

Bloomberg
May 28, 2008

Yahoo Will Offer Free Real-Time Stock Quotes From Bats Trading

By Edgar Ortega

May 28 (Bloomberg) -- Yahoo! Inc., vying with Google Inc. for the top rank as the most popular U.S. Internet site, plans to offer real-time stock quotes to 19.5 million users of its finance web pages.

Data will be provided by Bats Trading Inc., the Kansas City, Missouri-based company that's become the third-largest U.S. equity market. Google and rival Web sites from Microsoft Corp. and Time Warner Inc.'s America Online provide quotes with more than a 10-minute delay and charge users for real-time data.

The move may help Yahoo lure users after the Sunnyvale, California-based company lost its ranking in April as the most visited Web site. Investors turn to Yahoo for more than 2 billion stock prices a month, Yahoo said. The company tapped Bats Trading for quotes as the New York Stock Exchange and Nasdaq Stock Market wait for regulatory approval to sell real-time market data to Web sites.

"Our users will enjoy a better experience when they see a big piece of news and within just a few seconds prices react," said Mark Interrante, general manager of Yahoo! Finance, in an interview.

"The time compression in market trading has just been extraordinary. At this point, 15 minutes is so far off the time scale of people working in the markets that it almost feels like yesterday."

Google sites were visited by 141 million Americans in April, beating the 140.6 million Yahoo visitors, according to Reston, Virginia-based research firm ComScore Inc. Yahoo's finance page is the most popular followed by America Online, with 15.2 million users, ComScore data show.

Data for Free

Most finance Web sites stopped providing real-time quotes in 2006 on concern it would be too costly. That year, the NYSE's sister all-electronic Arca exchange started charging for supplying real-time quotes and Nasdaq acquired the Inet electronic market that had provided the data to Yahoo.

"We had a larger gap than I would have liked," Interrante said. "When our news is getting updated according to real-time market conditions, but the stock price isn't, it muddies the water."

Bats Trading was founded in June 2005 and handles about 605 million shares a day, representing about 8.9 percent of the shares traded in the U.S., according to its Web site. The NYSE handles about 1.21 billion shares daily, while Nasdaq matches 1.96 billion shares. Bats Trading gives its users all market data for free.

"We look forward to doing all we can to ensure that users receive market data at no cost," Bats spokesman Randy Williams said. "We believe market data should be free to all participants and that all participants should have access to it."

Pricing Review

The U.S. Securities and Exchange Commission began a review in December 2006 of how exchanges set prices for market data.

NetCoalition, a Washington-based lobby group of media companies including Yahoo, has claimed the fees aren't justified and have hurt investors. The review has prevented the NYSE and Nasdaq from moving ahead with plans to sell the data at a lower price than currently available.

Bloomberg LP, the parent company of Bloomberg News, is a member of NetCoalition and has independently asked the SEC to set market data fee standards.