

Derivative News

nicholas  scott
FINANCIAL SEARCH

'Derivative News' IS A FREE SUMMARY OF PEOPLE AND
MARKET NEWS WITHIN FIXED INCOME DERIVATIVES.

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Introduction When the going gets tough.....

In our last issue of 'Derivative News' (July 2011) we discussed the challenges facing the market as the Sovereign Debt crisis came to the fore and the re-structuring plans that had been already announced at that stage by banks such as Credit Suisse & UBS. Unfortunately these market 'challenges' came to be more pronounced and longer lasting than many predicted with consequent market wide redundancies.

The second half of 2011 may hopefully be the 'nadir' point within Investment Banking and more specifically FICC markets. Challenging market conditions, lack of deal flow, forthcoming market regulatory changes have all led to FICC banking re-evaluating their business model and areas of business concentration. However, the core markets of FX Trading and specifically Vanilla Rates still remain central to this business area.

The bonus season of 2012 has now started but frankly with market expectations at an all-time low – actual bonus pools are meeting people's expectations. Although initial pay rounds have been concentrated within US firms (which we believe to be some of the least affected by bonus pool changes at 20-40% down on 2011 levels) we expect to see much greater reductions in bonus pools from European houses in February and March – expect to see some bonus pools at 60-80% down on 2011 bonus payments.

2012 will be a challenging year for those people who have been made redundant. There will be a limited number of opportunities in the 1st half of the year - however, we believe that 2012 will improve in the 2nd half as institutions react to improving market conditions.

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Produced in association with:



SwapClear, CME & Javelin on clearing swaps

Buyside readiness

Participants in the USD derivatives markets are braced for another year of tightening regulation. Clearinghouses and other players are seeing increasing buyside preparedness even though critical issues, such as real time processing of clearing and cross margining, are still being worked on. At the same time, capitalization and anonymous trading continue to be key factors for clearers and dealers.

Jeff Gooch CEO MarkitSERV sees a progression in buyside preparedness, noting that while 2010 saw "little real progress beyond a few trophy cleared client trades," in 2011 firms made "serious progress in getting the technology in place."

Laurent Paulhac, MD of OTC Products & Services at the CME, says that buyside onboarding saw "more acceleration back in August of last year" as more institutions are looking to leverage clearing to mitigate their bilateral risk. Paulhac says the CME has roughly 1300 buyside accounts with open interest while roughly another 1000 are in testing. He sees a "wide variety of buyside participants going through the clearing onboarding process - from asset managers and hedge funds, to small banks."

"In some ways 2011 was a great year of procrastination for some buyside and dealers, but going into 2012, a lot of people are focused on system, back end, front end readiness," explains Javelin CEO James Cawley. Still, he believes there is "a spectrum of readiness - some are guys are ready and set to go, while others are scratching their heads. There are [also] those wishing that Dodd Frank would just go away."

CME's Paulhac explains that, as with any new transformation, there is a range from early adopters to



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laggards. "Some firms may wait until the mandate while others may want to clear well ahead of the mandate."

For the more proactive accounts, he explains that some firms "see that there could be a traffic jam and want to clear that hurdle well in advance," noting that once a firm enters into a negotiating process, the timeframe expands to "weeks or months" as "the entire onboarding process takes a bit of time."

Real and potential credit problems at banks have accelerated buyside interest in readiness. "The credit issues facing some US banks has accelerated the process and some firms in the latter half of the year really began to ramp up," MarkitSERV CEO Gooch finds. As for US versus Europe, Gooch sees that "US clients are more proactive than Europeans as most perceive that some of the Dodd-Frank rules will be mandatory in 2012." Still, he explains that buyside participants "generally find clearing operationally complex and expensive."

Real time anonymous trading?

Though rules for Swap Execution Facilities (SEFs) still need to be finalized, real time anonymous trading and straight through processing of clearing are key issues for the buyside in the new world of cleared swaps. Javelin demonstrated in Q4 last year that real time anonymous trading of swaps in good size was achievable in under two seconds.

Javelin CEO Cawley explains the demonstration "in part was to make a point that trades can be executed and cleared using existing plumbing" and that is not necessary to create a "death star" like clearing hub, as "trades of true market size can be transacted within a couple of seconds." Cawley says that "one of the concerns from clients was the time lag if a trade does not end up going through, but with the virtual real time clearing, that has been effectively answered."

The whole real time acceptance debate is "really a proxy fight over the right to trade anonymously," reckons Cawley, as firms like hedge funds and mortgage portfolios "do not want to advertize their trading activity."

Real time straight through processing is already a feature of the CME and the trades done through the Javelin platform were then cleared at the CME. CME's Paulhac believes that two second clearing "could become the norm" and furthermore reckons that the market "could become even more efficient." Paulhac adds that the ability to do real time processing is "very important for clients." He notes that their OTC model for clearing is "designed to do real time straight through processing" and explains "to do real time straight through processing there is a collection of challenges and we've developed and

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designed a collection of important features to address this.”

The other major OTC swap clearer, LCH Clearnet's SwapClear, does not have continuous processing. Dan Maguire, head of the US SwapClear platform, explains that with the impending CFTC mandate and increasing client demand, “there is pressure to have a higher frequency of trade registration.” As of right now “trades register as quickly as every fifteen minutes” but he adds that some market participants “want it even faster than that.”

Maguire explains SwapClear's approach to continuous clearing. “Compared with futures, derivatives products have a much more complex risk profile and are of longer durations.” He notes that “fundamentally, the risk profile of OTC interest rate swaps is different from listed and standardized futures.” Currently, LCH “adds the incoming trades and recalibrates the existing portfolio with those new trades in a process called incremental VaR” - a process Maguire considers the “safest and most efficient use of collateral.” However, he adds that the existing process does take time to recalculate the aggregate risk of the portfolio.

In contrast, CME uses a historical 99% 5-day VaR, based on five years of data. CME's Paulhac describes the internal CME check “the easy part” and takes “sub seconds and is enormously efficient.” On the other hand, he acknowledges that real time processing “does rely on a fair amount of automation with a real time API and if risk systems are not fully automated then that could slow the process down,” adding that “each clearing firm is addressing this differently and at a different pace.”

