



First International Research Conference-2014

Venue: Hotel Palladium, Ballroom, 9th floor, 462, Senapati Bapat Marg, Lower Parel, Mumbai- 400013

HFT, Algo Trading and Co-location

January 27-28, 2014

Conference Schedule

Day 1, Monday, January 27, 2014

Time	Details
09:00 am – 09:30 am	Registration
09:30 am – 09:40 am	Welcome Remarks by Whole Time Member, Securities and Exchange Board of India
09:40 am – 10:00 am	Keynote Address: U. K. Sinha , Chairman, Securities and Exchange Board of India

Session 1	Market Impact: Does HFT really improve market quality?
10:00 am – 11:30 am	As high frequency trading leaps to multi asset classes with multi-pronged strategies, it is expected that market efficiency gets a boost. Does it really improve market quality in terms of liquidity, depth and efficiency? Do HFT and Algo Trading trigger volatility and accentuate it further in periods of market stress. As the demand for faster execution is continually increasing, the focus shifts to ultra-low latency performance. Does low latency ensure fairness and market integrity? Is Algo trading serving its purpose of price discovery in the market?

Speakers

Andrei Kirilenko

Professor, MIT Sloan School of Management, Massachusetts, United States

Jose Penalva

Professor, Universidad Carlos III, Madrid, Spain

Chitra Ramkrishna

MD and CEO, National Stock Exchange, Mumbai, India

Questions & Responses

11:30 am to 12:00 pm **Coffee Break**

Session 2

Financial Stability: How High Frequency Trading will impact the financial stability?

12:00 noon – 01:30 pm There has been a dramatic shift in how instruments are traded in the market. With the growth of HFT and Algo Trading, what are the implications on financial stability? What are the challenges posed by HFT and Algo trading in the compliance and risk management framework? Do models evolve outpacing the regulatory processes and framework? What are the types of defaults due to Algo Trading across the world and what are the lessons to be learnt?

❖ Speakers

Ko Nakayama

Director, Bank of Japan, Tokyo, Japan

Sobhesh Kumar Agarwalla

Professor, Indian Institute of Management, Ahmedabad, India

Jonathan Brogaard

Professor, Foster School of Business, University of Washington
Seattle, United States

Questions & Responses

01:30 am to 02:30 pm **Lunch**

Session 3

Adverse selection and Information Asymmetry: Are small investors affected?

02:30 pm – 04:00 pm Though it is believed that Algo trading reduces frictions in the market thereby benefiting liquidity, it could also increase information asymmetry for slower traders. With deeper penetrations into the capital market, does emergence of Algorithmic trading systems crowd out proprietary trading firms and retail investors? With the growing complexities in securities market, diverse products and Algo trading; are traditional investors secure? Is it true that high speed traders profit at the expense of retail investors leading to their exploitation?

❖ Speakers

Pradeep Yadav

W. Ross Johnston Chair of Finance, Michael F. Price College of Business,
University of Oklahoma, Oklahoma, United States

Ashish Kumar Chauhan

MD & CEO, Bombay Stock Exchange
Mumbai, India

Gangadhar Darbha

Executive Director, Algorithmic Trading Strategies and Execution Services,
Nomura, Mumbai, India

Questions & Responses

04:00 am to 04:30 pm **Coffee Break**

Session 4

Emerging Markets: How will Emerging Markets such as India, Brazil, China, South Africa, Malaysia etc affect and be affected by High Frequency Trading

04:30 pm – 06:00 pm With emerging markets on the rise, high frequency trading and algorithmic trading are shifting to geographies in Asia, Eastern Europe and Latin America. Which markets hold the most promise? Which asset classes can be traded in high-frequency in those markets? Are there restrictions to frequency and speed in place in any of those promising lands? What is the outlook for high-frequency trading among regulators in those markets? What has been the experience in Indian markets? What future do Indian markets hold as far as Algo trading is concerned?

❖ Speakers

Ashok Jhunjunwala

Professor, Indian Institute of Technology
Chennai, India

Pradeep Yadav

W. Ross Johnston Chair of Finance, Michael F. Price College of Business
University of Oklahoma, Oklahoma, United States

Questions & Responses

07:00 pm Onwards

Dinner

Day 2, Tuesday, January 28, 2014

Session 5

Should we regulate HFT and Algo trading- If yes, how and how much?

10:00 am – 11:30 am For the nations adopting high frequency trading, it is believed that one of the most important parameters is the nature of regulatory framework. Is regulation required for HFT and Algo-trading? What are the international experiences in regulating HFT and Algo Trading? What is the investigation mechanism for the market manipulations due to HFT-Algo Mechanism? What is the optimal level/extent of regulatory oversight for Algo trading where over regulation does not become a hindrance to growth? What are the role of exchanges in outlining self control measures for HFT and Algo trading?

❖ Speakers

Ahmad Namini

Exec. Director and Adjunct Professor, Boston University Mathematical Finance
Boston, United States

John Roeser

Assistant Director, Securities and Exchange Commission
Washington, United States

Joseph Barbara

Senior Specialist, Australia Securities and Investments Commission
Sydney, Australia

Questions & Responses

11:30 am to 12:00 pm **Coffee Break**

Session 6

Technology Enablers: Re-leveling the field

12:00 pm – 01:30 pm HFT, Algo Trading and Co-location have ushered into a new phase where technology is at the forefront. Indeed, technology has created a non-level playing field among the investors. Increased use of technology is a way of improving competitiveness in a highly competitive market. While the benefits of better technology are efficiency and cost, the downsides are complexity, information leakage, scale of data and latency issues. Though the technological change has revolutionized financial markets, how can we use the same technology to re-level the field? How do we cope with the downsides that technology brings with its use and make use of the same technology for the benefit of society? What future do we envisage for ourselves?

❖ **Speakers**

Michael Aitken

CEO and Chief Scientist, Capital Markets Cooperative Research Centre
Sydney, Australia

H. Krishnamurthy

Chief Research Scientist, Indian Institute of Science
Bangalore, India

Vibhakar Bhushan

Founder Director, Trignon Business Consulting
Bangalore, India

Questions & Responses

Vote of Thanks

01:30 pm onwards **Lunch**

