Moving towards the cloud with LSEG Real-Time Managed Distribution Service

Around the globe, financial services firms are rethinking the way they obtain and work with the market data they need to thrive in today's competitive environment. As more and more of their market data processing and storage moves to the cloud, they are beginning to engage with key analytics use cases there too. Another trend is evolving out of these shifts: many firms are keen to hand over responsibility for their market data technology infrastructure to a trusted partner who can move it to the cloud and look after it for them. This enables firms to shut down on-premises servers, support an increasingly cloud-oriented workforce and benefit from the agility that the cloud can deliver.

According to a recent survey of 102 institutional capital markets professionals by Google Cloud, 67% of sell-side respondents already consume cloud-deployed data and 88% intend to consume more. On the buy-side, 90% of respondents surveyed consume cloud-based data services – mostly for portfolio management – and 70% of those said they were intending to consume more. In light of these statistics, it makes sense that firms are seeking to move their entire market data ecosystem to the cloud.

Rethinking infrastructure

For decades financial services firms have managed their own technology infrastructure stacks for market data. This is a very cost-intensive strategy, requiring firms to have onsite data centres filled with servers to obtain, process and store ever-expanding volumes of market data – and which require teams of business and technology people to oversee them. Every four or five years, firms must replace their technology stack, another significant capital expenditure. Moving to the cloud can reduce or eliminate many of these costs and mean the shift from a large periodic capital expenditure (Capex) to an annual operational expenditure (Opex).

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Also driving the move to the cloud are information security concerns. Threats to proprietary data are accelerating as cyberattacks – including state-sponsored attacks – become more and more sophisticated. Increasingly, as it becomes harder to infiltrate larger, better-protected organisations like financial services firms, third parties are being targeted. As a result, some firms no longer want to house third-party software in on-premises infrastructure, preferring to host it in the cloud instead, where more robust cybersecurity is available.

Supporting new talent

In the past, market data management focused on the substantial infrastructure – often called "plumbing" – that firms employed to push the data around the physical organisation to all employees across the front, middle and back office who needed to work with it. Individuals gained deep, narrow specialist knowledge so they could support the specific physical technology infrastructure needed for a certain type of data. This data infrastructure was resource-intensive to install, fairly rigid and often challenging to disengage from.

Today, a new generation of financial engineers, quantitative analysts and traders who code want to engage with market data in a different way. They want to be able to access data very quickly, trial that data in a variety of ways and then rapidly onboard it. If the data isn't what they need or if priorities shift, they want to be able to stop using it and move on to the next task. This demand for an unprecedented level of data agility cannot be accommodated in on-premises environments. The data needs to be in the cloud.

Analytics in the cloud

One of the biggest benefits of moving market data to the cloud is the ability to perform analytics in the cloud – what this new generation of financial engineers is using to drive competitive advantage. In the past, significant resources were wasted while data was downloaded from a server and the analytics subsequently performed on another set of servers. This could take hours or even days to complete. In that time, opportunities could come … and go.

Today analytics in the cloud comes in a wide variety of forms – from out-of-the-box models to completely bespoke models written by coders at a firm for a specific use case. Analytics can also be baked into the way the market data is served up from the cloud, giving users instant access to calculations they need.

Rethinking the ecosystem

As these seismic changes take place, many firms are also thinking differently about their relationship with their market data ecosystem. While in the past many financial services firms felt they needed to have complete control over their market data infrastructure, today this is no longer the case. Firms are recognising that there can be significant benefits to outsourcing their market data management infrastructure, particularly when that infrastructure sits in the cloud. For cloud-native firms, using a managed service enables the team to focus on the pursuit of other strategic objectives. For more traditional financial firms, using a managed service can drive the redeployment of resources, increase agility and enhance competitiveness.

Making the change

These interwoven trajectories of change are driving more interest from financial services firms around the globe in engaging with a cloud-based managed service to replace their on-premises market data infrastructure. These firms want to move away from inhouse servers, enable innovation and increase their agility across the front, middle and back office.

LSEG Real-Time Managed Distribution Service is a public and private cloud-based market data administration service. LSEG is an LSEG business. Trusted by more than 800 clients around the globe, it has been providing managed services for 12+ years. LSEG operates and manages all the equipment, feeds, platforms and connectivity that a firm might need.