LCH SwapClear's Maguire expects that real time registration is achievable at SwapClear, saying that the firm is aiming for Q2 2012. Still, he stresses that LCH.Clearnet has “a robust risk management policy and is therefore

taking a measured and phased approach to ensure that any changes to our operating model for trade registration continue to tie in with our stringent risk principles.” Maguire explains that in order to do continuous processing, the clearer is “looking at alternate strategies incorporating limits, tolerance and threshold, but overall we have to ensure any methodology is bullet proof” as clearing processes “must work not

only in peacetime, but also in wartime.”

MarkitSERV CEO Gooch believes that the two second clearing gap “could dwindle down further.” In the post trade processing world, the challenge becomes “allocations of the trades and whether or not things are allocated in advance” but he believes that even clearing at the block level “should be very fast.”



**Looking at
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Cross margining and product development

Real time processing is not the only battle between rival clearinghouses and trading platforms. As a futures provider, the CME is looking to implement cross-margining. "It is part of our plan but not in effect yet," CME's Paulhac says. "We have done a lot of work on it and a lot of analysis. We have a good sense of how it will work for house accounts, the dealer side of the trade in effect; it will be a relatively easy transition."

On the other hand with respect to cross-margining client segregated accounts, CME's Paulhac says "we do require regulatory approval" and explains that the CME "is working with our regulators and have consulted with clients as the whole process needs thorough analysis." CFTC this month voted 4-1 to mandate collateral segregation for cleared swaps.

LCH.SwapClear is currently the leader in terms of the scope of cleared OTC products, offering 17 currencies for IRS clearing, OIS clearing out to two years in four currencies, FRAs in ten currencies as well as amortizing and accreting swaps in three currencies. CME plans to roll out JPY, CHF and AUD OTC vanilla swaps this quarter and OIS and FRA and amortizers "are on the road map and will be launching in due time," says Paulhac.

Both clearers have been working on swaption clearing, but with the timeframe extending out until at least sometime this year, the dealer community has accelerated forward premium trading with a marked acceptance in trading of swaptions and caps/floors on a forward premium basis at the start of this year to alleviate funding concerns.

For swaptions, CME's Paulhac says that "the risk management framework requires more effort" and while "analyzing the risk on our part

is easier, we need to make sure it is accepted by all market participants."

The time table for LCH.Clearnet on swaption clearing is similarly vague as the firm is also doing a lot of background work on feasibility and risk management.

Concerning the possible \$50m capital threshold for membership of a clearing house, as proposed by the CFTC, Paulhac explains that "size of balance sheet is only a small portion of our evaluation of a firm to be a clearing member." In addition to balance sheet, the CME also looks at "the firm's expertise and its ability to effectively manage risk." Javelin



with any change, there is always some resistance and the historical bilateral world has served some firms very well



CEO Cawley considers the \$50m threshold to be "quite high" in terms of capital requirements for other cleared products, such as futures. SwapClear's net capital requirement for membership is \$5bn.

bankruptcy, CME's Paulhac stresses that "the integrity of our markets and protection of our customers are our foremost concerns" and explains that the firm is "focused on working with the Trustee to speed the return of customer funds to our clients - as much as possible, as soon as possible." In addition Paulhac adds that "we're pleased that our financial guarantees helped to accelerate that process" and in the future says that the CME "will be a leading voice in working with the industry to develop solutions that better protect customer funds held at the firm level."

Looking at the relationship of clearing and execution and possible barriers to entry, Javelin's Cawley finds that there is currently "an unnatural link of clearing and execution as you must be able to execute swaps (have a swaps desk) in order to clear" and suggests that "this can be viewed as restricting competition." He wonders "what does it matter where the prices come from and why can't it be a partnership?"

Conclusions

The implementation of Dodd-Frank continues to challenge participants on all sides as regulatory pressures re-shape OTC derivatives trading. For

clearers and trading platforms, the race is not just to gain market share, but to balance risk management with an expansion in the range of products going through clearing.

On the buy-side, the process of setting up for clearing may reap benefits in future but is currently eating up time and money. For new entrants, the new regime may offer as many opportunities as threats while established players continue seek out ways to hold onto market share, information and leverage.

Javelin's Cawley reflects "with any change, there is always some resistance and the historical bilateral world has served some firms very well, but overall the OTC bilateral world hasn't served the interests of the economy overall and has retarded growth."

Inflation traders calm on talk of threat to UK pension indexation

Pensions minister Steve Webb told the Financial Times this month that scrapping the link between defined benefit (DB) pensions and inflation could reduce employer costs and help prevent closure of DB schemes in favour of less attractive defined contribution (DC) schemes in the future.

"I am saying we shouldn't just let the pendulum swing all the way to pure defined contribution," Webb said. "What I want is to try and create an environment where the pendulum can swing back a bit." He continued: "Clearly indexation is the biggest cost [for companies]." Later, an unnamed DWP spokesperson told newswire IPE that: "We've committed to reinvigorating private pensions...but no decisions have been made."

In raising the subject of the cost of indexation, Webb re-opened a debate that has been bubbling away since July 2002, when the Pickering Report recommended scrapping the obligation to index-link pensions.

Unions were at the forefront of opposition to this proposal 10 years ago, and again, over the weekend, the Unite union general secretary Len McCluskey warned that "a pension with no guaranteed increase is not really a proper defined benefit at all, as an absence of increase could easily halve its value."

So after 10 years of behind the scenes discussion, is there some reason why now might be the time to scrap indexation? And if so what will be the impact on the inflation markets?

Dr Deborah Cooper, a partner at global consultancy Mercer, told Total Derivatives that the timing of the re-emergence of this topic was a surprise, with little recent activity to

suggest that the government was giving the subject any particular thought.

That said, Cooper noted "there is an ongoing project at the DWP to look at simplifying legislation that applies to DB schemes so it is bound to come up from time to time." Cooper warned against assuming that because Webb



The biggest problem for employers is what to do about accrued benefits. Government action has made accrued rights pretty much sacrosanct in the UK. Legislation makes them hard to change without individual member consent and it could be hard to change the legislation retrospectively.



has brought the subject up, it means that the government is on the brink of decisive action.

The inflation linkage on DB pensions used to match rises in RPI up to 5%. But some years ago the increase was capped to 2.5% for benefits earned after April 6, 2005. That essentially created a new mini-market in LPI

derivatives, with a smaller LPI [0, 2.5] category joining the dominant LPI [0, 5].

So what will the impact be on LPI and RPI derivative and gilt markets if the government has actually seen an opportunity to reduce some costs for UK PLC in the upcoming budget by pulling the safety net away for millions of pensioners?

