SLT
SECURITIES**LENDING**TIMES

www.securitieslendingtimes.com

ISSUE007
24.08.2010 TUESDAY

Paladyne enhances short selling tools

NEW YORK 17.08.2010

Paladyne Systems has announced a major new release of Paladyne Portfolio Master, its combined order management and portfolio management solution.

Version 7.0 provides extended functionality in the areas of compliance, risk management, real-time portfolio analysis and trading, and introduces many new features, including a real-time short locator module, and extended integration with Bloomberg, SunGard, and RiskMetrics.

Key enhancements to Paladyne Portfolio Master 7.0 include:

Short Availability Manager connects directly to prime brokers for identifying short availability in real-time, tracking borrow fees and rebates, and managing borrow costs with full transparency. Short Availability Manager is seamlessly integrated into Paladyne Portfolio Master's trading, compliance, and back-office workflow tools.

Extended Compliance Rules Engine with expanded set of rule types, enhanced custom rules designer, and new logic for supporting UCITS-compliant funds.

Real-time charting and graphical representations of portfolio analytics and market indicators.

Enhanced real-time portfolio management and trading dashboards.

Expanded Bloomberg SAPI real-time interface with dynamic field mapping to all available data points, including the newly available technical analysis indicators.

Extended report library for complete front, middle, and back-office support.

read**more** **p2**

NEWS**IN****BRIEF**

MannKind announces entry into stock loan agreement

MannKind Corporation has entered into a previously announced stock lending agreement pursuant to which it will lend 9,000,000 shares of its common stock to Bank of America. MannKind has also entered into an underwriting agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated, an affiliate of Bank of America, where Merrill Lynch will sell the shares at an offering price of USD5.55 per share.

read**more** **p2**

China set to welcome securities lending

It has been revealed that the Chinese regulators are close to approving a broadening of the rules on securities lending in the country, increasing the opportunities for margin lending and short selling.

Margin lending and securities lending products have been permitted in a limited way during a trial period that began at the end of March, and a recent meeting of the regulators discussed whether going forward funds should be involved, when stakeholder meetings may be needed, how to price securities packages and whether capital raised through securities financing should be reinvested.

read**more** **p2**

INSIDE SECURITIES**LENDING**TIMES

Paladyne enhances short selling tool

continued from p1

Enhanced workflow for Repos and CFDs including electronic trading, financing auto-setup, and specialised portfolio tasks for instrument lifecycle management.

SunGard Monis integration for real-time valuation and analysis of convertible bonds.

RiskMetrics integration with expanded portfolio risk reporting across asset classes.

"Paladyne Portfolio Master 7.0 demonstrates our strong commitment to product development and our ability to deliver innovative features and functionality to our clients," said Sameer Shalaby, CEO of Paladyne Systems. "Since its launch in 2008 as the industry's first combined order management and portfolio management solution, Paladyne Portfolio Master has grown to over 60 clients worldwide."

Paladyne has also recently announced the launch of a system to help hedge funds cope with new reporting requirements, locate the stocks they need to borrow, and compare pricing amongst brokers for maintaining short positions.

The Short Availability Manager is part of an update in its portfolio management solution for hedge funds of all sizes, Paladyne Portfolio Master. Hedge funds execute their short positions through their prime brokers, which borrow the stock from large, institutional buy-and-hold investors such as pension funds and insurance companies. The prime brokers pay these institutions a premium, then assess their hedge fund clients a daily charge for financing these short positions.

These charges can vary widely, depending on a variety of factors. One factor is how difficult and expensive it is for the broker to borrow a particular stock. Institutions generally charge brokers a considerable premium for less-liquid securities with a smaller float - called 'hard-to-borrow' stocks. Individual relationships among brokers, institutions and global custodians often determine pricing and whether a prime broker can source the stock at all. Another factor can be the individual hedge fund's relationship with the prime broker - small and mid-size funds with weaker credit and a less-lucrative stream of business may pay more.

These daily charges can add up quickly for a hedge fund, hitting their profits directly. As well, brokers sometimes change their rates without warning after a hedge fund has established its short position. Paladyne's Short Availability Manager helps hedge funds locate stocks for borrowing, compare rates simultaneously among multiple brokers, and keep up with pricing changes - helping to manage costs through transparency and automation.

