

Exchanges offer real-time pricing free to web users

Last-sale data on Google and CNBC no longer lag by 15 minutes

By **Davis D. Janowski**
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The nation's stock exchanges and a major trading platform have entered into new arrangements with Google and Yahoo to provide last-sale trade data at no cost to online users.

The New York Stock Exchange, a subsidiary of New York-based NYSE Euronext, last week announced the availability of NYSE Realtime Stock Prices, an offering that enables Internet and media organizations to buy data from the Big Board and provide that data broadly and free of charge to the public.

The product is being made available through Google Inc. of Mountain View, Calif., and CNBC Inc., of Englewood Cliffs, N.J.

Early this month, Nasdaq OMX Group Inc. of New York rolled out free market data through a product called Nasdaq Last Sale. In late May, Kansas City, Mo.-based Bats Trading Inc., an equity trading platform, said that it was making real-time U.S. stock quotes available free on Yahoo Finance from Sunnyvale, Calif.-based Yahoo Inc.

While Yahoo offered real-time prices from 2002 to 2006, neither CNBC nor Google has not made real-time data available until now. Subscribers to real-time data feeds from Thomson Reuters and Bloomberg, for example, receive more information than last-sale prices, exchange officials said.

"For the life of us at Google, we can't figure out why financial market data isn't already free," said R.J. Pittman, director of product management at Google, who oversees Google Financial's offerings.

While vendors of market data would seem to be at risk from the new arrangements, Mr. Pittman disagrees. "We view Thomson Reuters and others as partners in this, not as competitors," he said, adding that a variety of content provided to consumers already includes products from companies such as Bloomberg LP of New York and Thomson Reuters of Stamford, Conn.

Adviser Dan Maffetone, a certified financial planner who heads Obsidian Investment Management in Old Bethpage, N.Y., believes that making more real-time data available to consumers may be good for advisers.

"In a perverse way, it may increase business," he wrote in an e-mail. "Real-time quotes may encourage a new group of day traders who, after being taught a very expensive lesson about short-term trading, may turn over their assets to the professionals."

"Most likely, [they will have fewer] assets than when they started, but a good education is never cheap," Mr. Maffetone added.

Mark Interrante, general manager of Yahoo Finance, said the educational benefits to investors of real-time data shouldn't be discounted.

"It will help the investor understand and look at actual marketplace dynamics. Right now, you look at our real-time data and see how, as news events take place, the market starts to change," Mr. Interrante said.

"With delayed data, it's almost like watching a sporting event where the narration is coming 10 minutes later. Getting everything synchronized can help the investor learn and make informed decisions," Mr. Interrante said.

Ending the 15-minute delay in favor of real-time data has a precedent in the financial-news arena.

"Back in 1965, we put our news ticker printers in the brokerages on a 15-minute delay," said Dave Armon, president of New York-based PR Newswire, which along with San Francisco-based Business Wire dominates the business of transmitting press releases to the media.

"That gave Dow Jones [& Co. Inc. of New York], [The Associated Press of New York] and [United Press International Inc. in Washington], then the only news services, time to read a story and put out a snap headline," he said. That voluntary practice went on for 25 years until Regulation Fair Disclosure went into effect in October 2000.

"At that point, when a release went to CNN Money [of New York and] MSN Money [from Microsoft Corp. of Redmond, Wash.], everyone had the information because corporations wanted to inoculate themselves," Mr. Armon said.

Many advisers believe a similar leveling of the playing field may occur when real-time stock-pricing data become the standard.

"Real-time quotes don't do a thing for me as a financial adviser, nor do they change the relationship I have with clients," said Donald B. Cummings Jr., a principal with Geneva, Ill.-based Blue Haven Capital LLC.

"However ... I think the added transparency ... is very good. There is no reason in the world that I should have access to either price data or securities information faster or easier than anyone else in the public domain," he said.

"The adviser-client relationship is only going to continue to evolve and deepen based on all this," said Chris Jolley, marketing manager for the financial-products group at Microsoft.

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