According to Cooper, any impact is likely to be extremely limited. "The inflation market is not big enough to hedge the existing indexed liabilities, there is massive demand for inflation-linked products. It might just ease some of the [demand] pressure on the market but the effect will be small relative to pressure already existing due to accrued benefits."

Bob Scott, a partner at the consultants LCP, agreed that it might be a mistake to get too excited about the recent spate of indexation stories. He said that even if indexation was suddenly dropped completely, "it would only affect the future build-up of pension assets. At the moment the private sector has more than £1trn of accrued benefits compared to relatively small amounts of future increments. For example DB accruals in the FTSE 100 run at about £5bn a year, I doubt the national total is much more than £10bn a year."

And the chances of changes in the indexation status of accrued benefits is pretty much non-existent, says Cooper. "The biggest problem for employers is what to do about accrued benefits. Government action has made accrued rights pretty much sacrosanct in the UK. Legislation makes them hard to change without individual member consent and it could be hard to change the legislation retrospectively."

That said, Cooper contended that in principle at least, “accrued rights can be altered without member consent provided an actuary certifies that the value of the altered benefit is at least equal to the value beforehand and trustees go through some extra compliance steps including communicating with affected scheme members. This hasn’t happened so far because indexation is compulsory and so would still have to be provided. If indexation became voluntary, an indexed pension could be changed to a level pension, although of course the first payment of the level pension would have to be larger than the first payment of the indexed pension. So, if the government changed the need to index future accrual...it’s possible some schemes would go to the effort to alter scheme benefits, since it is so much easier to hedge a level benefit

than an indexed one.”

It seems probable though that the vast historical bulk of the defined benefit pension market will remain indexed whatever happens, and will remain vastly more significant than any indexation-free DB pension pool for a very long time.

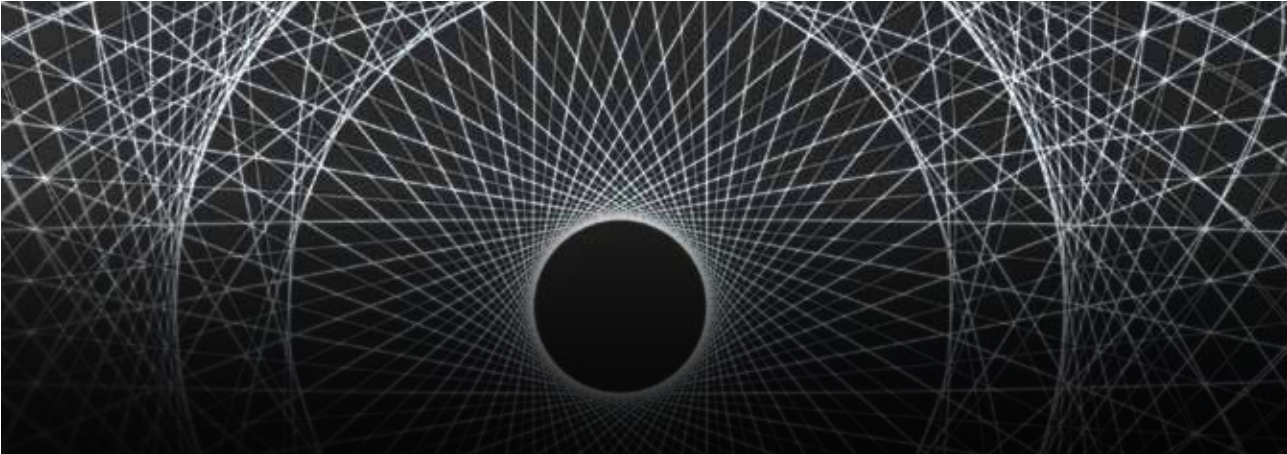
Despite the DWP’s hopes, as Cooper says, “Getting rid of the indexation on DB wouldn’t be enough of an incentive for employers to re-open DB pension schemes.”

As for the possibility of companies re-embracing DB pensions if they become detached from inflation, LCP’s Scott said that “On its own it won’t make companies change their decisions about DB, and at the moment [the story is based on] Pensions Minister Steve Webb floating

an idea and so I doubt it is of great significance at the moment.”

As for the inflation market, one seasoned trader said that in LPI options, any link between a decision on future indexation would “only have a very, very tenuous” impact on his market. “There have been a number of changes in the past. The cut from [0, 5] to [0, 2.5] for example, and they have made basically no difference because of the size of the accrued benefits.”

Because of the accrued benefits, the trader said, “both RPI and LPI are unbalanced, and that isn’t going to change for a while yet.” In the meantime, “every two months there is a speculative newspaper story about indexation, I wouldn’t take it too seriously.”



**The vast historical bulk of
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market will remain indexed
whatever happens**

People Moves...

