

Connect to the Global Markets through CQG's API

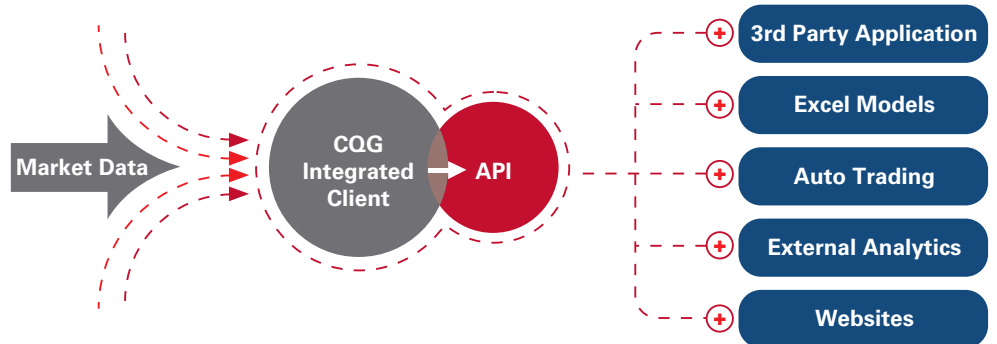
by Thom Hartle

The advent of electronically traded markets has created an avenue for sophisticated traders and computer programmers to join forces and develop a wide range of proprietary applications designed to exploit the markets.

Today's trading lexicon includes terms such as programmed trading, black-box trading, algorithmic trading, and others. Firms and traders looking to create a link between the exchanges and their own software can use CQG's API to bring incoming market information into applications and process the information based on their needs.

Figure 1

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CQG's API provides a two-way link between the CQG Integrated Client and custom applications.

Traders and developers now have CQG's API to access real-time and historical data, utilize CQG analytics and order entry applications, retrieve market information, and manage account information from the CQG Integrated Client. The API uses Microsoft COM technology to communicate with the CQG Integrated Client, allowing it to obtain market data from CQG servers. The API also routes orders through the CQG Integrated Client to exchanges via the CQG Hosted Gateway.

CQG's API is the solution for companies and traders who need access to reliable market data, CQG functionality, order routing, and account information.

Figure 1 is a simple schematic detailing CQG's new API.

The CQG API offers numerous services. Here, we will offer examples of ways the API can be a solution for companies and traders who need access to market data, CQG functionality, order routing, and account information.

What follows are suggested examples of using CQG's API.

Third Party Development

Companies whose line of software products require real-time market data can look to the CQG API for data transmission between their custom applications and market data supplied by the CQG Integrated Client.

For example, consider a company we will call Traders N2, which offers a product line to CQG buy side customers using a proprietary forecasting system built upon a neural net engine. Traders N2 program forecasts the next day's close for the S&P 500 based on intermarket analysis of cash fixed income

prices, energy futures prices, exchange generated market internal statistics such as up- and down-volume, and global market indices. Developers for Traders N2 design the application to access real-time market data through CQG's API connection to the CQG client and servers.

Excel Models

Microsoft Excel has grown in popularity as a database management tool, and many traders use Excel to maintain price history and perform research. CQG's API can link an Excel spreadsheet to the CQG client to access exchange generated market information and CQG analytics, to maintain account information, and to perform order routing from an Excel model.

CQG has designed examples of Excel models using the API. The following is a list of Excel Templates available at the CQG web site (<ftp://ftp.cqg.com/Open-API/7.4/Samples/>):

- Account Order Properties
- Account and Positions
- Account Collections
- Quotes
- Symbol Resolution
- DOMChart
- Historical Data
- Order Placing
- Orders Query
- CQG Wallboard
- Data Subscription
- Tag

Auto Trading

Traders can route orders to the exchanges from their own applications through the CQG Hosted Gateway. The API provides commonly needed services, such as order management, execution tracking, position monitoring, and reporting of account statistics.

CQG's API is well suited for traders developing and using black-box, program, and algorithmic trading. A company managing money across multiple futures markets or actively trading one futures market can design their in-house applications to pull market data in and direct/manage the orders to the exchanges via the CQG Hosted Gateway.

For example, in the Traders N2 situation, once the Traders N2 program analysis is complete, the program can generate orders and the API can route orders to the exchanges via CQG's Hosted Gateway. Executions are reported back to the Traders N2 program.

The API can provide the Traders N2 program access to all pertinent account information, such as margin, balances, working orders, and filled orders.

External Analytics

A critical component of market analysis is access to accurate market data. CQG is considered the industry standard at maintaining clean historical data. Through the API, traders can access metadata market information maintained by CQG's data quality team.

Website Developers

Developers can create sophisticated market oriented web sites to build traffic. Companies using web-based marketing and solutions for customers can use the API to connect their web sites to the markets to build dynamic real-time and delayed posting of market data. Exchange rules apply for the redistribution of market data.

CQG Designed Templates

CQG developers have created a series of API templates. These are provided free of charge and are available at <http://www.cqg.com/APITemplates>.

- Spreads Trading Matrix:
 - View market quotes for exchange-traded intracommodity spreads and synthetic data for user-defined intracommodity and intercommodity spreads
 - Define conditions to trigger spread orders
 - Place market, limit, and stop spread orders
 - Track orders in real-time

- Energy Trading Template:
 - Create custom list of energy contracts
 - View over a dozen data points for those contracts
 - Place market, limit, stop, and stop limit orders

- Risk Console Template:
 - Monitor risk for all groups of accounts on one screen
 - Receive a warning when net liquidity value falls below both 80% and 90% of the current balance
 - View working orders and position details
 - Liquidate a position with the touch of a button
 - Choose the refresh rate for risk information - select from one minute to two hours

- Bracket Order Template:
 - Place one-cancels-other (OCO) trades with both the profit target and the risk point stop order automatically

- Order Ticket Template:
 - View the current bid/ask, traded prices, and volumes for a futures market
 - Place market, limit, stop, and stop limit orders
 - View order details

The API's potential uses aren't limited to this list. Traders and developers will find the CQG API well suited to create innovative applications as the markets continue to evolve with new products and technology.

Summary

CQG's API offers a COM-based interface for end-users to support their applications. The API supports both front-end and back office requirements.

Traders working with developers can design applications that use market data and CQG functionality, provide trading directly to exchanges via the CQG Hosted Gateway, and keep track of necessary account information. ■

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