



MID-TERM EQUIPEX

1. Scientific quality

There are very few databases on high-frequency trades on stock exchanges. BEDOFIH has developed a unique platform to extract and structure high-frequency data on trades on the main European stock exchanges. BEDOFIH also provides IT resources and technical support to users in extracting and manipulating the data. This is a tour de force that will constitute a major breakthrough in the broad field of empirical finance. The database created by BEDOFIH covers the main stock exchanges in Europe. It is harmonized and far more comprehensive and flexible than any existing database, as it includes transactions on all traded securities and derivatives. These features will certainly make it very attractive to academics and practitioners, and will foster national and international research networks involving BEDOFIH. BEDOFIH has contributed to research output in French institutions such as HEC Paris, Toulouse University, University of Paris 1 and CNRS. This output includes two PhD dissertations and 2 Master's theses.

2. Reaching the initial targets of the equipment project

BEDOFIH's objective is to create a European securities database with high-frequency intra-day data, containing all transactions variables. The project is well under way, high frequency data having been collected for Paris, London, Bats-ChiX and Xetra, and documented. The first data were delivered by the end of 2014. The 2014 call for projects has received 52 applications from 16 different countries. Since the initial access in July 2016, 11 teams of researchers have used the data. Collecting intra-day data and holding data from 2010 onwards, BEDOFIH is a remarkable tool for the study of markets and for testing continuous-time financial models.

3. Socio-economic impact of the equipment project

The database will be a precious resource to help understand several aspects related to the functioning of stock markets, namely, the relative importance of fundamentals and noise in determining stock prices, the causes and consequences of volatility, the role of financial frictions and their effect on liquidity, the importance of information asymmetries, etc. Ultimately, a better understanding of these issues will help policy makers design appropriate regulation to improve market efficiency and avoid bad outcomes such as speculative attacks, bubbles, and liquidity crises. It is important to stress that the use of equipment more than meets the expectations proposed in the initial proposal.

4. Equipment sustainability

Fees for accessing the data -- for an academic purpose only -- have been set up, with a lower amount for French researchers (the latter should be extended to European researchers too if BEDOFIH wishes to go European). The losses can be financed by the partners. BEDOFIH plans to begin with a French infrastructure and to evolve towards a European infrastructure. Contacts have been taken with other groups in Europe for this purpose. This should be sufficient to guarantee the financial sustainability of the Equipex.

5. Strengths of the equipment project

There are very few databases on high-frequency trades on stock exchanges. BEDOFIH has developed a unique platform to extract and structure harmonized high-frequency data on trades on the main European stock exchanges. The database covers the main stock exchanges in Europe and is more comprehensive and flexible than any existing database, as it includes transactions on all traded securities and derivatives. This is a remarkable tool for the study of financial markets and for testing continuous-time financial models.

6. Weaknesses of the equipment project

Agreements with the financial markets have been very difficult to negotiate. Legal delays for buying the data and the information system were very long. The assessment of the data quality was also difficult to implement. These difficulties, however, are beyond the control of the research team, and should therefore not be viewed as weaknesses per se. The BEDOFIH database has been promoted through calls for projects, information stands at conferences, and sponsorship of research meetings in France and internationally. In the jury's view, more can be done in this respect. The database should have a great appeal among data centers and university libraries.

7. Overall assessment and recommendations

BEDOFIH is run by an excellent team of researchers and delivers a high-quality product for which demand is - and will certainly continue - to be high. It also has a sound and well-articulated business model. BEDOFIH has all the tools to become a world leader in collecting and maintaining high-frequency intra day data stock-market transactions. The jury's main recommendation is to foster the dissemination strategy by being more proactive in proposing the database to universities and research institutions across the world. In sum, this is an outstanding project, an excellent example that demonstrates what should be achieved in a model Equipex.