

HEADLINE

Euronext Stock Exchange mulling data center relocation from UK to Italy

London Stock Exchange also planning to migrate
to Telehouse facility in London's Docklands

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The transformation of the financial industry is making headlines. Our employees explain how SIX is contributing to the future of finance.



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There's a lot going on these days. Industry portal datacenterdynamics.com recently reported that several major stock exchanges plan to relocate their data centers. In the wake of its acquisition of the Borsa Italiana, Euronext reportedly plans to move from England to Italy in the second quarter of 2022. London Stock Exchange likewise intends to leave the City in 2022 and plans to relocate to London's Docklands. And New York Stock Exchange and Nasdaq Exchange are both considering moving operations out of New Jersey to save taxes.

In this day and age, it no longer appears to matter where stock exchanges operate their data centers and where matching engines are sited and all trade orders are matched. Market participants who, for instance, earn their money through low-latency trading would disagree with this assertion, however. Speed ranks among the crucial factors for their trading success. Low-latency traders usually install their computer systems directly on the premises of a securities exchange's data center to keep the transmission path of orders as short as possible. So, if they wish to continue using the fastest possible connection, those market participants have no other choice than to tag along on the planned relocations.

Anyone devoting so much effort to securing speed should be consistently giving their business model some forethought. Low latency doesn't stop at the walls of the data center: Microwave, or radio frequency, technology enables information to be

transmitted between markets at the speed of light. Information sent via fiber optic cable takes around 13 milliseconds to make a round trip from the Swiss stock exchange to London and back. With microwaves, the same round trip takes only 5.5 milliseconds. Fiber optic cables rarely follow the shortest direct path. As proverbial data highways, they are routed along urban centers and have to cross rivers and detour around mountains. Microwaves, in contrast, make a beeline from point to point like an airplane.

Europe's Largest Microwave Network

SIX operates the largest microwave network in Europe and the second-biggest one worldwide through its subsidiary 12H, making SIX Swiss Exchange the only regulated stock exchange in Europe that enables all of its trading participants to register price movements and implement investment decisions as fast as the laws of physics allow. The microwave network currently connects Zurich with London, Frankfurt, and Milan, and links Milan with London and Frankfurt. SIX additionally is working together with Nasdaq Nordic to provide a microwave connection between London and Stockholm. SIX intends to further build out its microwave network and to offer other stock exchanges and market participants access to it – wherever their data centers end up relocating.

Contact us for further information on technical implementation details:
[six-group.com/microwave-red](https://www.six-group.com/microwave-red)