

US beefs up protection of economic data

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Traders work on the floor of the New York Stock Exchange on July 6. After warnings from the FBI and other agencies that sensitive data may be being leaked or transmitted before official release times, the Labor Department contracted Sandia National Laboratories -- a firm that normally helps secure nuclear weapons -- to beef up its defences.

The US Labor Department's adversaries are "profit-driven, technically sophisticated individuals who may have considerable resources at their disposal."

They may secretly use surveillance equipment and "though they are willing to bend and potentially violate rules and laws, violence is unlikely as an operational method."

But these are not James Bond villains or members of a shadowy criminal collective.

The adversaries, according to one [security firm](#), are more likely stock traders hell-bent on getting economic data as quickly as possible.

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According to a report published this week, sensitive [economic data](#) -- such as the monthly unemployment report -- may be vulnerable, particularly when it is released to the press under a time embargo.

The concern, according to Sandia, is "the presence of algorithmic traders" posing as members of the press -- who get the data ahead of the public.

For algorithmic traders, milliseconds count.

Often known as high-frequency traders, they use ultra-fast computer algorithms to buy and sell millions of shares a day, executing deals within split seconds. They today account for more than 50 percent of daily trading volume.

Knowing the US unemployment rate before the rest of the market could be worth big bucks.

As a result of the study, dubbed "CleanSweep," the Labor Department has reviewed which press organisation are allowed to register and will restrict the use of non-Labor Department equipment.

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