

# TICK-TO-TRADE LATENCY SLASHED 10X WITH VELOCIMETRICS AND NAPATECH

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**COPENHAGEN, Denmark, LONDON and NEW YORK, February 5, 2019** – Velocimetrics, in partnership with Napatech™ (OSLO: NAPA.OL), has been working with a global Tier 1 investment bank in Europe to reduce its tick-to-trade latency. Velocimetrics is the leader in business flow tracking and real-time, in-stream performance analytics, while Napatech is the leading provider of reconfigurable computing platforms.

The project has now been completed and the results are astounding, with tests confirming that latency has been reduced to a tenth of previous levels. The cost benefit and the competitive advantage for the bank are so significant that the institution has refused to go public with the announcement.

After detailed analysis of the bank's complex trading platform, Velocimetrics' analytics identified bottlenecks and latencies which, once corrected, resulted in a reduction in tick-to-trade latency from 100µs (microseconds) to 10µs. This was achieved using the Napatech SmartNIC FPGA-based solution as a key component in the Velocimetrics suite of products. The partnership implementation incorporates unique Napatech benefits, including highly accurate timestamping along with high-volume data capture and deep buffering, which ensures zero packet loss.

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.@Napatech helps @velocimetrics Cut #Latency by 90% for Global Tier 1 Investment Bank:  
<https://tinyurl.com/y8xe462t> #SmartNIC

**Paul Spencer, COO of Velocimetrics, commented:**

"In trading, every bit of latency makes a huge difference to the bottom line, and slashing it by a factor of 10 is enormously significant and, of course, profitable for the client. Napatech and Velocimetrics have a long and successful partnership, and the joint solution uses an innovative combination of technology; the success experienced by the client with this deployment provides further evidence of the financial value provided."

Trading technology professionals in the banking and finance sectors face stringent and unique requirements, one of which is keeping latency to an absolute minimum; these needs are often not met or are only achievable through costly and complex custom hardware solutions. Financial institutions need sub-100 microsecond latency for tick-to-trade to remain competitive in faster trading environments, as well as an independent, high-performance monitoring and analytics solution to gain full visibility of the entire environment, including both their own infrastructure and third-party applications.

Velocimetrics chose to partner with Napatech for its excellent packet capture functionality and to help reduce latency, a complex task which includes capturing, monitoring and analyzing data. Since implementation, the investment bank has realized the following benefits:

- **Ultra-low latency:** The solution identified the causes of tick-to-trade latencies so that they could be reduced from 100µs to 10µs. It provides faster alerting, quicker drill-down and root cause analysis, leading to less system downtime and the ability to alter trading strategies fast.
- **Improved network visibility and insights:** The independent monitoring and tracking system aggregates all visibility points to validate, benchmark and provide real-time alerting and business insight for network, application and trade flows.
- **Operational cost savings:** The solution enables better network analytics, incident management and targeted investment in infrastructure, as well as reducing the need for expensive equipment by combining multiple functions within a single solution.
- **Real-time feedback into the Bank's trading systems:** Updates, including data and alerts, are provided to the equities pricing engines that will allow the bank to provide optimized pricing decisions in real time.

**Jarrold Siket, CMO of Napatech, said:**

“To meet today’s business requirements and address increasing competition and changes in the equities trading marketplace, financial services companies need full, independent visibility of their network and systems, as well as internal and external network applications, to make the right business decisions. This requires advanced monitoring and analytics that can deliver results in near-real time to keep pace with the speed of equities trading. The solution provided by a combination of Napatech and Velocimetrics technology met all customer requirements and did so in a scalable and cost-effective way.”

**ABOUT NAPATECH**

Napatech helps companies to reimagine their business by bringing hyperscale computing benefits to IT organizations of every size. We enhance open and standard virtualized servers to boost innovation and release valuable computing resources that improve services and increase revenue. Our Reconfigurable Computing Platform™ is based on a broad set of FPGA software for leading IT compute, network and security applications that are supported on a wide array of FPGA hardware designs.

Additional information is available at [www.napatech.com](http://www.napatech.com)

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This press release may contain forward-looking statements which are only predictions and may differ materially from actual future events or results due to a variety of factors, including but not limited to, business conditions, trends in the industry and markets, global economic and geopolitical conditions, macro-economic factors, and other risks and uncertainties set forth in Napatech’s reports. The matter discussed in this release is based on current expectations and maybe subject to change. Napatech will not necessarily update this information.

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**ABOUT VELOCIMETRICS**

Velocimetrics delivers comprehensive, real-time business insight to the global financial community. Designed by industry experts to meet the specific monitoring and performance analysis needs of each client’s complex environments, Velocimetrics provides an independent, transparent and detailed view of the business impact of all activities taking place across each and every system and network as they are happening.

By rapidly detecting potential risks, identifying inefficiencies and exposure to financial loss, Velocimetrics instantly alerts the business to issues that could adversely impact success as a situation is emerging, before it’s too late.

Founded in 2009, Velocimetrics is a privately-owned business headquartered in London.

Additional information is available at [www.velocimetrics.com](http://www.velocimetrics.com) and follow us on [LinkedIn](#) and [Twitter](#)

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