As part of the Paladyne Portfolio Master system, the Short Availability Manager automates tracking of short positions for the fund's own risk management, valuation, auditing and accounting, as well as for regulatory compliance and reporting. Potentially, a hedge fund could save up to 10 to 20 basis points on their fees if they are able to manage borrow costs efficiently.

All hedge funds eventually will need a system of this type to handle their obligations under the new regulations. While a few other short selling applications are currently on the market, they are either not integrated into a comprehensive portfolio management solution or lack some of Short Availability Manager functionality. Moreover, the market's three leading prime brokers have agreed to support Paladyne and will electronically connect with the system.

CalSTRS promotes Petzold

The California State Teachers' Retirement System (CalSTRS) has promoted John Petzold to deputy chief investment officer at the organisation.

He moves to the new role from the position of director of investment operations, and has been at the system for more than 30 years.

He will oversee the investment branch, manage daily administration and lead the development of the Absolute Return fund, which includes infrastructure and Treasury-inflation-protected securities

CalSTRS is the second largest public pension system in the US behind CalPERS, and has assets of around USD134.3 billion invested. It provides retirement benefits for almost 850,000 people.

MannKind announces entry into stock loan agreement

continued from p1

MannKind will not receive any proceeds from the common stock offering but will receive a nominal one-time lending fee. Bank of America will be required to return the borrowed shares pursuant to the terms of the share lending agreement.

Bank of America will use the short position resulting from the loan and sale of the shares of MannKind's common stock to facilitate the establishment of hedge positions by investors in a concurrent private offering of USD100 million aggregate principal amount of MannKind's Senior Convertible Notes due 2015 (or USD110 million if the initial purchasers exercise their overallotment option in full), which is being made only to qualified institutional buyers. The closing of the common stock offering is expected to take place on August 24, 2010.

A prospectus supplement relating to the offering of MannKind common stock will be filed with the Securities and Exchange Commission.

China set to welcome securities lending

continued from p1

A new regulatory mechanism is required for securities lending to become a major part of the Chinese markets, and there are a number of back office issues that still need to be resolved. But sources suggest that a system could be in place within six months.

New risk and analytics tools from State Street

State Street Corporation has announced enhancements to its risk analytics and servicing tools for institutional investors. The new offerings include portfolio reallocation tools, economic stress tests, and expanded investment coverage. These new capabilities as well as the full suite of risk services are now fully integrated into the State Street Investment Analytics Dashboard. Clients can now access a more comprehensive view of their investments across risk, performance, alternatives and compliance.

In today's volatile market environment, institutional investors and investment managers are increasingly seeking ways to better understand their portfolio dynamics and sources of risk. The reallocation tools assist clients with risk budgeting, and economic stress tests complement State Street's existing historical and predictive risk analytics capabilities. Product coverage has also been expanded across all asset classes including comprehensive support for fixed income products.

"This step forward is significant in implementing our investment analytics, internal data warehouse, dashboard and information delivery strategy. These new capabilities provide clients with market-leading risk management solutions that support their analytics, portfolio construction, risk management and hedging functions, helping them build greater confidence in their investment process," said William Pryor, senior vice president and head of State Street Investment Analytics. "Since late 2008 when we began introducing our new dashboard capabilities, we have brought the benefits of industry leading analysis to approximately 200 client organisations and more than 1,000 users around the world. These new enhancements represent the next phase of our strategy to continually provide and increase the depth and breadth of our risk and return services."

State Street's Risk Services include multiple Value at Risk (VaR) calculation methodologies, absolute and relative risk measures, portfolio characteristics, advanced stress-testing and "what-if" capabilities. In addition, position-based risk services deliver a full revaluation methodology with daily (T+1) or monthly reporting and analytics along with data collection, cleansing and augmentation services. Return-based risk measures, inventory management and portfolio construction tools are also available.

"Throughout our relationship, State Street has worked with us to develop tools to help us better understand the dynamics within our portfolios." said Uzi Yoeli, senior director, Portfolio Risk Management, at the University of Texas Investment Management Company. "It has helped us build portfolio stress-tests that enable us to measure the impact of worst-case market scenarios on our hedging effectiveness as well as risk decomposition tools to support our risk budgeting process."

