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JLN

John Lothian Newsletter

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March 02, 2016

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Risk vs. Reward - in the Markets and on the Water

Don Wilson, CEO, DRW Holdings, this week's guest editor



I've always seen clear parallels between competitive sailing (a passion of mine) and trading in the financial markets - it all goes back to the age-old question of risk versus reward. Every decision in sailing - like every position we take in the markets - requires a sharp focus on risk management. Does a sailor tack to cover his opponent or risk splitting for greater leverage with potentially greater gains and losses? How risky is a move in one direction if the wind doesn't shift to his advantage? It's a constant challenge for each sailing team to ensure the right balance.

Just as the futures markets have become more technologically advanced with the move from open outcry to electronic platforms, competitive sailing has experienced a similar evolution. At the highest level of the sport (such as in the America's Cup), teams of engineers and technologists analyze, build and deploy sophisticated hardware and software before, during and after a race. Hundreds of gigabytes of raw data, powerful databases and algorithms all come together to help the sailors capture opportunities on the water, just as we deploy leading edge technology to capture market opportunities.

When I founded the Chicago Match Race Center in 2009, it was with the mission of bringing world-class match racing to the shores of Lake Michigan. We'll see that come to life when the international sailing world turns its attention to Chicago for the [Louis Vuitton America's Cup World Series](#) June 10-12. As a Chicagoan and a sailor, I hope this is only the first step in creating a foundation for stadium sailing in



Chicago, building a legacy of community interest in the sport and, ultimately, bringing the main America's Cup event to the city.

I'd like to recognize [CME Group](#), which has joined as a Foundation Partner for the Louis Vuitton America's Cup World Series. Businesses around the world rely on CME Group exchanges in managing their risk, a natural alignment with the risk versus reward nature of competitive sailing. Bringing an event like this to Chicago wouldn't be possible without partners like CME Group, and I'm grateful for their support.

If you enjoy competitive sailing, you already know how great this event will be. If you're new to the sport, I hope you will consider taking in this historic, first-ever freshwater America's Cup event - the atmosphere, strategy and speed won't disappoint.

For more information on the event & hospitality visit www.acwsChicago.com

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Sallie Krawcheck joins Blythe Masters blockchain startup

Financial News

Sallie Krawcheck, whose senior roles at Citigroup included running the brokerage and research unit, chief financial officer and wealth management head, has joined the board of Digital Asset Holdings, the blockchain startup led by the former JP Morgan commodities chief Blythe Masters. Once dubbed the most senior woman on Wall Street, Krawcheck joined Bank of America after leaving Citi, running its wealth management business for two years before leaving in September 2011.

jline.ws/21GmrJi

***DRW: Welcome, Sallie, to the DA board!

++++

Help me raise money for the NSPCC

Paul MacGregor in LinkedIn

I have over 3000 contacts on Linked in. If you all contribute £1 to the NSPCC (National Society for the Prevention of Cruelty to Children), I can make a real difference when I fight in a White Collar Boxing match on March 19th.

jline.ws/1QpNEcb

***DA: You can click [HERE](#) to make a donation or first click [HERE](#) to watch LME's [Paul](#), a graying industry veteran and proper English gentleman, jab, stick and move with his sparring partner.

++++

Green Key Technologies Appoints Paul Christensen as CEO

Former Goldman Sachs Executive and Market Structure Veteran to Lead Award-Winning Voice Workspace Firm to Next Level
Press Release

Green Key Technologies, creator of an award-winning voice workspace designed for financial market voice collaboration, announced today the appointment of Paul Christensen, 44, as its new Chief Executive Officer, effective immediately. One of the industry's leading experts on global market structure issues, Christensen most recently served as Managing Director and Global Co-head of Goldman Sachs'



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Managing Editor

Principal Strategic Investments team. He has been responsible for conceiving and executing a series of the industry's leading ventures.

goo.gl/zZxdT

***DRW: The is a very exciting addition to the Green Key team. I look forward to working with Paul on this project.

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Boom time for exchange options trading

FT.com

Investors and traders are increasingly buying and selling options on futures contracts for managing their portfolios, rather than spending precious cash reserves, spurring a boom in activity for the sector. Along with other areas of finance, technological change and deep-seated structural reform is sweeping through the listed options market.

ilne.ws/21Gmh4R

***DRW: Hopefully the trend continues.

++++



25 Years - NIBA's Schramm and Burke Talk History, Growth and Looking Ahead

JohnLothianNews.com

With the NFA's creation of Introducing Brokers in 1984, it soon became clear that there was a need for an association for IBs. This newly created group needed a voice and found it with the National Introducing Brokers Association, now celebrating its 25th Anniversary.

"The mission is still of education and very much providing a forum for a voice and a way to get our opinions out," says Melinda Schramm, the NIBA's founder and chairman. "But the IB community has changed considerably over the years."

While IBs are still all around the country, they're really value added brokers in today's world.