| New company | | Candidate | | Role | Location | | Old Company |
|--------------------------------|-----------|------------------|----|------------------------------------|-----------|------|------------------------------|
| Aberdeen Asset Management | has hired | Andrew McCaffrey | as | Head of Inst Hedge Funds | London | from | Bluecrest Capital Management |
| Bank of America Merrill Lynch | has hired | David Grad | as | FX Strategist | USA | from | Deutsche Bank |
| Bank of America Merrill Lynch | has hired | Brian Schlosser | as | FX Trader | USA | from | Citigroup |
| Bank of America Merrill Lynch | has hired | Feng Chang | as | Credit Trader | London | from | Credit Suisse |
| Bank of America Merrill Lynch | has hired | Mark Capleton | as | Global Head of Inflation Strategy | London | from | Societe Generale |
| Bank of America Merrill Lynch | has hired | Shitij Sanghi | as | Rates Trader | London | from | Nomura International |
| Bank of America Merrill Lynch | has hired | John Chase | as | HD Corporate Derivative Sales | London | from | BNP Paribas |
| Bank of America Merrill Lynch | has hired | David Moore | as | Head Structured Products Trading | USA | from | Morgan Stanley |
| Bank of America Merrill Lynch | has hired | Justin Mead | as | EM FX Trader | London | from | RBS |
| Bank of Tokyo - Mitsubishi UFJ | has hired | Matthieu Gloux | as | FX Sales | London | from | Citigroup |
| Bank of Tokyo - Mitsubishi UFJ | has hired | Moritz Knickrehm | as | FX Sales | London | from | Morgan Stanley |
| Bank Pictet & Cie Asia Ltd | has hired | Stefano Lupi | as | Head Markets | Hong Kong | from | Santander GBM |
| Barclays Capital | has hired | Juan Corbella | as | FX Sales | London | from | Credit Suisse |
| Barclays Capital | has hired | Nicholas Wright | as | HD Markets | Japan | from | Credit Suisse |
| BBVA | has hired | Stephen McEvoy | as | FX Sales | London | from | HSBC |
| Blacktree Investment | has hired | Shivraj Bassi | as | Partner | London | from | Goldman Sachs |
| Bloomberg | has hired | Fabrizio Ferrini | as | Application Specialist | London | from | Commerzbank |
| BNP Paribas | has hired | Adrian Boehler | as | Global Head FX Institutional Sales | London | from | Barclays Capital |
| BNP Paribas | has hired | Don Law | as | FX Sales | London | from | Goldman Sachs |
| BNP Paribas | has hired | Mital Shah | as | FX Trader | London | from | Morgan Stanley |
| Brevan Howard | has hired | Fash Golchin | as | Rates Trader | Geneva | from | Citigroup |
| Capula | has hired | Walid Daou | as | Rates Trader | London | from | Barclays Capital |
| CIBC | has hired | Patrick Bennett | as | FX / Rates Strategist | Hong Kong | from | Standard Bank |
| CIBC | has hired | Soo Tan | as | FX Trader | Hong Kong | from | West LB |
| CIBC | has hired | Pauric Hanna | as | FX Trader | London | from | Royal Bank of Scotland |
| Citigroup | has hired | Nina Knuever | as | FX Sales | London | from | JP Morgan |
| Citigroup | has hired | Aditya Bagree | as | Structuring | Mumbai | from | Nomura International |
| Citigroup | has hired | Hubert Lanne | as | Rate Sales | London | from | Morgan Stanley |
| Citigroup | has hired | Renzo Arcoria | as | Fixed Income Sales | Milan | from | Barclays Capital |
| Citigroup | has hired | Sidharth Khanna | as | Rates Trader | London | from | JP Morgan |
| Citigroup | has hired | Matt Long | as | FX Sales | USA | from | UBS |
| Citigroup | has hired | Gagan Singh | as | FX Trader | London | from | Goldman Sachs |
| Commerzbank | has hired | Marc Viswanatha | as | Rates Trader | London | from | LBBW |
| Commerzbank | has hired | Eduardo Souza | as | Fixed Income Sales | London | from | RBC Dexia |

People Moves...

| New company | | Candidate | Role | Location | Old Company |
|---------------------|-----------|----------------------------|-----------------------------------|-----------|------------------------------------|
| Commerzbank | has hired | Nick Crawford | as Global Head FX Trading | London | from Unicredit |
| Credit Agricole CIB | has hired | Darren Johnson | as FX Options Trader | USA | from HSBC |
| Credit Agricole CIB | has hired | James Prichard | as Rates Trader | London | from West LB |
| Credit Agricole CIB | has hired | Brendan Shanks | as FX Sales | London | from ING Bank |
| Credit Agricole CIB | has hired | Loris Savasta | as Rates Trader | London | from Royal Bank of Scotland |
| Credit Agricole CIB | has hired | Francois-Xavier Boutillier | as Rates Trader | London | from Barclays Capital |
| Credit Suisse | has hired | John Estrada | as Global Head FX eCommerce | London | from BNP Paribas |
| Credit Suisse | has hired | Andrew McSweeney | as Rates Trader | USA | from Nomura International |
| Credit Suisse | has hired | Gang Hu | as Global Head Inflation Trading | London | from PIMCO |
| Credit Suisse | has hired | Khorrom Hussain | as FX Sales | London | from Bloomberg |
| Credit Suisse | has hired | Giovanni Amanti | as Fx Structuring | Singapore | from Barclays Capital |
| Credit Suisse | has hired | Hemant Grover | as FX Sales | London | from HSBC |
| Credit Suisse | has hired | Mathias Berenger | as Rates Trader | London | from Barclays Capital |
| Credit Suisse | has hired | David Tait | as Global Head FX Trading | London | from UBS |
| Credit Suisse | has hired | Benedict Stoddart | as Rates Trader | London | from Citigroup |
| Deka Investment | has hired | Dirk De Boeck | as Rates Trader | London | from Mizuho |
| Deutsche Bank | has hired | Jaiman Lee | as Rate Sales | USA | from HSBC |
| Deutsche Bank | has hired | Yuchen Chan | as Rate Sales | London | from Rabo Bank |
| Getco Trading | has hired | Isaac Chang | as Global Head Fixed Income | USA | from Goldman Sachs |
| Goldman Sachs | has hired | Jonny Edelman | as FX Sales | London | from JP Morgan |
| Goldman Sachs | has hired | Piers Cox | as Rates Trader | London | from Barclays Capital |
| HSBC | has hired | Edward Scudamore | as FX Trader | Hong Kong | from RBC |
| HSBC | has hired | David Thursfield | as FX Trader TBC | London | from UBS |
| HSBC | has hired | Paul Thirlwall | as Global Head FX Exotics Trading | London | from Barclays Capital |
| HSBC | has hired | Marwan Khouadja | as Rates Trader | Paris | from Standard Chartered |
| HSBC | has hired | Yorke O'Leary | as FX Sales | London | from Goldman Sachs |
| HSBC | has hired | Alexandros Scoutjios | as FX Sales | London | from Barclays Capital |
| HSBC | has hired | Martin Persson | as FX Sales | London | from Barclays Capital |
| HSBC | has hired | Udit Kapoor | as Rate Sales | London | from Royal Bank of Scotland |
| HSBC | has hired | Ruth De Wulf | as FX Sales | London | from Royal Bank of Scotland |
| HSBC | has hired | Nicolas Schilling | as Rates Trader | Paris | from Credit Agricole CIB |
| HSBC | has hired | Adelaide Rosa | as FX Sales | London | from Bank of America Merrill Lynch |
| HSBC | has hired | Daragh Maher | as FX Strategist | London | from Credit Agricole CIB |
| ING | has hired | Robert Dougall | as Consultant | London | from RBC Capital Markets |
| Investec | has hired | Kiran Russell | as FX Sales | London | from Barclays Capital |

People Moves...

