Quote Trader - a genuine one stop shop

e-Forex looks at how this order entry, quotes and charting package marks the arrival of an essentially new type of "über software" to the financial markets. Put simply, QuoteTrader (QT) allows users of multiple broker platforms across different financial instruments (fx/stocks/futures/options) to consolidate their dealing and charting activities under one roof.

"Market research shows us that many traders have multiple accounts, often for different instrument types," says eSignal President Chuck Thompson. "This allows them to consolidate these inputs into one easy to use charting and order entry front end."

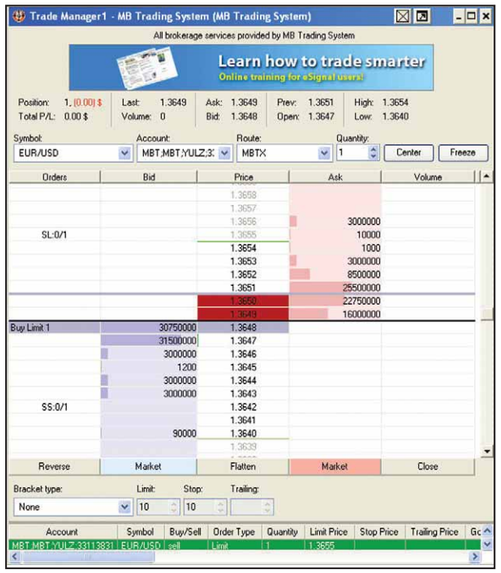
For the FX client, QuoteTrader's ladder/DOM style order entry may bring added functionality to some FX dealing platforms that had until now had mainly been enjoyed by futures traders.

Chuck Thompson

QT is free, the idea being that the project is supported by online ads. The package comes from Quote.Com, a company owned by eSignal. Sites such as Quote.com derive a high degree of their revenue from online advertising - and from their point of view this appears to be an extension of that business model.

From the broker platform point of view QT offers market exposure and a new and versatile tool for their clients to trade with: "The benefit for us is a high level of transparency to the marketplace and the ease of dispatching or executing a trade," says Ross Ditlove, CEO of Forex brokers MB Trading. "Quote Trader offers an alternative method of displaying market pricing which many find to be highly intuitive.

Ross Ditlove



QT's Trade Manager "ladder style" order entry ticket

Not only is the display method highly intuitive but the method of trading is also highly intuitive, given its single click ability. I think this product is going to have a real positive effect on those who trade actively, " says Ditlove.

"Basically, we're providing an alternative front-end technology for the broker," says eSignal President Chuck Thompson. "QT embraces the broker within its front-end, allowing the trader to concentrate on the trading."

Charting Features

QT features charting with input from various broker feeds, as well as (optionally) a subscription based eSignal input for backfill and live data. This features eSignal's consolidated FX broker feed or inputs from a wide variety of individual broker feeds also carried on eSignal.

Backfill chart data from any broker providing it can be accepted as input to QT. Current sources include eSignal's own subscription based feed and data (including FX) from Interactive Brokers.Q

According to MB Trading's CEO Ross Ditlove, this will shortly be available from MB as well, giving QT clients an additional source of FX backfill data.

QT's charting is powerful, relatively easy to use and a cut

Quote Trader Charts

above that offered by many sites offering free charting tools.

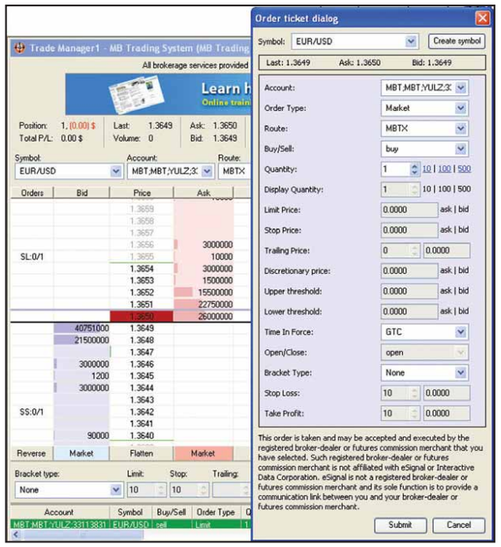
Indicators include a range of moving average types including envelopes, auto trend channels, Bollinger bands, Donchian Channels, Parabolic SAR (including optimization), Pivots, ADX/DMI, CCI, MACD, OBV, OI, Oscillator, RSI, Time Clusters, Volume and Money Flow Index. Indicator's can be configured and are stackable, with user defined sizing for each sub chart window. A clear readout on the left of the chart gives exact values to each data point, with a large, readable font size.

QT includes a range of excellent drawing tools including trend lines, regression channels, Fibonacci retracements and extensions (user defined on/off as required), Fibonacci ratio timeline extensions and circles, Andrews Pitchfork, Text labeling, adjustable zoom box, selective line eraser, line move, and the ability to copy lines and move the copy to another part of the chart.

