

ICAP'S FX DATA MINE

EBS's foreign exchange data product offers 10 years historical data on spot FX rates for testing and building an automated trading system.

Spot FX volume on ICAP's electronic broking platform EBS reached a record level of USD \$456 billion on 16 August, surpassing the previous record achieved on 27 July of \$311 billion by almost 50 percent. Boosted by market volatility, this record volume was almost three times as high as the average daily volume in the first half of 2007. The sheer volume of FX trades executed through EBS means they now have an invaluable databank of historical OTC spot prices. These are now available in their data products, Data Mine and Data Miner.

Using historical FX data

The primary value of EBS FX data is building and testing automated trading systems. EBS data covers all currencies and metals traded on their platform dating since 1997 and the data is derived from approximately 2000

traders who use the EBS spot trading system around the world.

The importance of data integrity in building and testing an automated trading system cannot be overstated. Obtaining reliable and timely data, especially from OTC markets, is not always easy although the advent of electronic trading and broking in recent years has meant that many new data source products are now becoming available. One of these is from electronic FX broker EBS who has leveraged its historical price data into a product called EBS Data Mine.

EBS Data Mine™

Data Mine is available in two versions: Level 1.0 and Level 1.5. 1.0 provides the historical data in a CVS file. 1.0 contains historical spot market data on 23 currencies going back to January 1997.

1.5 contains all the data in 1.0 but with additional spot market volume indicators data from 1 January 2000. It also provides information on the EBS Best Price and the dealt prices in the EBS Market. The "EBS Best Prices" include Best Bid and Best Offer whilst the dealt prices are the highest buying deal price (the highest paid) and the lowest selling deal price (the lowest given) at the time. Created on a one-second timeslice basis, it also includes a Price Record and a Deal Record. The Price Record lists the EBS Best prices at the end of a timeslice, and the Deal Record lists the highest paid and the lowest given deal prices during the period of a timeslice.

EBS Data Miner™

The Data Miner is a tool that converts the Data Mine data into a graphical format, charting currency pairs in time periods from one minute to 12 months. Figure 1 shows the price action for EUR/USD on January 4 2005 along with a Price Activity chart at the bottom. A separate chart also shows granular analysis of trading activity at a snapshot (14:19:40) taken that day. This provides a colour coded indication of the volume of trading done at the bid, offer, given and paid prices.

The Price Activity chart refers to all the new prices (Bids and Offers) quoted in the period. The value plotted is the sum of the midpoint of the size interval for each such new price. In other words, the Price Activity is weighted by the volume associated with each new price.

For more information visit www.icap.com



Figure 1. ICAP FX Data Miner