

# Inside Market Data

## Alacra Eyes Macro Algorithmic Data

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Online business information provider Alacra is developing a database of macroeconomic data and commentary covering currencies and commodities for use by traders as an input into automated trading strategies in the equity markets.

MacroPulse, which the vendor aims to test between May and August, is based on the technology and methodology underlying its StreetPulse and PulsePro products. StreetPulse, a free Web-based service, consolidates analyst comments with other commentary on a company, while PulsePro, which was unveiled last week, also consolidates comments by C-level company executives, commentary on rumored and announced M&A deals and corporate distress signals, and adds feeds and XML APIs that enable the content to be used in other applications.

Instead of sell-side commentary about particular stocks, MacroPulse will provide commentary on macroeconomic factors such as interest rates, commodity prices, currencies and housing data. Alacra chief executive Steven Goldstein says the vendor is currently gathering data to build the product, and has already created a list of analysts frequently quoted on related issues in the press.

After compiling the data, Alacra will run it through its sentiment analysis engine, which is also used by PulsePro to perform statistical analysis on how commentary correlates with price movements. The vendor already provides the resulting machine-readable signals from PulsePro to a handful of New York-based hedge funds, which are testing the data in their models.

Goldstein says Alacra will need to adapt its current analysis model, since macroeconomic data is harder to analyze. However, he says the process is somewhat easier as a result of having already narrowed down the number of "reliable" information sources—from ratings agencies to sell-side analysts and market experts—in the creation of PulsePro.

He says the vendor will consider licensing the datasets to third-party vendors to distribute as part of their own solutions for algorithmic trading, but would not release its proprietary analysis model.

Max Bowie

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