

# EQDerivatives

## MENU

### MACHINE LEARNING

WEDNESDAY, NOVEMBER 14, 2018 — 10:15 AM EST

## Hanweck Sees Demand For Stock Borrow-Rate Data

by [Sondra Campanelli](#)

Analytics provider Hanweck has updated its borrower intensity indicators to include liquidity data in response to an increasing number of client requests for the information.

Popular equity factors, including momentum and value, include an element of short interest, which has prompted requests for detailed data on options liquidity. “People in the equity trading community understand there’s value in understanding whether a security is, or could be, becoming hard to borrow,” said Bob Levy, head of business development at Hanweck. “And short interest and related factors are an attempt to provide data that’s a proxy for that.”

In addition to the synthetic borrow rates that the indicators represent, the analytics package also includes confidence data, which is computed directly from the observed liquidity and bid/ask spreads on every option. “This derived series, known as the Confidence Indicator, is very useful for anyone using our dataset in any automated way,” Levy said. “When they see the borrow signals, they can also see the confidence level and that confidence is directly related to the underlying liquidity.”

Investors typically have to wait a long time to get traditional short-interest factor data, which is released on the exchanges at roughly two-week intervals.

Subscriptions to securities lending data providers can close that gap, but even that data is updated only daily.

In contrast, the Hanweck data updates every 20 minutes and is sourced from exchange-traded data on the options market, which Levy says keeps it free from bias. The service, which is fully automated, collects data at the millisecond level across a universe of about one million unique securities.