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29West Takes Swipe at Market For Real-Time Messaging Platforms

While certain user types huff and puff and generally castigate the vendor community for its failure to come up with an alternative offering to traditional suppliers (read: Reuters) for handling market data feeds and real-time messaging, a number of small suppliers are beginning to be taken seriously in just such a capacity.

What's changed, though, since the heady days of the early 1990s, when everybody was fighting over digital trading room platforms, is that today's task in hand is less likely to involve a roomful of 1,000 or more traders, but more probably will involve delivering data at high speed to a very specific set of applications.

One company currently doing the rounds, so to speak, is 29West, a messaging platform supplier based in Warrenville, Ill. (yes, 29 miles west of Chicago). 29West recently received a boost from supplying Merrill Lynch with the messaging middleware platform that will support its electronic trading platform, with low-latency data feed handling provided by Wombat Financial, a 29West partner (*Transaction Networks & Technologies*, December 2005).

According to Mark Mahowald, president and founder of 29West, the company was founded to build a better technology for handling direct exchange feeds, programme trading, latency-centric applications and low-latency delivery. Mahowald himself hails from Rich Inc., the video-switch pioneer that was acquired by Reuters

almost 20 years ago and ultimately built the Triarch trading room platform, components of which support the Reuters Market Data System (RMDS) back-end to this day.

Having left Rich in 1988, Mahowald founded a multicast developer that was acquired by Talarian, which was subsequently bought by Tibco Software in 2001/2002. At this point, Mahowald left to found 29West, hiring an earlier technology collaborator, Todd Montgomery, and launching 29West's LatencyBuster Messaging (LBM) platform.

Wombat became a partner in 2004, and uses LBM in much the same way a firm might use Triarch or Tibco's TIB/RendezVous: to connect real-time data feeds to the applications that need them. Wombat in fact offers this capability, using LBM, as part of its Wombat Messaging layer.

As such, LBM is most applicable as an alternative to the TIB/RV platform. Within the Wombat environment, LBM runs as an infrastructure application downstream from Wombat's Middleware Agnostic Messaging API (Mama). At the client site, then, direct exchange feeds and other data sources are processed by the Wombat platform then distributed to supported applications using LBM.

At Merrill, LBM is being used within the Wombat Messaging Layer as an alternative to TIB/RV. Mahowald says 29West takes a different approach to TIB/RV, essentially by eliminating the daemon from every machine

involved in the local data distribution process. With TIB/RV, data traffic is sent across the network using multicast. A daemon on each connected machine receives all traffic, discards irrelevant information and then sends on whatever's useful to the application.

By contrast, LBM bypasses these daemons by sending data directly to the application, eliminating layers in the process that can add latency. LBM also is available for a choice of transport protocols, including TCP, UDP and multicast.

Mahowald says 29West is now gaining traction in its own right. Mahowald says the Wombat relationship accounts for perhaps 10% of total revenues. He says he is in discussion with several major firms about helping them handle their low-latency data needs. These include large banks and proprietary trading firms, Mahowald says, but also exchanges, which can use LBM to distribute data to multiple nodes very quickly.

The company just raised additional funding, and hopes to take advantage this year of what it sees as a growing market uptake in these kinds of technologies.



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