Date: April 15, 2013

Room: ECE Center, 202

Time: 11:30-12:30

Speaker: Dr. Eran Fishler, Chief Operating Officer, Pragma

Title: Order Routing, Hopping the Queue and Beyond

In this talk we are going to explore the current microstructure in the US equity markets which is the results of regNMS, differing economic models employed by exchanges, and various market participants incentives and information. As a result of these forces, the current market microstructure offers both a fascinating and predictable behavior by smart order routers. This in turn can be utilized by market participants with superior information to extract a rent from the remaining market participants. In particular, we develop a model that allows one to make routing decisions based on these prevailing predictable behavior. We apply this model to actual trading result and demonstrate the validity of the predictions made by this model. In addition we demonstrate that unconditionally with respect to order routing markets are efficient, but conditionally they are not.

Bio:

Eran Fishler joined Pragma in August of 2007. He leads the research and technology teams in the day-to-day operations of the company, as well as in developing new offerings to suit the current and future needs of traders. Previously, Eran worked at Hite Capital Management, where he developed an innovative research and trading platform for equity strategies and managed a long-short, market neutral, quantitative equity strategy. Eran holds a Ph.D. in Electrical Engineering from Israel's Tel Aviv University, and an MBA from the Stern School of Business at New York University. He is currently an adjunct professor at Courant Institute of Mathematical Sciences (NYU) and at Columbia University. Eran is an expert in the field of parameter estimation and detection theory and has published over 40 technical papers in the area of statistical signal processing.