

FT Trading Room **Nasdaq Inc**

## Nasdaq moves into 'alternative data' with Quandl acquisition

Exchange group diversifies as price of traditional trading feeds comes under fire



Adena Friedman has stepped up Nasdaq's push into non-traditional services such as providing alternative data © Bloomberg

**Robin Wigglesworth** in New York DECEMBER 4 2018

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[Nasdaq](#) has acquired one of the biggest “alternative data” platforms, highlighting the [swelling investor interest](#) in non-traditional information from satellite images, web-scraping and credit card purchases and potentially presaging a burst of consolidation in the fragmented industry.

Nasdaq, whose most famous business is its stock exchange, plans to combine the newly acquired Quandl with the “analytics hub” inside the Nasdaq global information services division — another example of how exchange groups are expanding their business away from traditional services such as listings and moving into fatter-margin, fast-growing areas such as market data and technology.

Nasdaq's non-trading businesses now account for about three-quarters of its revenues. Chief executive Adena Friedman, who took over last year, has stepped up the charge and last year bought [eVestment](#), another data provider.

Alternative data provide a new revenue stream at a time when exchanges' use of traditional trading data is under scrutiny. Investment groups, dealers, brokerages and high-frequency traders are rebelling against the rising cost of trading feeds, and the [Securities and Exchange Commission](#) has indicated some concern over the rising prices charged by exchanges.

Quandl was founded in Toronto in 2012, and offers a wide variety of non-traditional digital data sets, such as that derived from corporate aircraft leases — used to predict M&A deals — emailed shopping receipts, auto insurance or shipping sensors.

“Quandl will allow Nasdaq to partner more closely with the investing community as the industry continuously seeks ways to evaluate an endless supply of information to drive new insights, investment ideas and deliver alpha,” Bjorn Sibbern, head of Nasdaq's global information services unit, said in a statement on Tuesday.

There has been an explosion of alternative data providers popping up to meet the rising demand from hedge funds and traditional investment managers. The number of vendors tallied by [AlternativeData.org](#), a trade body, has more than trebled over the past decade to 375.

Industry insiders have long predicted that the embryonic industry will have to consolidate, with many asset managers frustrated at the disparate standards and annoyed at having to deal with lots of smaller players, rather than a few big heavyweights.

The expectation is that big data companies such as Nasdaq, S&P Global, Bloomberg or Refinitiv will play a role in consolidating the Balkanised alternative data industry.

Terms of the Quandl acquisition were not disclosed.

*Additional reporting by Nicole Bullock.*

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