



Fiber routes in the metro are often much longer than fixed wireless links.

The distance traveled by packets across the fiber optic route depicted above is more than three times greater than the distance for the two hop fixed wireless link and may attribute to additional latency in a trading network connecting data centers in New York and New Jersey.

The data presented in the table below averages the through put and round trip latency on a Business Only Broadband® 800 Mbps Fixed Wireless system connecting financial traders in Manhattan with financial exchanges in NJ and Brooklyn.

Frame Size	Throughput	Latency
Bits	Mbps	Microseconds
64	797.67	237
128	766.42	241
256	720.17	247
512	696.78	259
1024	685.01	284
1280	682.66	295
1518	681.17	307
Average	718.55	267.14

The Fastest Trade is Wireless

Ultra low latency requirements make the case for Fixed Wireless. The profitability of electronic trading is dependent on low latency connectivity to the financial exchanges and their market data.

In the April 2008 TABB Group Research Note on the value of a millisecond they stated:

“TABB Group estimates that if a broker’s electronic trading platform is 5 milliseconds behind the competition, it could lose at least 1% of its flow; up to 10 milliseconds of latency could result in a 10% drop in revenues. From there it gets worse; if a trader is 100 milliseconds slower than the fastest trader they might as well shut down their FIX engine and become a floor broker.”

Fixed Wireless networks are reliable, safe and secure.

Fixed wireless networks are now being used for connectivity to financial exchanges, data centers, corporate offices, and other critical facilities. These networks have passed the most stringent government and industry mandates for security and reliability making this technology a dependable alternative to fiber optic networks. Further making the case for Fixed Wireless is the need for true diversity.

The Financial Exchanges and Federal Government mandate redundant connections and diversity in trading networks.

Fixed Wireless is widely recognized by analysts and industry leaders as the best practice for optimizing network survivability; assuring mission critical circuits have no common point of failure in the building, street or central office.

Total Cost of Ownership for Fixed Wireless should be valued by combining the benefits of ultra low latency and the true diversity these networks provide. The cost benefit analysis for deploying Fixed Wireless in the trading network should combine the value of beating your competitor to the trade plus avoiding the potential cost of a service interruption or network outage during the trading day.

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EYE ON IT

Current Industry Trends

Wireless Solutions for Low Latency Trading

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