Schramm partnered with current NIBA President Mike Burke, who said that the early days involved meeting with several FCMs with a concentration on IB business. Burke wanted to reach out to the IBs to help and provide a voice for them when it came to regulations.

[Watch the video »](#)

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Cattlemen converse about cattle marketing

[Jeff Bergstrom](#)
Editor

[Spencer Doar](#)
Editor

[Doug Ashburn](#)
Editor-at-Large

High Plains Journal: Jennifer Carrico

The volatility of the cattle market due to high frequency trading was a concern discussed at the recent Cattle Industry Convention in San Diego, California. The cattle marketing and international trade committee met Jan. 29 to discuss market volatility, the reform of the packers and stockyards act and other new developments in trading cattle.

jline.ws/1RjI0bw

***DRW: Was it HFT, or was it the market caught long and wrong in the face of plummeting prices? HFT makes such a convenient scapegoat.

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Yesterday's Top Three

The top click-getter in yesterday's newsletter was [Trump's Lone Donor at Goldman Sachs Said to be Placed on Leave](#). A close second was the position limits rebuttal from the Streetwise Professor, [The Notorious S.W.P., or, Dr. Pirrong Goes to Washington](#). But, to be fair, the next three stories were all about the now-in-play London Stock Exchange, and when the totals were added, they blew away the others:

[NYSE Owner ICE, CME Group Mulling Bids for LSE](#)

[ICE confirms considering offer for LSE Group](#)

[ICE Confirms It May Bid for LSE Group, Sending Shares to Record](#)

Event Spotlight

The Executives' Club of Chicago invites you to a Chicago CEO Breakfast event

"Future of the Futures Industry: Risk Management for the Next 150 Years"

On March 8, hear CME Group's CEO, Phupinder Gill, reflect on what will drive this important global industry based in Chicago into the future, including new efforts to fuel the city's burgeoning FinTech community.

Registration and Networking: 7:15 a.m.

Breakfast Program: 8:00 - 9:15 a.m.

The Mid-America Club, 200 E. Randolph St. Chicago, IL 60601

[Click here for details and to register](#)

***DA: The interview will be a fireside chat conducted by our own [John Lothian](#)

WILD Networking With a Purpose Event

Women in Listed Derivatives

On Thursday, March 3, Women in Listed Derivatives (WILD) is offering an evening of speed networking that uses "smart matching software" to allow participants to target the types of people they are interested in meeting, based on customized matching parameters put together by WILD. This is the first such event open to men and non members as well as WILD members - a rare chance for men in the financial industry to participate and to help advocate for women's opportunities as well as to make meaningful connections for themselves. Click below for full details and to register

goo.gl/9DnBhU

***DA: But register right away; the event is tomorrow.

Why Risk Management Failed: Ethical and Behavioral Aspects

Please join us for the inaugural J.B. Finkl Lecture on Ethics and Finance, hosted by the Center for Strategic Finance at the Stuart School of Business, Illinois Institute of Technology.

"Why Risk Management Failed: Ethical and Behavioral Aspects"

Dr. John Boatright, Raymond C. Baumhart Professor of Business Ethics at the Quinlan School of Business, Loyola University Chicago

Thursday, March 3, 2016, 5:30-8:00 p.m.

Stuart School of Business, Downtown Campus, Room C20

565 W. Adams St., Chicago, IL 60661

goo.gl/BXRCpS

***DA: Also tomorrow.

"Event Spotlight"
is brought to you by:



Lead Stories

Intercontinental Builds Out Asset Pricing With Two Acquisitions

Matthew Leising, Bloomberg Business

Intercontinental Exchange Inc. added to its growing data business with the purchase of two asset-pricing services from McGraw Hill Financial Inc. ICE is buying Standard & Poor's Securities Evaluations Inc. and Credit Market Analysis for an undisclosed amount, according to a statement Tuesday. The first business bolsters ICE's ability to supply bond-price data to customers, and CMA helps users value over-the-counter derivatives such as credit-default swaps.

jline.ws/21HejbH

The Real Reason ICE Covets the London Stock Exchange

WSJ

Analysts and industry executives say that among the attractive features of LSE, the real prize for ICE and Deutsche Börse is its majority stake in a company called LCH.Clearnet Group Ltd., a so-called clearinghouse that plays an important role in the market for global interest-rate swaps, bonds and other instruments.

jline.ws/1RGnKDr

***DRW: I agree - the swaps open interest is the prize.

ICE may have to make hefty offer in potential bid for LSE

Philip Stafford, FT.com

From the outset the 16-year old ICE has looked to the UK capital to help give its business scale, purchasing assets such as the International Petroleum Exchange and Liffe, whose names have disappeared under the ICE brand. However, Atlanta-based ICE faces political and regulatory hurdles and may have to make a hefty

offer if it is to walk off with London's biggest exchange asset.

