



First Coverage Adds Quote Feeds to Help Buy-Side Assess Sell Side Trade Ideas

January 29, 2008
By Ivy Schmerken

Toronto-based First Coverage is adding real-time quote feeds from global exchanges to its Web-based software, allowing the buy-side to further quantify the value of trading ideas and other research they are getting from the sell-side.

First Coverage has expanded the depth of information available through the system to include quote feeds from almost every major and secondary global exchange, according to yesterday's announcement. The expansion in information allows portfolio managers to manage, track and evaluate all market information being sent to them by the sales coverage regardless of the security involved or the exchange it is traded upon, the spokesman says.

"When a sell-side salesperson sends an idea or recommendation to the buy side via First Coverage, the platform is now able to immediately stamp the idea with a real-time price in order to track the performance of each idea or recommendation in real time over any time period," says a spokesman. "As more information is being sent, the portfolio manager is able to build up a rich profile on who can add value in any particular stock, whether it be by market cap, time horizon, sector or now, geography," adds the spokesman.

In a statement, Randy Cass, CEO of First Coverage, said, "One of the most difficult challenges today's portfolio manager faces is the sheer mass of information being forced upon them." "As borders break down and the global investment community becomes even more interconnected, the amount of data, research and ideas out there is only increasing, making the task of managing and evaluating that data even more daunting," added Cass in the release.

The analysis leads to higher returns for the buy side and their investors and more accountability in the commission allocation process, as well as greater clarity in assessing the value of sell-side institutional sales force, according to the company

The platform allows portfolio managers, fund managers and other investment professionals with a Web application to evaluate every current and potential relationship they maintain with the sell-side around the world according to their own customized criteria. Over the past year, the amount of information communicated through the platform increased by more than 500 percent. Last June, First Coverage reported that the average return of trade ideas passed through its system over a six-month period (Q4 2006 through Q1 2007) exceeded market indices by more than 300 basis points.