State Street has also added new performance and compliance functionality to the Investment Analytics Dashboard for easy access to more graphical and comprehensive information. Performance heat maps provide colour-coded, visual representations of the size and relative or absolute performance of a client's portfolios with instantaneous 'drill down' and 'drill across' functionality at all levels of the asset classification hierarchy - including by plan, composite, portfolio, asset class, sector, country, industry or security. The new compliance features enhance online fail management workflows by including new alert charting capabilities and the ability to view all compliance results, not just exceptions, over flexible timeframes for quick access to all information.

NY Fed accepts new funds as repo counterparties

The New York Fed has accepted 14 investment managers representing 26 money market funds as reverse repurchase transaction counterparties.

The managers include Bank of America Advisors, BlackRock, Charles Schwab, Deutsche Investment Management Americas, Goldman Sachs Asset Management, Invesco Advisors and J.P. Morgan Investment Management.

Inclusion on the list means that if the NY Fed conducts reverse repurchase agreements, those listed will be eligible to participate.

Megola responds to shareholder inquiries regarding short selling

Megola Inc. has provided information to shareholders regarding short selling of the Company's common stock since June 1, 2010

Recent trade activity of Megola's stock since June 1, 2010 (after conversion dates of Megola's preferred series A and B shares), shows that of the approximately 450,000 shares traded over 63 per cent, or approximately 287,000, have been short sales.

"Short selling is, unfortunately, an investment strategy for some investors that can have a negative impact on long term holders in the short term. As a company all we can do is to continue to build growth, sales and profitability in hopes that it may deter some short sellers from targeting our particular stock," stated Joel Gardner, Megola CEO. "We have a large insider position holding, a relatively low market float and we feel we are in a good position to overcome such minor obstacles as management continues to strive to increase shareholder value."

LCH.Clearnet signals further commitment to buy-side offering

LCH.Clearnet Ltd has appointed Michael Davie CEO of SwapClear, its interest rate swap (IRS) clearing service. In this new role, Davie will lead the next phase of the development of SwapClear, which will focus on ensuring the best possible products and services are delivered to the buy-side. He will report to Roger Liddell, chief executive, LCH.Clearnet.

Roger Liddell commented: "Clients represent a large proportion of the global interest rate swap market. Michael's appointment reflects our commitment to delivering OTC derivative clearing services to the buy side and of ensuring that SwapClear's market leading offering evolves in line with their needs."

Michael Davie said: "OTC derivative clearing has never been more important and SwapClear is the global leader in this field. I am greatly looking forward to working with our current and prospective clients to ensure the service is developed in line with their requirements."

The launch of the FCM (Futures Commission Merchant) model for SwapClear later this year will increase choice for US based customers, enabling them to clear with the world's leading interest rate swap service within a familiar framework."

Davie has over 20 years experience in financial services and has held a number of senior strategic, trading, marketing and operational positions during this time. He joins LCH.Clearnet from J.P. Morgan.

In December 2009, LCH.Clearnet was the first clearing house to launch interest rate swap clearing for the buy-side through SwapClear, offering a unique level of security to buy-side clients in the case of a bank default through margin segregation and portability of contracts. SwapClear continues to consolidate its position as the leading global service for IRS, clearing over 40 per cent of the USD342 trillion global market, across 14 currencies.

US senators call for tighter controls

An influential group of US senators has called for the Securities and Exchange Commission to tighten corporate accounting disclosure rules in an attempt to reduce the risk of another Lehman Bros-style collapse.

In particular, the senators want to avoid the Repo 105 situation, and ensure institutions are required to provide full disclosure of off-balance sheet activity. While Lehman is the highest-profile casualty, it has since been revealed that the practice was common amongst other firms.

The senators - Mary Schapiro, Robert Menendez, Edward Kaufman, Carl Levin, Diane Feinstein, Barbara Boxer and Sherrod Brown - said in a letter to the SEC that there must be no opportunity for a firm to hide its debts.

"Rather than relying on carefully-staged quarterly and annual snapshots, investors and creditors should have access to a complete real-life picture of a company's financial situation," said the letter.

"The SEC was founded on the premise that when investors and creditors have full and accurate information about companies' finances, they can allocate capital effectively. But when companies use accounting gimmicks to mislead investors and creditors, capital markets malfunction.