jline.ws/1Qr2Buy

***DA: Also see from the FT: [Jeff Sprecher: exchange dealmaker](#)

Whistleblower award for NYSE fine goes to HFT critic

Francine McKenna, MarketWatch

Eric Hunsader, a vocal critic of high-frequency traders, said the Securities and Exchange Commission is sending him a \$750,000 whistleblower award. On Jan. 15 the SEC confirmed it would pay "more than \$700,000" to a whistleblower that had provided the "independent analysis as well as independent knowledge of securities law violations" that led to a \$5 million fine for the New York Stock Exchange in 2012.

jline.ws/216LbZi

Tullett Prebon bid to buy ICAP unit edges closer as vote date set

Philip Stafford, FT.com

Tullett Prebon's planned purchase of rival ICAP's global broking business is set to take another step forward after both companies signalled they would put the deal to shareholder votes. Both sets of shareholders will vote on March 24 and are expected to approve a deal, Tullett said in a statement on Tuesday. Circulars and prospectuses setting out the proposals, which would transform an interdealer broking industry which is already under pressure, will be sent out over the next two days.

jline.ws/21GIK2L

Takeover battle brewing as NYSE owner eyes London rival

New York Post

The owner of the New York Stock Exchange is considering a bid for the London Stock Exchange, looking to potentially thwart the London exchange's merger talks with Deutsche Boerse.

jline.ws/1L2z0uG

ISE Announces Appointment of Robert Cornish as Chief Information Officer and Thomas Reina as Chief Technology Officer

International Securities Exchange, LLC

The International Securities Exchange (ISE) today announced that its Chief Technology Officer (CTO) Robert Cornish will assume the position of Chief Information Officer (CIO) upon the retirement of current CIO Daniel Friel, effective April 1, 2016. Thomas Reina, currently in the position of Senior Vice President, Technology Development, will become CTO.

jline.ws/1WTzqEi

FIA Releases January SEF Tracker

FIA

Average daily trading on SEFs in January was \$485.3 billion, up 28% from December and 24% from January 2015. In fact, January's daily average was the highest since March 2015 and fell just short of setting a record.

jline.ws/1OMWzIP

Charles Li Direct

Charles Li, CEO, HKEx

We are hard at work on our new Strategic Plan, but have come across some questions about two of our suggested initiatives: the Third Board and Primary Equity Connect. Both are important components of our roadmap to build Hong Kong into an ideal market, and they can only be achieved with regulatory guidance. Speaking purely in my personal capacity, I want to examine these initiatives in more detail, explain some of the logic behind my thinking and provide some perspective to stimulate a constructive debate on whether these initiatives are sound, necessary and realistic.

jline.ws/1Qr1fQs

***DA: Also see HKEx's 2015 annual results [HERE](#)

Successful Traders "Jump Around Where It's Hot"

Finance Magnates

As groups and individuals diversify across products, regions and time zones, professional trading firms are evolving. Speakers at a recent FOW conference tell us what that looks like in the derivatives marketplace today.

jline.ws/1Qkj85G

Regulatory

For more regulatory, visit [MarketsReformWiki](#), our website focused on current market reform efforts.

Financial transaction taxes in theory and practice

Brookings Institution

Taxes on financial transactions have a long history. The British stamp duty was enacted in 1694 and remains in effect today. The United States imposed a nontrivial stock transaction tax from 1914 to 1965, as did New York State from 1905 to 1981. A miniscule securities transfer tax currently funds the Securities and Exchange Commission (SEC). FTTs have long been popular in less developed countries as a way to raise significant revenue from a small number of relatively sophisticated financial entities.

jline.ws/1QJ0MIH

***DRW: Important to remember that market makers are exempt from the stamp duty in the UK. This seems to be often forgotten.

ESMA issues report on risks and costs of CCP interoperability

ESMA

The European Securities and Markets Authority (ESMA) has issued today its final report on systemic risk and cost implications of interoperable arrangements between central clearing houses (CCPs?) established under the European Market Infrastructure Regulation (EMIR).

jline.ws/1oW6wJ7

NFA COMPLIANCE RULES 2-9, 2-36 AND 2-49: INFORMATION SYSTEMS SECURITY PROGRAMS

NFA

NFA Compliance Rule 2-9 places a continuing responsibility on every Member futures commission merchant (FCM), commodity trading advisor (CTA), commodity pool operator (CPO), and introducing broker (IB) to diligently supervise its employees and agents in all aspects of their futures activities. Compliance Rule 2-36 places identical supervisory obligations on retail foreign exchange dealers (RFED) for their forex activities. Additionally, NFA Compliance Rule 2-49, which adopts by reference CFTC Regulation 23.602, places a continuing responsibility on every Member swap dealer (SD) and major swap participant (MSP) to diligently supervise its business.

jline.ws/21Hb4kD

U.S. SEC to pay high-frequency trading critic whistleblower award

Reuters

The founder of Nanex, LLC, a real-time financial markets data company, said on Tuesday he will receive a \$750,000 whistleblower award for a tip that triggered a \$5 million U.S. Securities and Exchange Commission fine against the New York Stock Exchange in 2012. Eric Hunsader, an outspoken critic of high-frequency traders, said he qualified for the award after tipping off the SEC that NYSE gave certain customers a head start on trading information.

