

Sucden Financial's Trading Customers in Asia Benefit from BSO's Highly Stable Routes



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Chief Operating Officer –
Sucden Financial*

CLIENT PROFILE

Sucden Financial is a leading international derivatives broker operating in a broad range of markets, including exchange and OTC-traded financial and commodity futures and options, equities, foreign exchange and bullion.

Formed in 1973, the firm has since evolved into one of the largest brokers for traders, fabricators, producers, consumers, investment houses, hedge funds, commodity firms and retail brokers. Sucden Financial is a ring dealing/category 1 member of the London Metal Exchange (LME) and provides clients with fast, direct access to global markets.

BSO and Sucden Financial have been working together since 2011.

OVERVIEW AND OBJECTIVES

In the early 2000s, slow growth in established economies meant the international financial community looked towards Asia for new trading opportunities. Sucden Financial was one such company to benefit from this shift. A large number of traders began using the brokerage for its proprietary STAR electronic trading platform, which is used to trade futures and options on the LME, CME, ICE and other exchanges.

To support this growing customer segment, Sucden Financial's team searched for a low latency provider experienced in delivering reliable connectivity to its Hong Kong hub. Stability, coupled with low latency was key - the company wanted to ensure greater network availability while simultaneously improving network uptimes between London and Hong Kong.



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CHALLENGES

One of Sudcen Financial’s main challenges was China’s “Great Firewall.” Since the internet was introduced in the mid-1990s, the Chinese government has blocked websites considered unfavourable for consumption with its “Golden Shield Project,” a large-scale surveillance and vetting initiative. This barrier has left China’s web traffic very slow, unstable and uncondusive to the execution speeds required by traders.

Sudcen Financial has worked hard to counter these network issues - one of the reasons why Sudcen Financial’s Chinese customers use the brokerage’s STAR platform to execute derivative trades between Hong Kong and London.

Unfortunately, Sudcen Financial was a victim of its own success and began experiencing issues with network stability, availability and latency variations, as Gavin Parker, Chief Operating Officer of Sudcen Financial explained:

“Stability is crucial, because if the network is compromised and availability drops or latency spikes, traders may look to our competitors as an alternative. It doesn’t take a trader long to change brokerage, so our team needed to make sure our STAR platform was as stable as possible to continue to hold customer confidence.”

This prompted a new objective: find a network provider that could navigate the complex Asian telecoms landscape and provide low latency trading circuits with high stability.

THE SOLUTION

To meet Sudcen Financial’s needs, BSO first assessed the company’s current connectivity to ensure it could design the best solution.

BSO and Sudcen Financial agreed the company would benefit from better network diversity and implemented two diverse paths between London and Hong Kong and one diverse BSO terrestrial route for maximum stability. BSO’s “Hong Kong Gateway” runs at 172ms RTD, while the second route utilises subsea cables offering 225ms RTD. The international low-latency circuits tie into BSO’s London Metro network with hosting in Equinix HK1.



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These new routes meet Sucden Financial’s objective of network uptime and enable the brokerage to confidently deliver client traffic between Hong Kong and London, while still providing stable access to STAR.

“BSO’s flexible approach provided us with an extremely solid combination of routes to meet - and exceed - our goals of stability. The team is constantly evaluating the routes as market conditions evolve and opportunities become available for further optimisation. We are confident we have the very best connectivity on the market,” continued Gavin Parker.

RESULTS AND NEXT STEPS

Sucden Financial chose to work with BSO due to the company’s expertise in emerging markets – specifically Asia – and its flexible approach to meeting clients’ needs. Sucden Financial knows it can rely on BSO to deliver highly-stable routes. The results were immediate:

- Fixed line connectivity with capacity for future growth
- Resilient back-up lines for improved redundancy
- Consistent low latency, maintaining Sucden Financial’s competitive edge
- 99.99% SLA

Since launching the solution, BSO has reduced latency to 170ms RTD between London and Hong Kong as part of BSO’s ongoing investment in network optimisation.

“It is crucial we have a network service partner that understands the Asian landscape and specifically the ever-changing dynamics of the Chinese market. We have been really impressed with BSO’s knowledge of the local market from day one and believe it was essential for developing the best solution for our needs.”

“Sucden Financial and BSO have a very strong working relationship. One of the best things is the excellent account management and general approach to communication that you don’t get from larger providers. I really value the ability to speak directly with our account manager, the CRO or even the CEO if I need to,” concluded Gavin Parker.