"As we attempt to recover from the latest meltdown, we hope that, in addition to aggressively investigating and prosecuting past misconduct, you will put in place these new rules that will make it harder for companies to mislead investors and creditors in the future."

Australia

With a well-developed securities lending market, Australia has fared relatively well during the downturn. But it still has some catching up to do if it wants to return to the highs of the past

BEN WILKIE REPORTS

While the Australian market did not technically fall into recession - one of the few Western economies to be able to ride the global financial storm - there has been a severe impact on the markets in the country, with securities lending affected as a result.

Levels of borrowing and lending are down, and while they are starting to recover, the volumes remain lower than three years ago. But in the midst of a tightly fought General Election, most participants retain confidence that Australia will only grow as a market.

“The securities lending market in Australia is well-developed,” says James Jennings, head of global prime finance for Australia and New Zealand Global Markets at Deutsche Bank. “There is still flow, however the market has not fared well since the market downturn and securities borrowed and on loan are a lot lower than pre global financial crisis levels.”

Some market participants say that the relative calmness of the market is down to the speedy actions of the regulators. When the worst of the crisis was threatening to bring down some of the world’s biggest banks, the Australian Securities and Investments Commission (ASIC) introduced a short selling ban on financial stocks - a ban that was removed in May 2009.

“We don’t want to see restrictions on market practices,” says one participant, “But when the ban came into force, ASIC was quick to say that this was only ever going to be a temporary measure. ASLA (the Australian Securities Lending Association) was working well with ASIC and the ban was effective in that it made sure we didn’t have any long-term problems, but it was also timely - there wasn’t a huge amount of liquidity in the market at that time anyway, so the ban didn’t have a huge affect on the amount of business we were able to do.”

However, Australia was one of the last major global markets to lift its ban and some within the industry were starting to get frustrated by the delay. “We could have done with [the ban] ending sooner - we knew it was going to end, we just didn’t know when and we felt like we were going to get left behind,” says one player.

However, one of the main reasons for Australia’s relative immunity against the downturn happening elsewhere was its closer ties to the Asian market. Over the past couple of decades, the country been aligning itself to its neighbours, while maintaining its historic links to Europe and the US.

There remain differences, though. “The Asian market is not homogenous,” explains Jennings. “Australia, like the rest of the Asian markets, has different nuances to it - regulatory, reporting and so on. Australia is closely aligned with Asia, as it is with all the major global markets.”

And this is reflected in the number of institutions that service the securities lending industry. For a relatively small (in global terms) market, it has a wealth of operators with a footprint in Sydney. Almost all the major global players have a presence, which is matched by an exceptionally strong domestic presence. The likes of Macquarie Bank and National Australia Bank more than compete with their better-known global competitors. However, some of the smaller firms have withdrawn from the business in the last couple of years.

"Australia is a fairly well-brokered market with a number of the big global players present," says DB's Jennings. "Before the global financial crisis, there were some niche smaller players, however I would say the space now is dominated by the larger players."

In terms of the funds that are active in the market, one type dominates. While other domestic and international pension and mutual funds play a part, the Australian compulsory superannuation scheme is the big beast. Launched in 1992, employers are now required to pay a sume equivalent to nine per cent of salaries into the fund, with employees able - and it seems the majority are willing - to pay in a similar amount. Many of these funds are active participants in the securities lending market.

The pension and superannuation market is now the fourth largest in the world, and this has driven growth in other areas. The hedge fund industry in Australia has grown four times faster than the global average, and it's this that is encouraging the big players in securities lending to set up shop.

Regulation

There have been complaints that the regulatory side of the business is too tough, and the criticisms about the delay on the removal of the ban on short selling financial stocks still dominate the market.

"The regulator is good at telling the markets what it's up to, but that's about all it's good at," says one participant. "We feel that ASIC doesn't trust the market and if it continues in this way, Australia will fall behind."

Jennings is not so critical, but he does believe ASIC has work to do. "The industry still feels that the regulations are too restrictive," he says. "In the event that you have restrictive regulations this can and does have adverse effects on global flow into the market.

"There is room for improvement in the Australian market. We would like to see the re-introduction of conditional holds to offer out securities to clients. The current requirement to have an unconditional right to vest securities, pre-settled borrow, is too restrictive and onerous."

The future

An expected wave of M&A activity and new listings has so far failed to appear, which has dampened expectations for a swift recovery in the securities lending sector.