jline.ws/21GmYeo

IOSCO Publishes The Securities Markets Risk Outlook 2016

Mondovisione

The International Organization of Securities Commissions (IOSCO) today published the IOSCO Securities Markets Risk Outlook 2016, which identifies and examines key trends in global financial markets and the potential risks to financial stability.

jline.ws/1QqZKlc

From challenges to opportunities: rebooting the European financial sector

European Central Bank

For those of you here who work in the financial sector, your job depends on your ability to assess and manage risk. What allows you to do this is the fact that many risks are tangible - they can be identified through analysis, measured through models and hedged using financial instruments. Risk is not per se an obstacle to decision-making; it simply frames the parameters of those decisions.

jline.ws/1RGkJD3

Dutch regulator Teeboom to run FIA Epta

Futures & Options World

A trade body that represents European prop and high-frequency traders has said former advisor to the Dutch regulator Piebe Teeboom is set to become its Secretary General. European Principal Traders Association (Epta), part of futures trade body FIA, said Teeboom will begin in the role on April 1 2016.

jline.ws/21HdYFU

Exclusive: SEC probe of Valeant began with review of short seller - sources

Reuters

A U.S. regulatory probe of Valeant Pharmaceuticals International Inc (VRX.TO), disclosed by the company on Monday, is focused on the drugmaker's relationship with specialty pharmacy Philidor RX Services and was triggered by Valeant's own request that regulators investigate a short seller's allegations, people familiar with the matter said.

jline.ws/21HcT0H

Exchanges & Trading Facilities

ICE interest pours cold water on LSE-DB love-in

FT.com

Special relationship or ever closer union? The choice between a transatlantic or European partnership recurs in British politics and could be posed in financial form as Intercontinental Exchange of the US considers a bid for the London Stock Exchange. That would likely kill off a nil-premium merger between LSE and Deutsche Börse.

jline.ws/21Gmwg4

CBOE to Offer FLEX Index Options with Asian and Cliquet Style Settlement

In remarks made at CBOE's Risk Management Conference U.S. (RMC) in Bonita Springs, Florida, CBOE Holdings President and Chief Operating Officer Edward Provost today announced that the Chicago Board Options Exchange® (CBOE®) plans to offer FLEX® index options with Asian and Cliquet style settlement beginning Monday, March 21.

FLexible EXchange (FLEX) options, created by CBOE in 1993, are customizable options that allow users to define various contract terms such as exercise style, strike price and expiration date. FLEX options also give investors the opportunity to trade on a larger scale with expanded or eliminated position limits.

jline.ws/1OMWPBe

CBOE Holdings Reports February 2016 Trading Volume

Yahoo Finance

CBOE Holdings, Inc. reported today that total trading volume in February for options contracts on Chicago Board Options Exchange and C2 Options Exchange (C2) and futures contracts on CBOE Futures Exchange (CFE) was 92.9 million contracts, an increase of 5 percent from February 2015 and a decrease of 10 percent from January 2016. Average daily volume (ADV) for the month was 4.6 million contracts, relatively unchanged from February 2015 and down 14 percent from January 2016.

jline.ws/1QpMwVQ

Trading Statistics February 2016 - Eurex Exchange: ADV 7.2 Million Contracts - ISE: ADV 2.6 Million Contracts

Mondovisione

In February 2016, the international derivatives markets of Eurex, part of Deutsche Börse Group, recorded an average daily volume of 9.8 million contracts (February 2015: 7.8 million). Of those, 7.2 million were Eurex Exchange contracts (February 2015: 5.8 million), and 2.6 million contracts (February 2015: 1.8 million) were traded at the New York based International Securities Exchange (ISE). The volume traded on the spot and derivatives power markets of the European Energy Exchange (EEX) amounted to 300.3 terawatt hours. Eurex Repo recorded in all markets in February 2016 an average outstanding volume of 139.8 billion euros.

jline.ws/21GmzbP

CME Group Appoints Eli Cohen as Associate General Counsel in Asia

CME Group

March 1, 2016 /PRNewswire/ -- CME Group, the world's leading and most diverse derivatives marketplace, today announced that it has appointed Eli Cohen as Executive Director, Associate General Counsel, Asia, effective 1 March 2016. In this role, Cohen will be responsible for legal and regulatory work for CME Group's Asia Pacific local office operations, as well as legal work for local marketing and sales activities of CME Group's exchanges, clearing house, data repositories and partner exchanges in the region.

jline.ws/21GmFQE

Nasdaq to expand trade in European power, gas derivatives

Reuters

Nasdaq Commodities, an Oslo-based offshoot of Nasdaq Inc, will expand trade in European energy derivatives, including UK gas and French power, it said on Tuesday.

jline.ws/21GmBk2

Nasdaq Nordic Joins Global Campaign For ESG Disclosure

Mondovisione

Nasdaq today announced that its Nordic and Baltic exchanges in Stockholm, Helsinki, Copenhagen, Reykjavik, Tallinn, Riga and Vilnius have committed to produce a guidance on environmental, social and governance (ESG) disclosure for listed companies by the end of 2016.

