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Benefits of Trading Via FIX API

The financial marketplace is a highly competitive space, where technological adeptness offers a huge edge. In the past few years, the rise of exclusive digital markets has increased the need for systems that offer real-time price discovery and instant execution, eliminating any unnecessary latency.

Integrating a robust Application Programming Interface (API) into the trading operations infrastructure is a much sought-after method to enhance market communications and boost trade performance. And, when it comes to APIs in the financial arena, the FIX protocol has become the international language of the financial markets for front-office messaging.

What is FIX API?

FIX stands for Financial Information Exchange. It is a highly scalable electronic communication protocol that enables real-time information exchange, related to the financial markets. Introduced in 1992, today it is the industry-wide accepted messaging standard for pre-trade, during-trade and post-trade related information. Its users mainly comprise of banks, investment funds, "prime of prime" (PoP) brokers and institutional-grade traders. In short, FIX API is the preferred mode for B2B interactions

The types of communications can range from texting and emails to market news, trade allocations, order submissions and rectification, advertising and execution reporting; all in real-time. It also assists in recording, processing and transfer of asset ownerships, related to financial market transactions.

Why is it So Popular?

For starters, FIX API is a free, standardised protocol and works efficiently in all types of asset classes, including forex, CFDs, commodities and equities. This ensures widespread acceptance and quick and easy setups. The system is also highly scalable, allowing rapid transfer of vast quantities of trade information. This information is far more reliable and accountable than that offered by other trading platforms, in terms of compliance, trade tracking, fill reporting and order management and routing.

Benefits of adopting this standardised messaging protocol include:

- Real-time analysis of current market information



- Lower cost and complexities of integration with a variety of internal functions
- Greater abilities to share infrastructure, in terms of hardware and software
- Improving business operations by reducing redundancy and time spent on the telephone, lengthy e-mails and documentation
- Allows firms to develop their own trading platforms with open APIs
- A market news provider can decimate live market price feed on their website, using FIX connectivity.
- Sophisticated brokers can use the “Live Pricing” feature to embed depth-of-market information within their risk-management software
- Unlike proprietary messaging systems, FIX-based messages enable different software programmes to communicate and respond to each other.
- Algorithmic, Black Box and quantitative FX traders can get customised versions of the protocol
- It can help investment firms set up a secure and separate mode of connection, accessible to only a few managers or traders.
- Higher versions can integrate seamlessly with C++, C# and Java programming languages

Originally developed for the equities market, the FIX protocol has seen rapid expansion into the post-trade space, enabling Straight-Through-Processing (STP), from allocations to indications of interest (IOI) and confirmations. It has also seen significant growth in the fixed income and listed derivatives markets.

The Future Scope of FIX API

The system is managed by a huge FIX Trading Community, including more than 300 international financial services companies. These members include prime brokerage firms, liquidity providers, big banks and exchanges and regulators. The API is considered a major contributor to the modernisation of the global capital markets, precisely due to the joint efforts of the community members, who have ensured the maintenance of a not-for-profit status, with the primary goal of addressing industry needs. It is a constantly changing entity.

In recent years, members have also been discussing current issues and challenges regarding digital currencies, execution transparency and cyber-security. The FIX API is a valuable tool for anyone interested in robust trade performance and reduced latency.

AUSPRIME’s FIX API allows professional clients access to deep liquidity and ultra-fast execution. Find out more [here](#).