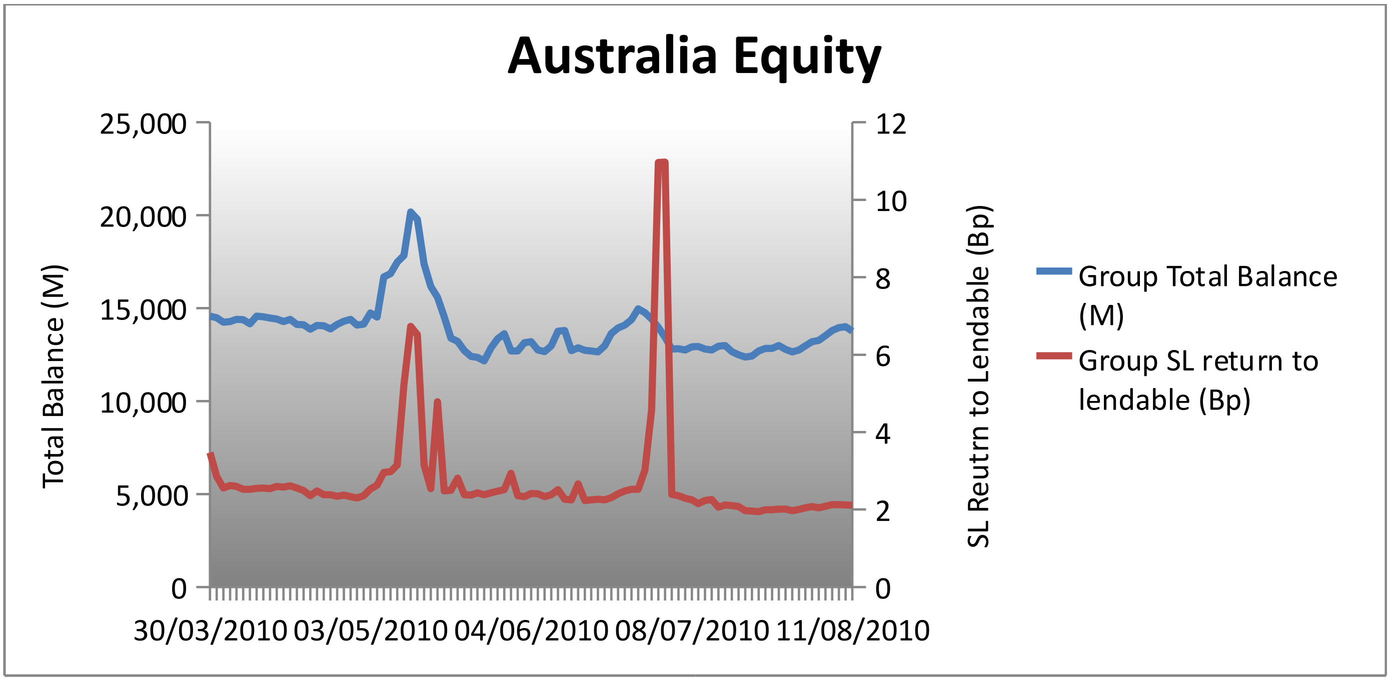
This is combined with a feeling that the regulator is proving too tough on the market and its drive for transparency is obscuring the need for an overhaul of the restrictions it places on market participants.

However, the quality of market participants, and the liquidity and willingness of the major funds to participate in the securities lending industry means that the likelihood of Australia continuing to be a major force - both in the Asian markets and globally - remains good. **SLT**

Security rankings by total daily return

1	Macquarie Group Ltd
2	Leighton Holdings Ltd
3	Rio Tinto Ltd
4	National Australia Bank Ltd
5	Westpac Banking Corp
6	Bhp Billiton Ltd
7	Australia and New Zealand Banking Group Ltd
8	Fairfax Media Ltd
9	Commonwealth Bank of Australia
10	Qbe Insurance Group Ltd

Source: Data Explorers



While the table shows the general stability of the Australian market, volumes remain well below their peak

In Association

The Australian securities lending market has endured a turbulent time over the past couple of years. Peter Martin, head of the Australian Securities Lending Association, tells *Securities Lending Times* that things are looking up.