jline.ws/21GIO2x

ISE Mercury Completes Initial Rollout Schedule

International Securities Exchange, LLC

The International Securities Exchange Holdings, Inc. (ISE Holdings) today announced that ISE Mercury has successfully completed its full initial rollout schedule. Within two weeks of its launch, ISE Mercury has listed products for trading which represent approximately 93 percent of the industry's average daily volume for equity and ETF options. Additional listings will be announced at a later date.

jline.ws/21GmKE9

The Spanish Stock Exchange Traded EUR60.4 Billion In February

Mondovisione

The equity trading volume on the Spanish Stock Exchange in the first two months of the year totalled EUR134.7 billion, down 22% from the same period last year, in a context of low trading volumes at world level. In February the trading volume came in at EUR60.4 billion, down 25% from the same period in 2015.

jne.ws/21GmNjk

OneChicago Announces Trading Volume For February 2016 - Year To Date Volume Up 19% Compared To 2015

OneChicago

OneChicago, LLC (OCX), a securities finance exchange, today announced its February 2016 volume of 790,085, a decrease of 6% year-over-year. OneChicago is a CFTC and SEC regulated exchange offering Single Stock Futures (SSF), a Delta One product, on approximately 1,800 equities, including ADRs and ETFs.

jne.ws/21Gn7yq

Key Figures SIX Swiss Exchange And SIX Structured Products Exchange: February 2016

Mondovisione

In total, 5,100,692 transactions were concluded on SIX Swiss Exchange and SIX Structured Products Exchange in February 2016, a month-on-month increase of 10%. Turnover advanced 8.3% to CHF 122.1 billion.

jne.ws/21GnetY

MGEX Concludes 4th-Best Month In Its History

Mondovisione

MGEX, a Designated Contract Market (DCM) and Derivatives Clearing Organization (DCO), reports a total volume of 247,562 from February, making it the 4th-best month in the history of the Exchange. This is also the highest February volume total of all-time, up 11 percent from the previous record set in 2011.

jne.ws/21Gnh93

Liquidnet Europe trebles bond liquidity since launch

The Trade News

Liquidnet said it has trebled weekly liquidity on its European fixed income platform since launching it in September last year. The firm's fixed-income dark pool, which was developed following its acquisition of Vega Chi, aims to bring a similar experience to its existing equities franchise, scraping the buy-side's blotters to help them match blocks and execute larger trades.

jne.ws/1QqZRxf

41 companies placed on SGX watch-list on 3 March due to MTP

SGX

A total of 41 Mainboard companies will be placed on Singapore Exchange's (SGX) watch-list from 3 March 2016 because they do not comply with the minimum trading price (MTP) requirement. Prior to 3 March 2016, there were 33 companies already on the watch-list because they had triggered the financial entry criteria. Of these, 16 are not compliant with the MTP rule.

jne.ws/1Qr17Ar

Politics

Donald Trump embodies how great republics meet their end

Martin Wolf, FT.com

What is one to make of the rise of Donald Trump? It is natural to think of comparisons with populist demagogues past and present. It is natural, too, to ask why the Republican party might choose a narcissistic bully as its candidate for president. But this is not just about a party, but about a great country.

jne.ws/21Gmo0n

'Donald Trump' Is Beating Rubio and Cruz for Second in Google Searches

The New York Times

Tuesday morning I wrote about how real-time Google search data can provide useful election forecasts. With half the day gone and voters in Super Tuesday states still at the polls, Google Trends reveals a striking observation about Donald Trump's dominance in the public mind.

jln.ws/21Gn9q6

Hedge Funds & Managed Futures

For more, subscribe to the **JLN Managed Futures** newsletter or visit the Managed Futures section on JohnLothianNews.com.

The Rise and Fall of Commodities Hedge Fund King Willem Kooyker

Bloomberg Business

Thirty miles west of Wall Street, in an anonymous office park set among rolling hills and shady streets, lurks a giant of the commodities world. Behind the bland facade in Berkeley Heights, New Jersey, lies the headquarters of Willem Kooyker, one of the most powerful and enigmatic traders in the game.

jln.ws/1OLX6EK

Ranks of World's Wealthiest Thin Most Since the Financial Crisis

Bloomberg Business

The number of people with \$30 million or more in net assets fell 3 percent last year, the biggest annual decline since the financial crisis, as the collapse in commodity prices fueled stock market volatility and slowed economic growth.

jln.ws/21HbzuS

Falcone speaks at Alpha Hedge East

Business Insider

Former hedge fund manager Philip Falcone said that there's "an awful lot of mediocrity" these days in the hedge fund space.

jln.ws/1SfoRvW

BlackRock: Brexit would leave UK 'economically worse off'