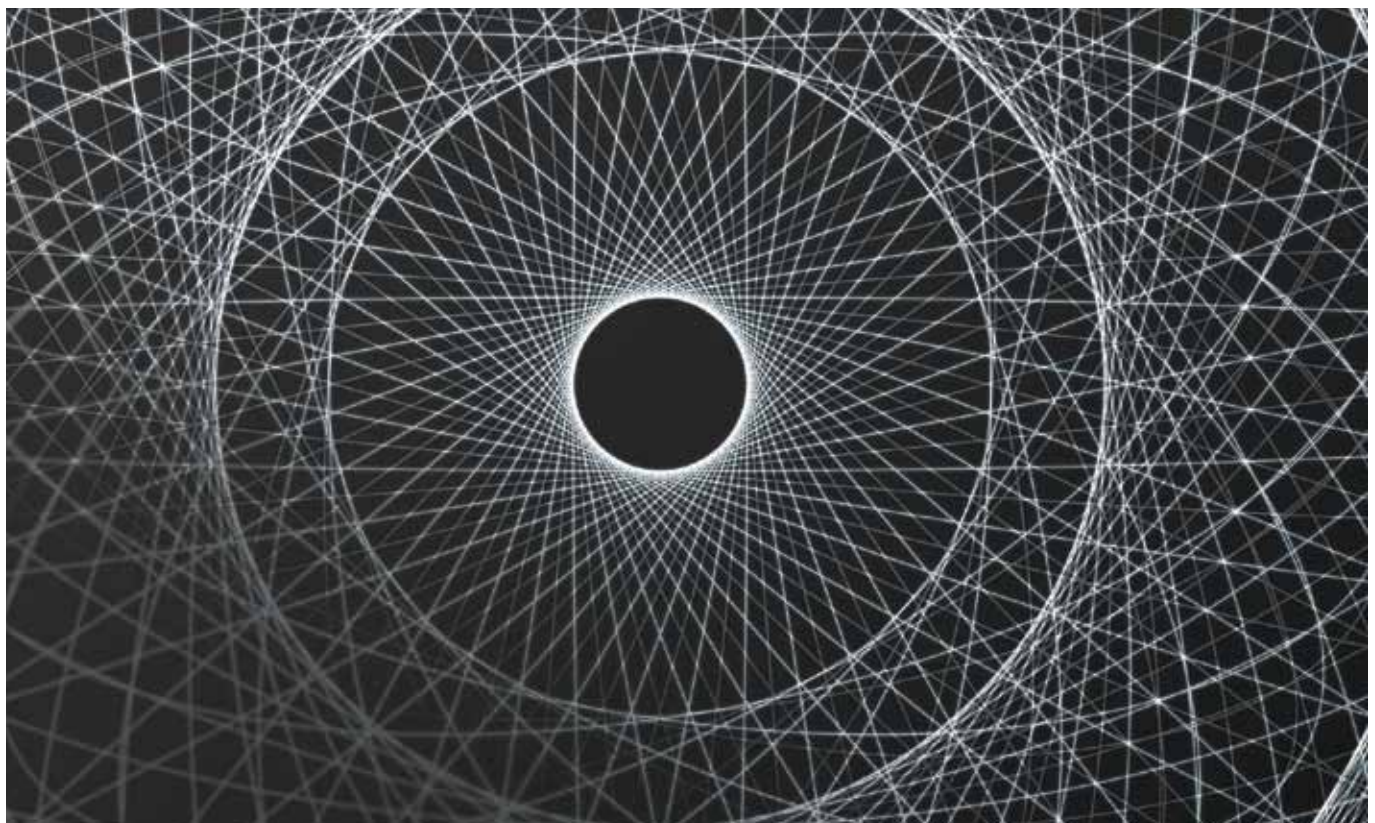
| New company | | Candidate | Role | Location | | Old Company |
|---------------------------|-----------|--------------------|-----------------------------------|----------|------|-------------------------------|
| Investec | has hired | Malcolm Long | as Fixed Income Sales | London | from | Anglo Irish Bank |
| Investec | has hired | Ramon Varela | as Rate Sales | London | from | Execution Noble |
| Jefferies International | has hired | Guy Cornelius | as Credit Sales | London | from | Nomura International |
| Jefferies International | has hired | Mark Wegbrans | as Fixed Income Sales | London | from | Aladdin Capital |
| Jefferies International | has hired | Marcin Rzechowski | as Fixed Income Sales | London | from | Rabo Bank |
| Jefferies International | has hired | Michael Koegler | as Fixed Income Sales | USA | from | UBS |
| JP Morgan | has hired | Eliza Veldman | as Rates Trader | London | from | Royal Bank of Scotland |
| JP Morgan | has hired | Alex Lu | as Rates Trader | London | from | Barclays Capital |
| JP Morgan | has hired | Hubert Schoeberl | as Rate Sales | Germany | from | Royal Bank of Scotland |
| JP Morgan | has hired | Libor Straka | as Rates Trader | London | from | Barclays Capital |
| JP Morgan | is hiring | Richard Pearce | as Rate Sales | London | from | Bank of America Merrill Lynch |
| Lloyds Banking | has hired | Daniel Morton | as FX Sales | London | from | ING Bank |
| Lloyds Banking | has hired | Jennifer Hau | as FX Strategist | London | from | Nomura International |
| Lloyds Banking | has hired | Keith Underwood | as HD FX Trading | USA | from | Standard Chartered |
| Lloyds Banking | has hired | Asif Khattak | as FX Sales | London | from | Barclays Capital |
| Lloyds Banking | has hired | Graham Harris | as FX Sales | London | from | UBS |
| Lloyds Banking | has hired | Nick Fletcher | as Rates Structurer | London | from | Royal Bank of Scotland |
| Lloyds Banking | has hired | Timothy Townend | as Rate Sales | London | from | RBS |
| Lloyds Banking | has hired | Malcolm Rarity | as FX Trader | London | from | Manden Investments |
| Lloyds Banking | has hired | Jamie Warman | as Rate Sales | London | from | JP Morgan |
| Lloyds Banking | has hired | Darren Coote | as FX Trading | London | from | UBS |
| Lloyds Banking | has hired | Ingrid Hammond | as Rate Sales | London | from | Barcap |
| Lloyds Banking | has hired | Paul Jones | as Rates Trader | London | from | UBS |
| Mediobanca | has hired | Alexandre Winkler | as Rate Sales | London | from | Kepler Capital Markets |
| Mitsubishi UFJ Securities | has hired | Michael Sorensen | as Rate Sales | London | from | Nordea |
| Mizuho International | has hired | David Grundy | as Rate Sales | London | from | Santander GBM |
| Mizuho International | has hired | Adrian Kreuser | as Rate Sales | London | from | Bank of America Merrill Lynch |
| Morgan Stanley | has hired | Stathis Metsovitis | as Rates Trader | USA | from | Credit Suisse |
| Morgan Stanley | has hired | Adam White | as FX Structurer | USA | from | Barclays Capital |
| Morgan Stanley | has hired | Nadine Heemann | as Fixed Income Sales | London | from | Nomura International |
| National Australia Bank | has hired | Paul Glen | as FX Sales | London | from | Royal Bank of Scotland |
| Nomura International | has hired | Nigel Khakoo | as Global Head FX Options Trading | London | from | Citigroup |
| Nomura International | has hired | Richard Boardman | as Rate Sales | London | from | Royal Bank of Scotland |
| Nomura International | has hired | Carl Radford | as Rates Trader | London | from | HSBC |
| Nomura International | has hired | Philipp De Cassan | as Rates Trader | London | from | Morgan Stanley |