SLT EXCLUSIVE

SLT: Tell me about the makeup of ASLA, and what efforts you have made in the context of the world financial crisis?

Peter Martin: The ASLA membership is made up of the majority of the Australian securities lending market – 30 companies with some Australian presence, including brokers, service providers and financial institutions with lending and borrowing interests. We aim to represent our members' interests through publicity, liaising with regulators and working with the media to correct some of the misinformation that continues to exist out there.

A great deal of time and effort went into assisting and liasing with the regulators last year in an effort to help clarify likely outcomes of potential policy changes. Furthermore, there was an extensive media initiative that was taken up in an attempt to demystify some of the misunderstanding pertaining to securities lending. Many of the issues highlighted by the media were concerned specifically with margin lending, but securities lending was getting tarred with the same brush. This therefore required a concerted effort to help remove ambiguity and clarify exactly what securities lending is and how it benefits the financial markets as a whole.

Essentially, over the last 12-18 months we have attempted to work with the regulators in order to proactively make sure any policy or regulatory introductions were thoroughly discussed and understood. This year it's about maintaining contact with the regulators, but also trying to spread accurate information. There are now disclosure requirements for stock loans and there's more information on the ASLA website, which is now a lot more open. We're also engaging with the media to continue building those ties.

SLT: How did ASLA respond to the short selling ban imposed by the regulator, which was lifted in May 2009?

Martin: The general perception from those outside the equity markets was that the short selling ban was needed, and that the Australian market has come through the events of the past two years relatively unscathed. But the regulations for what is required pre-short are now stricter than anywhere else. Additional requirements introduced to Australia go over and above what we see in other markets. There is certainly a perception that Australia is not afraid to unilaterally impose some hard regulatory restrictions. Some fund managers have not re-entered the market because of that risk. The regulatory focus is on execution, and the requirement to physically have the shares before executing the short. Markets such as Hong Kong have certainly benefitted on the back of this.

SLT: Why do you think the decision was made to impose strict restrictions?

Martin: On one level, it could be viewed as a reaction to rather dramatic movements in the market. At the same time, one of the problems was that the market had had so many years of growth, people forgot that it is cyclical. Once the value of the shares started to decline, someone needed to be blamed.

On the other hand, you now have a more educated client base. Risk management is almost more important than the performance for many clients. The supply for lending is back – both offshore funds and similarly in the domestic market. Supply is there, but at the moment, there's not the same level of demand, even though the market is fairly healthy.

SLT: What would you like to see happen in the market in terms of relaxing the rules?

Martin: I don't believe we'll see a change to the regulations. We would however like to see some relaxation in terms of the interpretation of the regulations. The language [of the regulations] is the same in both the Hong Kong and Australian markets, but the interpretation in Australia is different from that of Hong Kong. The industry feels there should be additional exemptions to the current regulations, based on how they are applied.

At the moment, we have a 'one size fits all' approach. For example, if someone wants to short [a large cap, liquid security] BHP [Billiton, the Australian mining company that is one of the largest enterprises in the world], you have the same requirements as if you want to short a small, illiquid company. If you can't allow people to trade in and out of these larger names, then that's a problem.

We are trying to communicate the benefits of introducing a liquidity test to the market. At the moment, there are around AU$20 billion of shares on loan, but at its peak in 2007, the market was around AU$80 billion, so there is definitely room for improvement.

SLT: What else is required to get the market back to where it was?

Martin: The funds are coming back in looking for M&A. But once the events have come to fruition the money is not staying in the market. There's not a level playing field in comparison to other markets. It's not just about the regulations, or smaller funds and leverage. There is definitely a bias towards long index positions. When the funding costs increase, businesses have developed methods for utilising their own inventory to raise money.

But there are certainly some positives. There's been an uptick in M&A activity. We started seeing that in the second quarter of this year and this will hopefully increase. AU$100 billion dollars was raised last year, which will hopefully be the catalyst to attract funds back into Australia or increase the percentage of their global portfolio they apply to their Australian strategies. There has also been talk of neutralising the long bias back to shorting the index. But to get back to historical levels, we will need some modifications to the regulation or some additional exemptions.

As much as the recovery is anticipated, that hasn't translated directly into recovery in the securities lending market. The lending clients are showing a healthy interest, and you have an educated client base, which is good, and we're seeing a level of engagement should have been happening anyway.