Trade Manager

The essence of QuoteTrader for many will be the powerful Trade Manager.

This features easy order entry via a "ladder", or DOM (Depth of Market) style ticket, with optional "one click" order entry/exit or with an intervening confirmation screen. The system features automatic trailing stops, and bracketing order types thus allowing traders to more effectively



Quote Trader Transaction Manager with DOM/Ladder nd Order Ticket Dialog box

manage risk. The ability to handle multiple broker feeds in the same format makes for easy price comparison combined with a one click trading possibility.

QuoteTrader's ladder also offers a numeric and graphical view of liquidity at price. Basically the ladder is a table of prices running vertically up and down a window, with bids represented on the left and ask prices on the right. Next to these prices are displayed the volumes bid or offered at each price away from the best bid/ask, if the system supports this "Level 2" or "Depth of Market" (DOM) information, as it is often referred to. Unlike most other systems, QT then displays a histogram of that number, so judging relative liquidity can be done at a glance. This makes the buy and sell pressure in the liquidity pool one is dealing in fairly easy to see. Currently this feature in QT is supported by MB Trading for FX. Although in the case of FX this obviously does not represent the whole market, it does represent the liquidity pool that one is actually dealing in, and some traders may find this useful.

Additionally, historical volume at price is also recorded for markets that support this feature. This produces Market Profile-style bell shaped curves, which can be used to judge various levels. This feature currently works on the currency futures markets, but not yet on spot FX markets.

Normal order entry itself is achieved by the traditional one-click process to trade at a price. Clicks above the market on the buy column or below the market on the sell column are entered as buy or sell stops, but holding the Ctrl key down enters the same order as a limit. This is particularly useful for entering the order in a fast market, as price pivots around the center line and it becomes difficult to enter a precise order price. Clicks below the market on the buy or above on the sell are automatically entered as limit orders.

The ability to freeze the order-entry screen enables orders to be quickly placed at a price if the quotes are moving around the screen so fast that it becomes difficult to click on the desired price.

Alternatively large buttons labeled "Market" in the default pastel light blue or a light red colour enable users to simply click to buy at market below the bid or ask columns. "Reverse", "Close" and "Flatten" buttons also make for easy trade management, especially in fast markets.

Currently QT connects to major FX brokers GAIN Capital, OANDA, MB Trading, Interactive Brokers (IB) and FXCM, as well as a variety of futures and stock brokerage platforms. QT was launched in early August 2007. "We have a number of new brokers in the queue and we will be trying to add them shortly," says Brent Threadgill, QuoteTrader Project Manager at eSignal.

Brent Threadgill

Simulated Trading

In recent years simulated trading, otherwise popularly referred to as "paper trading" or "simming" has become a popular way to practice without actually risking any money.

FX brokers that connect to QT provide paper-trading accounts that feed through real prices with no actual execution. These accounts are particularly easy to open at FX brokers, but also possible from futures brokers, though sometimes only when accompanied by a real funded account. Currently QT does not support simulated trading on live accounts.

Stability and Reliability

In two weeks of extensive testing the package itself did not crash once, a remarkable feat for a package this new.

System Resource Usage

CPU and RAM usage are decidedly moderate with typically less than 20% peak CPU usage on an AMD Sepron 2800 Processor with 1.5gig of RAM. Average CPU usage is less than 5%. The test system was running multiple charts and was connected to around five broker feeds as well as eSignal and IB's Trader Workstation to feed it chart back fill data.

Ease of use and connectivity

Getting QT setup and "plugged in" to different broker feeds could be more intuitive. Other than getting the "connection" sorted out, the package is attractive and easy to use.

The order entry features are more developed for some broking platforms than for others, and, although the features are very advanced, make sure that the features are fully tested and integrated for your particular platform and broker before going live in the market, especially in regards to limits, stops and bracketing strategies.

It would be wise to use a demo or simulated feed before going live for a few days to familiarize oneself the menu and all order options and transaction reporting features before going live with QuoteTrader, as with any new order entry platform. Quote.com run a series of free "webinars" for new users as well as a number of free tutorial videos on YouTube (yes, that's right) to get one familiar with the various setups and options.

Also available are "how to" KnowledgeBase articles and forum support on eSignal's online community for active traders, Raging Bull. The charting part is particularly easy to use, with a wealth of resizing tools. Graphics windows (Quotes, Ladders and Charts) across the board are detachable from the main program, a very useful feature for those traders with multiple screen and/or multiple market setups.

Conclusion

The introduction of a package of this kind breaks new ground, especially coming from a major market data company such as eSignal. The fact that so many major brokers have signed up this early on means that the package has a head start in this new niche. The package will obviously progress from strength to strength in years to come but a good start has been made, and we can see this package having its own band of followers.