People Moves...

| New company | | Candidate | Role | Location | | Old Company |
|-------------------------------|-----------|--------------------|---|-----------|------|-------------------------------|
| Nomura International | has hired | Benoit Pinguet | as Rates Trader | London | from | Morgan Stanley |
| Nomura International | has hired | David Mendez-vives | as Rates Strategist | London | from | Societe Generale |
| Nomura International | has hired | John Gorman | as Rates Trader | Singapore | from | Royal Bank of Scotland |
| Nomura International | has hired | Manish Varma | as Global Head of Structuring | London | from | Deutsche Bank |
| Nomura International | has hired | Andy Chaytor | as Rates Strategist | London | from | Royal Bank of Scotland |
| Nordea Bank | has hired | Erik Hultman | as Rates Trader | London | from | Svenska Handelsbanken |
| Nordea Bank | has hired | Jani Lindholm | as Rates Sales | Finland | from | Mitsubishi UFJ Securities |
| Nordea Bank | has hired | Martin Karrin | as Rates Sales | Sweden | from | Svenska Handelsbanken |
| Nykredit Bank | has hired | Olivia Fleischmann | as Rates Sales | London | from | Citigroup |
| Pioneer Investment Management | has hired | Paresh Upadhyaya | as FX Trader | USA | from | Bank of America Merrill Lynch |
| RBC Capital Markets | has hired | Andy Haig | as Rates Trader | London | from | Nomura International |
| Renaissance Capital | has hired | Peter Timpson | as Head of Emerging Market Credit | USA | from | Jefferies International |
| Reyl & Cie | has hired | Gilles Pradere | as Senior Fund Manager | London | from | Credit Agricole CIB |
| Royal Bank of Scotland | has hired | Jon Underwood | as FX Trader | USA | | |
| Royal Bank of Scotland | has hired | Brian Kim | as FX Strategist | USA | from | UBS |
| Royal Bank of Scotland | has hired | Mark Webster | as FX Sales | London | from | Bank of America Merrill Lynch |
| Royal Bank of Scotland | has hired | Thomas Vakker | as Rate Sales | London | from | Credit Suisse |
| Royal Bank of Scotland | has hired | Ramzi Assi | as Credit Trader | London | from | Barclays Capital |
| Royal Bank of Scotland | has hired | Gary Hawkins | as Head EM Sales & Trading | London | from | Societe Generale |
| Royal Bank of Scotland | has hired | Shahram Alavian | as Credit Quant | London | from | Barclays Capital |
| Royal Bank of Scotland | has hired | Graham Wintersgill | as FX Sales | London | from | Bank of America Merrill Lynch |
| Royal Bank of Scotland | has hired | Patrick Weyhardt | as Rate Sales | Germany | from | West LB |
| Royal Bank of Scotland | has hired | Ged Corbett | as FX Trader | London | from | Nomura International |
| Royal Bank of Scotland | has hired | Henry Drysdale | as FX Trader | London | from | Goldman Sachs |
| Royal Bank of Scotland | has hired | James Pearson | as Head of FX Spot Trading | London | from | Nomura International |
| Santander GBM | has hired | Jonathan Tse | as FX sales | London | from | ANZ |
| Santander GBM | has hired | Marco Bressan | as Credit Sales | London | from | Rabo Bank |
| Santander GBM | has hired | Igor Smirnov | as European Head of Quantitative Research | London | from | BNP Paribas |
| Santander GBM | has hired | Christhi Theiss | as Rate Sales | Madrid | from | Royal Bank of Scotland |
| Societe Generale | has hired | Rob Philbin | as Fx Trader | London | from | Barclays Capital |
| Societe Generale | has hired | Mark Williams | as Rate Sales | London | from | Morgan Stanley |
| Standard Chartered | has hired | Tim Bird | as FX Trader | London | from | BNP Paribas |
| Swedbank | has hired | Martin Soderlund | as FX Sales | London | from | Bank of America Merrill Lynch |
| TD Securities | has hired | Ryan Pacifico | as FX Trader | USA | from | Standard Chartered Bank |
| UBS | has hired | Shahab Jalinoos | as FX Strategist | London | from | Artradis Fund Management |

People Moves...

| New company | | Candidate | Role | Location | | Old Company |
|-------------|-----------|-------------------|------------------------------------|-----------|---------|-------------------------|
| UBS | has hired | Anna Sourina | as FX Sales | London | from | Barclays Capital |
| UBS | has hired | Chris French | as FX Structurer | London | from | Barclays Capital |
| UBS | has hired | Victoria Robinson | as FX Sales | London | from | Royal Bank of Scotland |
| UBS | has hired | Jeremy Young | as Credit Trader | London | from | Citigroup |
| UBS | has hired | Nicolo Magni | as Rate Sales | Hong Kong | from | Morgan Stanley |
| UBS | has hired | Jonny Newman | as Fixed Income sales | London | from | Barclays Capital |
| UBS | has hired | Chung Wong | as Rates Trader | London | from | Morgan Stanley |
| UBS | has hired | Alex Maillard | as Global Head Electronic FX Sales | London | from | Deutsche Bank |
| UBS | has hired | Regis Bourget | as FX Sales | Paris | from | Societe Generale |
| UBS | has hired | Gareth Walters | as Rates Trader | London | last at | RBC Capital Markets |
| UniCredit | has hired | Asif Razzaq | as FX Trader | London | from | Standard Chartered Bank |
| UniCredit | has hired | Bernd Broker | as FX Market Consultant | London | from | Nomura International |
| UniCredit | has hired | Nick Gentle | as FX Trader | London | from | Royal Bank of Scotland |
| Wells Fargo | has hired | Doris Chauvancy | as FX Sales | USA | from | BNP Paribas |