SLT: What efforts does ASLA make at a regional and international level to coordinate with other associa-tions?

Martin: Anything that's pertinent to Australia we'll circulate with the RMA, ISLA and PASLA membership. Anything relevant to Australia that affects someone in the UK for example, we can assist with. We have a common goal: to get the information out there and make sure it's clear to everyone what securities lending actually brings to the table. **SLT**

The importance of the repo market

In the first of our excerpts on the ICMA/European Repo Council white paper on repo, we look at the role the market plays

SLT EXCLUSIVE

The repo market is at the core of the financial system. It is pivotal to the functioning of markets and a cornerstone of stability.

The fundamental importance of the repo market is reflected in the range and nature of its market and systemic functions:

Providing an efficient source of money market funding

By offering secured money market assets to cash investors, by disintermediating traditional but less competitive financial channels, and by diversifying credit exposure beyond the banking sector, the repo market mobilises cheaper and deeper funding for financial intermediaries, which in turn lowers the cost of financial services to investors and issuers. In contrast to the unsecured deposit market, the European repo market provides liquid term funding.

Providing a secure home for liquid investment

The capacity of repos, collateralised by high-quality securities, to mitigate credit and liquidity risks is particularly valued by risk-averse end-investors, not least the money market mutual funds that aggregate retail savings.

Broadening and stabilising the interbank money market

The collateralised nature of repo permits wider participation in the professional money market (ie, not just commercial banks).

Diversification creates a deeper and more robust market, which facilitates liquidity management between financial intermediaries and reduces systemic risk. The repo market also mitigates risk in the interbank market by allowing anonymous trading across CCP intermediated electronic trading systems (among other things, anonymity avoids the automatic withdrawal of credit lines when an institution's creditworthiness is questioned).

Facilitating central bank operations

The repo market provides a readymade collateral management framework without which central banks would not be able to implement monetary policy so efficiently in normal market conditions and act as lenders of last resort so swiftly during periods of market turbulence.

Extending a financial safety net

In a financial crisis, unsecured lending evaporates. Vital access for creditworthy financial intermediaries to residual market liquidity is sustained through collateralised transactions in the repo market. Although the repo market was not immune to the disruption triggered by the default of Lehman Brothers, it did not suffer a seizure and has helped to avoid total and unsustainable dependence on central bank liquidity.

Integrating financial markets

Cross-border market integration creates economies of scale for financial intermediaries, permits wider diversification of risk by investors and opens up new funding opportunities for issuers. However, cross-border financial transactions involve more remote and complex lending relationships. The collateralisation of risk in the repo market has accordingly been essential to the growth of cross-border activity.

Hedging and pricing derivatives

The use of repo to fund long positions and cover short positions in underlying securities is fundamental to the pricing and hedging of derivatives, which are the essential tools of risk management for both financial intermediaries and end-users of the financial markets, including official debt and reserve management agencies. Indeed, an active repo market is an absolute prerequisite for liquid markets in derivative instruments. Attempts to establish new derivatives markets, exchange-traded and over-the-counter (OTC), have floundered where there have been no active repo markets.

Hedging primary debt issuance

Repo is pivotal to an efficient primary market for debt securities. Primary dealers and other underwriters rely on the repo market to hedge the underwriting risk on both government and corporate debt, and to manage the new issue process efficiently. A long position in a new issue can be hedged by taking an offsetting short position in an existing issue with similar risk characteristics. The delivery of securities into the short position is covered by borrowing in the repo market. Alternatively, a long position in a new issue can be hedged by taking a short position in a derivative instrument such as a bond future or interest rate swap.

However, this short derivatives position will ultimately be hedged by someone else in the market taking a short position in the underlying security (derivatives merely transfer the need to go long or short of the underlying to another party), which also means borrowing in the repo market. The ability of primary dealers and other underwriters to efficiently distribute new issues would be seriously constrained without access to a liquid repo market, and the cost and risk of issuance would be increased and passed directly to issuers.

The primary market function of repo will become increasingly important over the next few years, given the quantity of debt which European governments, banks and corporates are expected to issue.