Investment Week

The report Brexit: Big Risk, Little Reward - The UK Referendum on Europe has been published by the BlackRock Investment Institute, authored by the firm's five top executives, including vice-chairman Philipp Hildebrand (pictured). The paper warns that Britain's exit from the European Union would offer a lot of risk with little obvious reward, as it would lead to lower UK growth and potentially higher unemployment and inflation.

jln.ws/1Qr1w5W

Poll shows value of pound a big factor in Brexit vote

The Economic Times

More than half of Britons are worried a vote to leave the European Union will weaken the pound and 43 percent say the value of sterling will be an important factor in how they vote in the referendum in June, a poll on Wednesday showed.

jln.ws/1Qr0h6W

Cotton global stocks shrinking: ICAC

Business Standard News

World year-ending stocks of cotton are projected to decrease by 8% to 20.4 million tonnes, which represents about 86% of world cotton consumption in 2015-16 (July-June). This is the first reduction in the world ending stocks since 2009-10, said International Cotton Advisory Committee in its report released today.

jline.ws/1Qr0Tt4

How German Bonds Are Retreading a Dangerous Path

WSJ

It's déjà vu in the eurozone bond market. On Monday, 10-year German Bund yields fell to within 0.05 percentage point of their all-time low, before retreating slightly Tuesday to stand at just 0.13%. Echoing the start of 2015, 10-year Bund yields have moved almost relentlessly downwards in 2016.

jline.ws/21GmpBt

Sky high bond prices, and negative yields, here we come

FT.com

What's the German for 'déjà vu'? One year on from the springtime madness that supercharged the German government bond market, Bunds are on fire again. Current betting is that the country's 10-year benchmark bonds are on the train to La La Land. Sky high bond prices, and negative yields, here we come.

jline.ws/21HaWl3

Glencore Lost \$5 Billion in 2015

WSJ

Swiss commodities company Glencore PLC said it lost almost \$5 billion in 2015, among its worst performances, but Chief Executive Ivan Glasenberg sounded a rare note of optimism for a mining industry racked by a prolonged price slump.

jline.ws/21Gmt3T

Banks & Brokers

Latin America: Citi pulls out of more markets

Euromoney magazine

Citi has confirmed it is to exit retail banking in Brazil, Colombia and Argentina in a further round of retrenchment from the region - with these latest three joining six other regional businesses sold in the past two years.

jline.ws/1Qr057G

JP Morgan reshuffles Equities Council

The Trade News

JP Morgan has rejigged the leadership of its Equities Technology Strategy Council after the promotion of the man credited with developing its futures and options e-trading suite. An internal memo seen by The Trade shows Rick Seidenstein, who was global head of Equities Technology, has been promoted to global head of CIB Production and Control Technology

jline.ws/21Gllbd

Barclays chairman complains about 'disproportionate' fines

The Guardian

The chairman of Barclays has hit out against the £20bn in fines and taxes imposed on the bank in recent years as it chopped its dividend and announced it was scaling back in Africa to focus on the UK and US.

jline.ws/1QJ0fGD

Deutsche Bank aims to strengthen profile as corporate bank: CEO

Reuters

Deutsche Bank (DBKGn.DE) aims to sharpen its profile with corporate clients and build out its position as a global transaction bank, chief executive John Cryan said on Wednesday. "We have a functioning business model," Cryan told a financial conference, adding that Germany's biggest lender was not mulling a change in its strategy but rather, it wanted to become more efficient at what it does.

jline.ws/1Qr1DOY

MOVES-RBC Global names U.S. alternative investment sales heads

Reuters

RBC Global Asset Management, a unit of Royal Bank of Canada, has named Charles Byrne and Andrew Gordon as co-heads of alternative investment sales for the United States.

jline.ws/21Gn85r

Clearing & Settlement

ICE taps JP Morgan for US clearing role

The Trade News

ICE has hired JP Morgan's former European swaps clearing head to help lead its US clearing house. Hester Serafini joins ICE as chief operating officer of ICE Clear US, nine months after she left the US investment bank.

jline.ws/21GmOUq

OCC Announces Cleared Contract Volume Increased 10 Percent in February

Press Release - OCC via BusinessWire

OCC, the world's largest equity derivatives clearing organization, announced today that total cleared contract volume in February was 338,300,969 contracts, up 10 percent from February 2015 volume of 306,531,839 contracts. OCC's year-to-date average daily cleared contract volume is up seven percent from 2015 with 18,209,514 contracts.

jline.ws/1RGll6g

How will blockchains cross the clearing and settlement chasm?

International Business Times

Capital markets expert Larry Tabb has issued a report "Blockchain Clearing and Settlement: Crossing the Chasm", which takes a realistic - some might say pessimistic - view of hurdles in the way of blockchain-enabled real time clearing and settlement.

jline.ws/1RGl48X

EC approves credit derivatives clearing

Financial News

The European Commission has adopted long-awaited rules that will require certain kinds of index credit default swaps to be centrally cleared for the first time.

