HKEx to spend HKD3 billion on ‘Orion’ technology upgrade

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Hong Kong Exchanges & Clearing (HKEx) are to spend HKD3billion (USD388million) on technology upgrades over three years to expand its derivatives business and boost trading speeds as competition in the region continues to grow reported *Bloomberg* this week. The technology upgrade is being referred to as ‘Orion’. Credit Suisse’s FX unit and ABN Amro Bank’s clearing unit are just two of 22 founding tenants of a new co-location centre, which gives organisations the ability to place their servers in close proximity to the bourse to benefit from lower latency when placing trades. **Joseph Sarcona, head of electronic trading at Morgan Stanley** in Hong Kong said that HKEx was modernizing its infrastructure to help maintain the city’s status as “Asia’s leading financial hub”. For many exchanges, it’s all about a race to zero and who can offer the lowest latency. Singapore’s stock exchange, SGX, uses the Reach system, which processes transactions in 90 microseconds, making it the fastest exchange in the world. “If you are complacent, if you think no one else is going to take your market share, if you think no one else will break into your market, you will be at the mercy of history,” **HKEx CEO Charles Li** (pictured) was quoted as saying. Fittingly, the reason they chose the name Orion, after the star constellation, was, said Li, because “we wanted to be like the hunter, stay hungry, stay ahead”.

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