LSEG Real-Time Managed Distribution Service enables firms to:

Trust

– **Discover deep data availabilit**y – access to approximately 90 million streaming instruments across 500+ venues, including exclusive LSEG content and third-party sources
– **Choose their data** – complement Real-Time Data with services including symbology, ESG, timeseries, historical and many more datasets
– **Publish the data** – certain solution options provide firms with the ability to contribute data sets. These can be permissioned to publish information to defined end points. Publisher identifier information is also provided for added compliance controls

Manage

– **Control their data** – manage data entitlements to control cost and maintain vendor audit compliance
– **Connect your dat**a – choose from a range of APIs to meet your business needs, including JSON and Websockets
– **Benefit from a cloud-agnostic approach** – the solution is able to deliver and support any cloud service provider

Support

– **Robust operational resilience** – there are 19 data centres around the world to support market data continuity
– **Superior customer support** – the service offers 24/7 customer support and monitoring around the globe as well as dedicated service managers
– **On-demand scaling** – customers have the agility to scale up and down depending on their business needs, saving costs and enabling them to seize opportunity

LSEG Real-Time Managed Distribution Service rapidly responds to the firm's evolving needs without putting a strain on internal time or resources. Because it is in the cloud, it is easy to quickly extend the firm's global reach by scaling up or down, adding new geographies and using new data sources. This frees up time in the business, enabling teams to focus on other, high-value activities. At the same time, the business can be assured that their operations are compliant with global and local standards.

Choosing the right option

Real-Time Managed Distribution Service is available in three different service models to suit the needs of small and large firms who may be cloud-native or migrating to the cloud. These are:

– **Real-Time Managed Distribution Service – Core:** this is an "off-the-shelf" offering for up to 250k instruments to desktops and applications, pre-defined configuration options and new APIs only. This is designed for customers who are in – or are content to be fed from – the public cloud.
– **Real-Time Managed Distribution Service – Complete:** this option may be deployed in either private or public cloud. It includes more choices for customers. It provides up to 500k instruments, to desktops and applications, including LSEG contributions. It can be delivered through all supported APIs, has more configuration options and includes LSEG data transformation.
– **Real-Time Managed Distribution Service – Custom:** this private cloud option delivers above 500k instruments to desktops and applications. It includes multi-vendor contributions, full and custom configuration options, all supported APIs, LSEG and proprietary data transformation and proprietary and third-party data feed publishing.

The LSEG team works closely with individual firms to understand their digital transformation programme – including timescales for moving on-premises market data infrastructure to the cloud – to help identify the right option for them.

Analytics with LSEG Real-Time Advanced Transformation Server

Today many firms want more delivered than just standard market data. Their teams want data transformation – key analytics delivered alongside their market data, to support real-time decision making. LSEG Real-Time Advanced Transformation Server is a high-performance, low-latency calculation engine that in certain options can be added to the Real-Time Managed Distribution Service. With this solution, financial services firms can:

– **Combine data** – bring together internal and external data sources using a web-based interface
– **Perform calculations** – deliver yield curves, mathematical functions, data and time, statistical functions and more
– **Parse data** – extract data from pages or record pages and transform them into a logical record. For example, automate parsing and aggregation to parse hundreds of broker pages to find the best price
– **Centralise data managemen**t – work on the same data in different geographic areas. Locate all strategic algorithms onto a dedicated calculation server
– **Control permissioning** – regulate who can create, update and delete Real-Time Advanced Transformation Server records

LSEG Real-Time Advanced Transformation Server is just one of the ways that LSEG can supply data transformation.

There are other ways Real-Time Managed Distribution Service users can engage with analytics, too. Recently, the LSEG team took its Real-Time – Optimized feed from AWS and ported it into Google Cloud Platform. Creating a proof of concept that took less than five days to build, the team used Google® BigQuery™ to develop time-weighted average price (TWAP) and volume-weighted average price (VWAP) calculations on several indexes. The tier-one financial services firm then connected to Real-Time Managed Distribution Service and pulled the analytics files via a web browser.

Looking to the future

LSEG wants to meet today's and tomorrow's client needs, so its teams are hard at work innovating in the cloud. LSEG Real-Time – Full Tick is a complete depth-of-book, real-time data feed delivered via LSEG Real-Time Managed Distribution Service and is set to go live in the public cloud in 2023. It will include LSEG's Level 2 data and analytics-as-a-service and will be available within the LSEG Real-Time Managed Distribution Service solution.

Other changes are coming too. In 2023, LSEG Real-Time Managed Distribution Service is able to deliver all Real-Time Data and Managed Services from LSEG-managed points-of-presence (POPs) to wherever a firm's consuming application or platform is located – including any major public cloud service provider location. Over the course of 2024 to 2026, LSEG will be able to offer its full range of Real-Time Data and Managed Services products from the public cloud, with customers able to co-locate their cloud-based consumer applications next to LSEG sources of data, services and analytics for maximum cost and performance efficiencies.

LSEG is dedicated to supporting its clients through their cloud journeys today and tomorrow.
For additional information on LSEG Real-Time Managed Distribution Service, and to get in touch for more details, visit our webpage.

Related Solutions

Real-Time – Optimized

Real-Time Full Tick

Real-Time Distribution System

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