The changes will ensure that much of the over-the-counter market falls into line with a 2009 G20 mandate, which stipulated that all standardised OTC derivatives should be centrally cleared.

jline.ws/1RGltlx

Indexes & Products

Mondovisione

FTSE Russell, the global index provider, today announced the 2016 schedule for the annual reconstitution of its Russell indexes. The closely watched annual process, which also includes the Russell global indexes, is designed to capture and reflect market shifts that have occurred in the past year to ensure investors continue to have the most accurate market benchmarks.

jline.ws/1Qr0DKI

***DA: Includes a "rank day" of May 27 and "reconstitution day" of June 24.

MSCI tightens index composition rules

Financial Times

Index provider MSCI has said it will no longer include in its indices companies that the Hong Kong regulator has flagged for a high concentration of ownership, after steep rise and sharp plunge of Hanergy stock last year raised investor concerns over potential manipulation of closely-held stocks in the territory.

jline.ws/1RGry7K

FTSE Russell Announces Schedule For Annual Russell Indexes Reconstitution

Press Release

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jline.ws/1Qr0DKI

S&P Dow Jones Indices Announces Changes to U.S. Indices Intraday Calculations

Press Release - PRNewswire

S&P Dow Jones announces its intention to make the following changes to its intraday calculation of all real-time indices with U.S. listed securities including the Dow Jones Industrial Average and S&P 500:

jline.ws/1RGsgSv

An ETF That Cements The Case For Smart Beta

Benzinga

The term "smart beta," as it pertains to exchange-traded funds, has been derided by critics, but the success of some of the funds occupying this corner of the ETF landscape is undeniable.

According to FTSE Russell's first U.S. retail financial advisor market survey - Smart Beta: 2015 survey findings from U.S. financial advisors - 68 percent of financial advisors polled are using smart beta ETFs and 70 percent are using multiple strategic beta approaches.

jline.ws/1RGspFp

Technology

For more, visit the Tech/HFT section on JohnLothianNews.com.

Numerix introduces Oneview analytic platform

Finextra

Numerix secures first-mover advantage with introduction of Numerix Oneview, a unified analytic application platform for enterprise level risk management and the optimization of capital, collateral and funding for maximizing profitability.

jline.ws/1L2tWgc

Bank Director Announces Expansion And Best Of FinXTech Award Winners At Nasdaq MarketSite Mondovisione

Bank Director, the leading information resource for the directors and officers of financial institutions in the United States, hosted its annual FinTech Day at the Nasdaq MarketSite in Times Square on March 1. The company hosted bank leaders, fintech executives, investors and analysts interested in exploring emerging trends and challenges facing both industries as they grow and scale their businesses.

jline.ws/21Gn45F

Pico Quantitative Trading Buys AlgoSpan to Boost Europe Infrastructure Play

Waters Technology

New York-based trading firm and managed data and trading infrastructure provider Pico Quantitative Trading has acquired European trading infrastructure vendor AlgoSpan for an undisclosed sum, to accelerate Pico's ability to provide managed infrastructure, connectivity and data services in Europe.

jline.ws/21GndX1

Enforcement

Odd Lots Podcast: Allen Stanford

Bloomberg Business

Every week, hosts Joe Weisenthal and Tracy Alloway take you on a not-so-random walk through hot topics in markets, finance, and economics. In late 2008, the world was reeling from a global financial crisis. As markets tanked and funding became scarcer by the day, two massive Ponzi schemes unraveled.

jline.ws/21Hbrvu

Qualcomm Hired Relatives of Chinese Officials to Obtain Business

SEC.gov

The Securities and Exchange Commission today announced that Qualcomm Incorporated has agreed to pay \$7.5 million to settle charges that it violated the Foreign Corrupt Practices Act (FCPA) by hiring relatives of Chinese government officials deciding whether to select the company's mobile technology products amid increasing competition in the international telecommunications market.

jline.ws/1OMWcb0

Hedge fund manager spared prison for insider trading

Reuters

A former hedge fund manager who admitted to trading on non-public information about various technology companies and became a cooperating witness in a wide-ranging insider trading investigation was spared prison on Tuesday by a federal judge.

jline.ws/21Gn7OY

FCA bans former Deutsche Bank trader over Libor

The Trade News

The UK Financial Conduct Authority (FCA) has banned former Deutsche Bank trader Michael Ross Curtler over his involvement in the US Dollar Libor rate rigging scandal. Curtler is the third trader to be banned by the FCA for manipulating the world's most used interbank rate. Last year the FCA banned former Rabobank trader Lee Bruce Stewart for his involvement in the scandal.

jline.ws/1QgZKSv

Turkish hacker behind \$55 million cyber spree pleads guilty in U.S.

Reuters

A Turkish hacker who U.S. prosecutors say masterminded a series of cyber attacks that enabled \$55 million to be siphoned from automated teller machines around the world pleaded guilty on Tuesday.

jne.ws/21GndWI

Environmental & Energy

For more, subscribe to the [JLN Environmental/Energy](#) newsletter or visit the [blog](#).

