

Wednesday July 16, 2008

BSAS Full Day Program

Selected Topics in High Frequency Investing

This seminar will examine a variety of practical and philosophical issues in high frequency investment processes, research, and technology. We will evaluate these issues from the perspective of Boston's multi-trillion dollar, predominantly buy & hold investment community.

9:00 Welcome and Introduction, Hugh Crowther, Crowther Investment

9:15 Complex Event Processing for Financial Markets, Colin Clark, VP Customers, StreamBase Systems. Complex event processing (CEP) is a technology with great potential for addressing real-time responsiveness and high data rate issues in Financial Markets firms: an introduction to CEP technology and approach, an overview of high value opportunities to leverage the rapid application development and high data throughput capabilities of a CEP platform for substantial benefit in Financial Markets companies, and a primer on the supporting architecture needed for successful implementation of a CEP solution.

10:15 Trading Off the News, Alan Slomowitz, Director Product Development, Solutions for Algorithmic and Quantitative Trading, Dow Jones This discussion will describe how to take advantage of, and profit from, ultra-low-latency news feeds. Learn how the news is created specifically for quantitative trading models during an in-depth description of the types of news events most suited for alpha generation and what the future holds for investing with news-based algorithms and models.

11:15 High Frequency Data and Transaction Research, Ian Domowitz, Managing Director, Investment Technology Group

12:30 Lunch Speaker: Do brokers add value? Robert F. Almgren, PhD, New York University
With the plethora of direct data feeds and toolkits for automated trading now available, should you build your own high-speed trading system or use someone else's?

2:00 The next generation of algorithms: from multi-asset trading to market surveillance, John Bates, Progress Apama, Complex event processing technology and how algorithm use has evolved from equities execution into high frequency trading, other asset classes, managing fragmentation, managing risk, responding to news and dealing with market abuse in real time.

3:00 Fat Tails, Tall Tales, Puppy Dog Tails, Dan diBartolomeo, Northfield Information Services
This presentation on the importance (or lack thereof) of the issue of fat-tailed return (high kurtosis) distributions in security returns. We will consider both the empirical cases for both stochastic volatility models and "stable distribution" models. More importantly, we will consider the implications of fat tails in terms of investment policy for asset management, as distinct from risk containment for a trading desk. The conclusions show that the issue of fat tails is of great importance for market participants who have concentrated portfolios, high turnover and high gearing, such as certain hedge funds, but is of much lesser importance to traditional investors.

4:00 Reception