Leavers...

| Name | Role | | Bank | | Location |
|-------------------------|---------------------------------|----------|-------------------------------|----|-----------|
| Simon Law | Treasury Sales | has left | Anglo Irish Bank plc | in | London |
| Gaelle Cohen | FX Trader | has left | ANZ | in | London |
| Joshua White | FX Trader | has left | ANZ | in | Singapore |
| Andy Graham | Rates Trader | has left | Bank of America Merrill Lynch | in | London |
| Neh Thaker | Global Head Structured Products | has left | Bank of America Merrill Lynch | in | London |
| Stylios Contogoulas | Rates Trader | has left | Bank of America Merrill Lynch | in | London |
| Dirich Kolbeck | Credit Sales | has left | Bank of America Merrill Lynch | in | Germany |
| Harald Braunstein | Rate Sales | has left | Bank of America Merrill Lynch | in | Frankfurt |
| Warwick Palmer | FX Trader | has left | Bank of America Merrill Lynch | in | London |
| Irina Marty | Fixed Income Sales | has left | Barclays Capital | in | London |
| Amol Navandar | FX Trader | has left | Barclays Capital | in | Singapore |
| John Erratt | FX Trader | has left | Barclays Capital | in | London |
| Matt Gardiner | FX Trader | has left | Barclays Capital | in | London |
| Per-Fredrik Emanuelsson | Rates Trader | has left | Barclays Capital | in | London |
| Ugur Gungor | Rates Trader | has left | Barclays Capital | in | London |
| Richard Meo | FX Sales | has left | Barclays Capital | in | London |
| Tim Coope | FX Sakes | has left | Barclays Capital | in | London |
| Tim Hooijdonk | Rate Sales | has left | Barclays Capital | in | London |
| Vijay Modhvadia | Rates Trader | has left | Barclays Capital | in | London |
| Cormac O'Connell | FX Trader | has left | BBVA | in | Madrid |
| Francois Bremme | Rates Trader | has left | BBVA | in | Madrid |
| Jan Roose | FX Structuring | has left | BNP | in | Belgium |
| Lincoln Sheppard | FX Sales | has left | BNP | in | USA |
| Jerry Rafalimanana | FX Structuring | has left | BNP Paribas | in | Paris |
| Martin Cross | Rates Trader | has left | BNP Paribas | in | London |
| Nicola Spanger | Rate Sales | has left | BNP Paribas | in | Frankfurt |
| Peter Urbanek | FX Sales | has left | BNP Paribas | in | London |
| Jonathan Meenaghan | Portfolio Manager | has left | Capula Investment Services | in | London |
| Antonio Cavarero | Rates Trader | has left | Citigroup | in | London |
| Erwin Parviz | Rates Structurer | has left | Citigroup | in | London |
| Jie Dong | Rate Sales | has left | Citigroup | in | London |
| Laura Coady | Rate Sales | has left | Citigroup | in | London |
| Sidney Whitehead | Rates Trader | has left | Citigroup | in | New York |
| Adam Betteridge | FX Structurer | has left | Credit Suisse | in | Singapore |
| Alan Thomas | FX Sales | has left | Credit Suisse | in | Singapore |
| Angelia Tan | FX Sales | has left | Credit Suisse | in | London |

Leavers...

| Name | Role | | Bank | Location |
|----------------------|--------------------|----------|---------------|----------------|
| Attila Jelinko | Fixed Income Sales | has left | Credit Suisse | in London |
| Carl Hollitscher | Rate Sales | has left | Credit Suisse | in London |
| Chawki Chouaibi | Credit Trader | has left | Credit Suisse | in London |
| Douglas Huggins | Rates Strategist | has left | Credit Suisse | in London |
| Frank Schaller | Fixed Income Sales | has left | Credit Suisse | in Frankfurt |
| Gerard Fox | Rate Sales | has left | Credit Suisse | in London |
| Guillaume Chemin | Rate Sales | has left | Credit Suisse | in London |
| Guillaume Huteau | Rates Trader | has left | Credit Suisse | in London |
| Julien Eisenberg | Rates Trader | has left | Credit Suisse | in London |
| Mark Smyth | Rates Trader | has left | Credit Suisse | in London |
| Martin Wiedmann | FX Sales | has left | Credit Suisse | in Switzerland |
| Massimo Amati | Rates Trader | has left | Credit Suisse | in London |
| Nick Barker | Hd FX eCommerce | has left | Credit Suisse | in London |
| Paul Acutt | Rates Trader | has left | Credit Suisse | in London |
| Paul Gribelyuk | Rates Trader | has left | Credit Suisse | in London |
| Paul Jones | Rates Trader | has left | Credit Suisse | in London |
| Roland Jacubetz | Fixed Income Sales | has left | Credit Suisse | in London |
| Stanislas de Caumont | Rates Trader | has left | Credit Suisse | in London |
| Stuart Wilson | Rates Trader | has left | Credit Suisse | in London |
| Batur Asmazoglu | Rates Trader | has left | Deutsche Bank | in London |
| Michel Rybkin | Fixed Income Sales | has left | Deutsche Bank | in London |
| Calixte De Verdelon | Rates Trader | has left | Goldman Sachs | in London |
| Koen The | Rate Sales | has left | Goldman Sachs | in London |
| Nick Hinde | Rates Trader | has left | Goldman Sachs | in London |
| Ade Ajayi | Rates Trader | has left | HSBC | in London |
| Billy Ball | Rates Trader | has left | HSBC | in Hong Kong |
| Chris Bolton | FX Sales | has left | HSBC | in London |
| Daniel Moon | Rate Sales | has left | HSBC | in London |
| Dean Heiden | FX Sales | has left | HSBC | in London |
| Geraud Delteil | Rates Trader | has left | HSBC | in Paris |
| Kevin Haskell | Rate Sales | has left | HSBC | in London |
| Kevin O'Keefe | Rates Trader | has left | HSBC | in USA |
| Lily Han | FX Sales | has left | HSBC | in USA |
| Paul Varjan | Rates Trader | has left | HSBC | in USA |
| Richard Easton | Rate Sales | has left | HSBC | in London |
| Rob Babich | FX Trader | has left | HSBC | in USA |