Is the U.S. Government Stockpiling Oil Too?

MoneyBeat - WSJ

With U.S. commercial crude inventories rising to record highs, a number of readers are asking about the role of the Strategic Petroleum Reserve. Oil traders are storing oil in unusual places including tankers and railcars, as traditional storage tanks get closer to capacity.

jne.ws/21GmqVL

Shale Oil Isn't Saudi Arabia's Only Nemesis

Bloomberg Business

Even if Saudi Arabia wins its struggle with U.S. shale producers over market share, it will face a new billion-barrel adversary. It won't be regional nemesis Iran, a resurgent Iraq or long-standing competitor Russia. The answer will be more prosaic: Even when overproduction ends, a stockpile surplus of more than 1 billion barrels built up since 2014 will remain, weighing on prices. Inventories will keep accumulating until the end of 2017, the International Energy Agency forecasts, and clearing the glut could take years.

jne.ws/21HcN9k

Oklahoma's Hamm plunges on Forbes billionaires list in oil rout

Reuters

In the 16 months since Oklahoma oilman Harold Hamm dismissed OPEC as a "toothless tiger" because of growing U.S. energy independence, shares in his Oklahoma City-based Continental Resources Inc, a major shale oil driller, have fallen about 60 percent.

jne.ws/21Gn06a

'Critical Mass' of Oil-Producing Countries Agree to Freeze Production

WSJ

A "critical mass" of oil-producing countries have agreed to freeze oil production, Russia's energy minister said Tuesday, as African, Latin American and Persian Gulf producers expressed optimism about joining the deal.

jne.ws/21Gn85F

Climate scientists worry about the costs of sea level rise

The Guardian

As humans add greenhouse gases to the atmosphere, it not only warms the planet, but also raises the oceans. Ocean waters are rising for a number of reasons including thermal expansion of water (as water warms, it expands to a larger volume), as well as ice melt which then flows as liquid into the ocean.

jne.ws/21Hbilc

Asia-Pacific

WSJ

Hamstrung by Beijing's crackdown on investment activities in the wake of last year's stock-market plunge, growing numbers of Chinese hedge-fund managers are seeking to set up new funds in Hong Kong. These investors, many of whom trained at Western financial institutions before returning home to China as its financial markets grew, say they are looking for better trading conditions.

jline.ws/1Qr07wm

SGX: Singapore Outperformed Asia Pacific By 6% Over Past 4 Weeks

Mondovisione

Over the four week period from 4 February 2016, the Straits Times Index (STI) has outperformed the FTSE Asia Pacific Index by 6.0%. Over the period the STI gained 4.8% in price compared to the FTSE Asia Pacific Index decline of 1.2%. The FTSE Asia Pacific Index is USD Denominated Index made up of 1441 constituents with largest country weights Japan (44.0%), Australia (12.0%) and China (11.0%). On a Singapore Dollar basis, the FTSE Asia Pacific Index decline of 1.2% from 4 February was trimmed to a decline of 0.8%.

jline.ws/1Qr0y9L

Korea Exchange: Implementation Of Single Price Auction For Super Low Liquidity Issues During Regular Session

Mondovisione

The Korea Exchange (KRX) has decided to change the trading method for super low liquidity issues during the regular trading hours from continuous trading with multiple prices to the single price auction with 10 minute interval in order to improve the convenience of trading. It will be implemented on June 27, 2016.

jline.ws/1Qr27ok

Layoffs, redistribution and Chinese tail risks

FT Alphaville

China aims to lay off 5-6 million state workers over the next two to three years as part of efforts to curb industrial overcapacity and pollution, two reliable sources said, Beijing's boldest retrenchment program in almost two decades.

jline.ws/21HaTWj

Frontier Markets

Clouds gather over Africa as Barclays heads out

Reuters

When Barclays bought South Africa's Absa in 2005, wading back into a market it quit in the 1980s under pressure from anti-apartheid campaigners, the deal was trumpeted as a "tangible vote of confidence" in Africa's future. Eleven years on, as the British banking giant looks to end more than a century of involvement on the continent by putting the 'For Sale' sign above its Africa business, it is hard not to conclude the opposite.

jline.ws/21GmmW1

Disposal of Africa business creates 'clear vision' for Barclays - FT.com

When Barclays chairman John McFarlane was asked last year if he would sell its large African business, he dismissed the idea. If anything, he said, the bank was minded to increase its 62 per cent stake in its Johannesburg-listed subsidiary. However, soon after Jes Staley took over as chief executive of the British bank three months ago, he launched a review of its African business, judging it to be an odd fit with the rest of the group.

jline.ws/1Qr2rDr

Palestine Securities Exchange (PEX) Listed Companies Net Profits Grow 22% In 2015 And Hit USD 273m

Mondovisione

PEX 2015 aggregated net profits amounted to USD 273,340,727 a growth of 22% compared with the same period of 2014. The disclosure period ended with 86% compliance from listed companies with seven companies failing to disclose within the set deadline.

jline.ws/1Qr24ca

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