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## Big Co-Location Push in Europe

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Co-location services in Europe are expanding rapidly as financial market participants seek proximity and low-latency access to exchanges and market data.

[Interxion](#), an independent co-location provider, is seeking to tap into this need through its Financial Hub data centers, which provide ultra low latency to Europe's leading liquidity venues.

"The Financial Hub centers house an extensive community of exchanges, MTFs, sell-side and buy-side firms, market data vendors, clearing houses, and technology and connectivity vendors," Maarten Kalff, director of financial services at Interxion, told Markets Media. "This allows them to interconnect at ultra-low latency and provides the flexibility to quickly and efficiently change trading strategies when required."

Low latency connectivity options to major liquidity venues is combined with the availability of a wide range of value-added services offered by the financial community located in the data centers.

[Activ Financial](#), a provider of low-latency market data systems, is housing its ticker plant and aggregated market data feeds at Interxion's City of London data center.

"The location of Interxion's data center and its proximity to key matching engines, plus the fact that a number of our existing clients are housed in the facility, were major criteria in our decision," David Hann, EMEA managing director of Activ Financial, told Markets Media.

Users of market data, such as banks, hedge funds, and institutions, are looking at hosted solutions as their own data centers buckle under the strain of connecting to multiple trading venues. "Typically, banks would build lots of data centers to provide data requests across the enterprise, but these are not ideal from a low latency perspective," said Hann. "They are trying to add racks and power in data centers that were built years ago."

As an alternative to bringing in direct exchange feeds from multiple sources and operating a ticker plant their own data centers, market participants are turning to providers like Activ Financial to provide lower cost "points of presence" at major trading hubs.

Activ operates shared direct feed infrastructures in exchange proximity centers on all three continents, providing direct-feed latency technologies but delivered as a cost effective, fully managed service.

"The systemic latency of our hosted direct feed is identical to that of a direct-feed infrastructure," said Hann. "In many cases, Activ offers hosting services within our own racks."

Activ also provides ticker plants to exchanges that are building out their own co-location services. "We work with eight or nine exchanges to put ticker plants into their facilities," said Hann.

Market participants are trading multiple venues, so it makes sense for exchanges to offer access to those venues in their data centers. "Exchanges are providing low-latency access not only to their own data but also to data from other exchanges," Hann said. "Market pressure on exchanges to deliver data from multiple sources is being driven by client demands and by regulators."

Although both exchanges and independent providers like Interxion are both offering colocation, they have different selling points: exchanges offer direct proximity to matching engines, providing the lowest possible latency, while independent data centers provide a centralized hub or ecosystem of financial participants and technology providers.

"The large financial services community within our data centre means that you can very often connect to counterparties without going outside the facility," said Kalff.