGX in Singapore," says Carré, "We're also implementing a GL STREAM server, which will help improve local brokers' risk management, which is essential as the market expands," he adds.

Finally, the acceptance of GL TRADE as the first platform vendor to be certified by the Brazilian Stock, Mercantile and Futures Exchange (BM&FBOVESPA) is a further example of how relationships develop over time. Formed in July by the merger of BM&F and Bovespa, the exchange is the third largest derivatives exchange in the world by market capitalisation; so it can hardly be considered as 'emerging'.

"We provided connectivity to BOVESPA for around 8-years, but the merger has opened up entirely new opportunities," says Carré. "Our software has already conformed to the standards of the merged



Philippe Carré

exchange and we're really excited about how our longer-term relationship is still developing," he adds.

"It's fascinating to see how markets evolve. GL TRADE has always tried to go into any market as it opens up and then build a long-term relationship and partner it as it develops and matures. Brazil has seen dramatic changes in recent years and we've been there through much of that journey. We're already looking for and working on the next generation of 'BRICs'," he concludes.

GL TRADE, pioneer in electronic connectivity since 1987

30+ GL NET hubs and 150 market access are managed by GL TRADE. 2008 new hubs and ASP gateways are:

New GL NET hubs

- Tel Aviv
- Warsaw
- Shanghai
- Mexico
- Sao Paulo

New MTFs gateways

- Equiduct
- Turquoise
- Bats Europe
- OPEX
- Nasdaq OMX Europe
- NYFIX Euro-Millennium

New ASP regulated markets gateways

- Australia Stock Exchange
- Bursa Malaysia
- Financial & Energy Exchange
- Nasdaq OMX Europe

- Tel Aviv Exchange
- Tokyo Financial Exchange
- Warsaw Stock Exchange