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Progress Software Survey Says: Over 50% of Capital Markets Firms Do Not Use Real Time Market Surveillance and Monitoring Tools

BEDFORD, MA, Jul 26, 2010 (MARKETWIRE via COMTEX News Network) -- Progress Software Corporation (NASDAQ: PRGS), a leading independent enterprise software provider that enables companies to be operationally responsive, today announced the results of its high frequency trading and market surveillance survey conducted at the recent SIFMA Financial Services Technology Expo 2010 in New York. More than 125 respondents from buy and sell-side firms provided their input on current high frequency trading (HFT) practices with 83 percent agreeing that increased transparency is needed to effectively deal with market abuse and irregular market activity, like the May 6 "flash crash." However, only 53 percent of firms surveyed currently have real-time monitoring systems in place.

According to the findings, 59 percent of financial services professionals believe that high frequency trading is beneficial to the market, with respondents citing increased liquidity and tightened spreads as the primary benefits. Only 18 percent believe that high frequency trading is dangerous or threatens market integrity. So while respondents generally do have a favorable opinion of HFT, they recognize that increased transparency is critical in preventing abuse and anomalous market conditions. In fact, 68 percent of respondents believe that the flash crash that derailed the financial markets in May 2010 could have been prevented.

Dr. John Bates, Progress Software's chief technology officer and senior vice president of corporate development and strategy, said: "It is clear that high frequency trading is a widely accepted practice that will be at the heart of the capital markets landscape for the foreseeable future. From rogue traders to 'fat finger' errors to market panics, we've seen individuals, firms and even global economies impacted. With unprecedented trade volumes and values taking place in just fractions of a second, it is time for the capital markets culture to change with the times and embrace the tools needed to detect and avert risky trades, dangerous market movements and illicit market abuse."

Other key findings include:

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--  Just 36% of respondents believe that additional / stronger prohibitive
    regulations are needed to effectively deal with market abuse and
    anomalous market conditions.
--  56% of believe that sponsored access, a highly-debated practice where
    traders use the market participant identification of sponsoring
    brokers to trade directly on electronic exchanges, should be managed
    with some level of mandated pre-trade risk checks, while 31% think the
    benefits outweigh the risk with sponsored access and should be freely
    allowed in all forms including the highly disputed naked access. Only
    13% believe that all forms of sponsored access should be banned
    altogether.
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Most recently, Dr. Bates was appointed to the newly established Technology Advisory Committee for the US Commodity Futures Trading Commission (CFTC). The Committee's mission is to keep the CFTC informed about technologies that will help the agency better oversee the derivatives markets, including market surveillance and high frequency trading. Last week, the committee held its first meeting to discuss the future of HFT and algo trading.

About Progress Software Corporation Progress Software Corporation (NASDAQ: PRGS) is a global software company that enables enterprises to be operationally responsive to changing conditions and customer interactions as they occur -- to capitalize on new opportunities, drive greater efficiencies and reduce risk. The company offers a comprehensive portfolio of best-in-class infrastructure software spanning event-driven visibility and real-time response, open integration, data access and integration, and application development and deployment -- all supporting on-premises and SaaS/Cloud deployments. Progress maximizes the benefits of operational responsiveness while minimizing IT complexity and total cost of ownership. Progress can be reached at www.progress.com or +1-781-280-4000.

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