Leavers...

| Name | Role | | Bank | Location |
|-----------------------|------------------------------|----------|---------------------------|-------------|
| Robert Matelwich | Rates Trader | has left | HSBC | in New York |
| Simone Andre | FX Sales | has left | HSBC | in London |
| Ted Mermel | FX Sales | has left | HSBC | in USA |
| Victor Hamoush | FX Sales | has left | ING Bank | in London |
| Heinz Peter Stohl | Head eMTN Sales | has left | Jefferies International | in London |
| Franck Kormmann | Rates Trader | has left | Lloyds Banking | in London |
| Hetal Patel | FX Trader | has left | Lloyds Banking | in London |
| Jonathan Sebag | Rates Trader | has left | Lloyds Banking | in London |
| Kelvin Jouhar | FX Trader | has left | Lloyds Banking | in London |
| Lara Ette | Rates Trader | has left | Lloyds Banking | in London |
| Nicolas Joliot | Rates Trader | has left | Lloyds Banking | in London |
| Vincent Gesser | Head Structured Rates | has left | Lloyds Banking | in London |
| Bright Agbeko | Rate Sales | has left | Mitsubishi UFJ Securities | in London |
| David Fotheringham | Rate Sales | has left | Mitsubishi UFJ Securities | in London |
| Fredrik Ashage | Rate Sales | has left | Mitsubishi UFJ Securities | in London |
| Yannis Theodorakakos | Rates Trader | has left | Morgan Stanley | in London |
| Benjamin Mouille | Rates Trader | has left | Nomura International | in London |
| Elodie Bouchenah | FX Sales | has left | Nomura International | in London |
| Jakub Berczak | Rate Sales | has left | Nomura International | in London |
| Jeevan Jyothyprakash | Rates Strategist | has left | Nomura International | in London |
| Jordan Rochester | FX Strategist | has left | Nomura International | in London |
| Laurent Bilke | Rates Strategist | has left | Nomura International | in London |
| Matthew Edwards | Rates Sales | has left | Nomura International | in London |
| Richard Gladwin | Global Head Foreign Exchange | has left | Nomura International | in London |
| Sami Amara | FX Trader | has left | Nomura International | in London |
| Vuk Kalezic | FX Sales | has left | Nomura International | in London |
| Ann Irene Larsen | Rates Sales | has left | Nordea Bank | in |
| Christina Fredriksson | Rate Sales | has left | Nordea Bank | in |
| Henrik Anderson | Fixed Income Sales | has left | Nordea Bank | in London |
| John Pramgard | Fixed Income Sales | has left | Nordea Bank | in London |
| Polle Brandt | Fixed Income Sales | has left | Nordea Bank | in |
| Timo Melentjeff | Fixed Income Sales | has left | Nordea Bank | in Finland |
| Jeremy Wilson | Rates Trader | has left | RBC Capital Markets | in London |
| Alaistair Sharp | Rates Trader | has left | Royal Bank of Scotland | in London |
| Frank Olgers | Rate Sales | has left | Royal Bank of Scotland | in London |
| German Kucerov | Fixed Income Trader | has left | Royal Bank of Scotland | in London |

Leavers...

| Name | Role | | Bank | Location |
|-----------------------|-----------------------------|----------|-----------------------------|--------------|
| Kenny Nicoll | Rate Sales | has left | Royal Bank of Scotland | in London |
| Matthew Holmes | Rate Sales | has left | Royal Bank of Scotland | in London |
| Paolo Gilardi | Rate Sales | has left | Royal Bank of Scotland | in London |
| Richard Skelton | FX Structuring | has left | Royal Bank of Scotland | in London |
| Robert Coleman | Rates Trader | has left | Royal Bank of Scotland | in London |
| Rubin Rajendram | Rates Trader | has left | Royal Bank of Scotland | in London |
| Tobias Reuber | Rates Trader | has left | Royal Bank of Scotland | in London |
| Tommaso Pagani | Rate Sales | has left | Royal Bank of Scotland | in London |
| Jose Gonzalez | Rates Trader | has left | Scotia Capital | in London |
| Matt Varughese | Rates Trader | has left | Scotia Capital | in London |
| Dan O'Sullivan | FX Trader | has left | Societe Generale | in USA |
| Katerina Mitzeva | Fixed Income Sales | has left | Societe Generale | in London |
| Sophia Wang | Fixed Income Sales | has left | Standard Chartered Bank | in London |
| Gael Jacquot | Rates Trader | has left | State Street | in London |
| Renato Giust | Rates Trader | has left | State Street | in London |
| Zachary Barton | Rates Trader | has left | State Street | in London |
| Jon Farrin | Rates Trader | has left | TD Securities | in USA |
| Alastair Blyth | Rates Trader | has left | UBS | in London |
| Dariush Mirfendereski | Rates Trader | has left | UBS | in London |
| Duncan Richford | Credit Trader | has left | UBS | in London |
| Mark Longtin | Rates Trader | has left | UBS | in London |
| Steve Beverley | Rate Sales | has left | UBS | in London |
| Tarek Selim | Fixed Income Sales | has left | UBS | in Frankfurt |
| Thierry Gruslin | Rates Trader | has left | UBS | in London |
| Peter Brandt | Fixed Income Sales | has left | Unicredit | in London |
| Rajiv Sesodia | Rates Quantitative Research | has left | UniCredit | in London |
| Patrick Molloy | Rate Sales | has left | Westpac Banking Corporation | in London |
| Scott Cousins | FX Trader | has left | Westpac Banking Corporation | in London |
| Tony Brown | FX Sales | has left | Westpac Banking Corporation | in London |

Nicholas Scott International

NICHOLAS SCOTT INTERNATIONAL

Established in 2004, Nicholas Scott is a leading search & selection firm in the Legal and Global Financial Markets.

The company has 2 offices with the Global Financial Markets practice based in Cirencester, Gloucestershire and the Legal Practice based in the Broadgate Tower, City of London.

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The Capital Markets team works with the leading Investment Banks in the following areas:

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