Ensuring liquidity in the secondary debt market

Liquidity in the secondary market for securities depends upon primary dealers and other market-makers being willing:

To quote selling prices continuously to investors, even for issues which they do not hold in their inventory and cannot or do not wish to purchase immediately from someone else in the market. If an investor buys such an issue, the market-maker can only be sure of his ability to deliver to the investor if he is able to borrow that issue in the repo market. The alternative would be for the market-maker to hold larger inventories, which would raise the cost of market-making and therefore the cost of debt to issuers and investors.

To quote buying prices continuously to investors. This relies on the ability of market-makers to hedge temporary accumulations of long positions by taking short positions in issues with similar maturities, which means borrowing in the repo market.

Without the ability to cover the temporary short positions created by selling issues not held in inventory, as well as the deliberate short positions taken to hedge temporary long positions, market-making would be constrained to a rigid matched-book style of activity and secondary market liquidity would suffer. Portfolio management by investors would be made more difficult and debt securities would become a less attractive investment.

Fostering price discovery

The enhanced liquidity generated by repos in the primary and secondary markets for securities helps equilibrate imbalances between the supply and demand of securities, and facilitates their correct valuation, which generates the smooth and consistent yield curves that are essential for the accurate pricing of other financial instruments, and thus the efficient allocation of capital by financial markets.

Preventing settlement failures

Repo plays a mundane but nonetheless critical role in supporting the day-to-day operational efficiency of securities markets by allowing issues to be borrowed in order to ensure timely onward delivery, where short positions have arisen unintentionally, because of unexpected lags between inward and outward deliveries of securities, or the tight supply of particular issues.

Permitting faster settlement times

The role of repo as a means of borrowing securities has been, and will continue to be, crucial in allowing settlement periods to be shortened in order to reduce systemic risk in securities settlement systems. Faster settlement leaves less time for operational errors to be corrected and therefore requires an efficient source of securities borrowing to prevent delivery failures.

Allowing more efficient collateral management

Trading in the repo market is key to the valuation and management of collateral, and therefore to the liquidity which allows collateral resources to be fully mobilised and efficiently allocated. Collateral management is becoming ever more important.

Demand for collateral for use in payments and settlement systems, as well as in the exchange-traded and OTC derivatives markets, is being compounded by regulatory pressure on market users to hold larger liquidity reserves and make greater use of (collateralised) central clearing counterparties (CCPs), at the same time as a loss of confidence in sovereign debt is creating uncertainty over the future supply of high-quality collateral.

Allowing more efficient employment of capital

The global economic impact of the increasing regulatory risk capital charges introduced since the 1980s was mitigated by the more efficient use of capital that was allowed by the underlying shift from unsecured to secured financing.

The capital efficiency of repo will become even more important in the future as regulators increase capital charges and impose new liquidity requirements. **SLT**

Securities Lending Times will be publishing excerpts from this White Paper over upcoming issues. In the next issue: The 'special' repo market.

View from the top

As *Securities Lending Times* reaches its seventh issue, we have asked our editorial advisory panel to comment on the issues that have affected the industry over the past three months, the reforms expected in the market, and how *Securities Lending Times* has covered the market.

Ben Wilke, editor

BNY MELLON
ASSET SERVICING

Rob Coxon
Head of international securities lending

BNY Mellon Asset Servicing offers clients worldwide a broad spectrum of specialised asset servicing capabilities, including custody and fund services, securities lending, performance and analytics, and execution services. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation. BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 34 countries and serving more than 100 markets. It has $22.4 trillion in assets under custody and administration, $1.1 trillion in assets under management, services $11.8 trillion in outstanding debt and processes global payments averaging $1.5 trillion per day.

BROWN
BROTHERS
HARRIMAN

Keith Haberlin
Head of securities lending, EMEA

With 100 per cent client referenceability, compelling economics, and no collateral impairment, Brown Brothers Harriman has proven that a securities lending programme can deliver outstanding performance and robust risk management. Ranked the #1 Global Provider in the 2009 and 2010 Global Custodian Securities Lending Surveys, we provide customised third party and custodial securities lending solutions to many of the world's most sophisticated global institutional investors.

EQUILEND

Brian P. Lamb
Chief executive officer

EquiLend is a leading provider of trading services for the securities finance industry. EquiLend facilitates straight-through processing by using a common standards-based protocol and infrastructure, which automates formerly manual trading processes. Used by borrowers and lenders throughout the world, the EquiLend platform allows for greater efficiency and enables firms to scale their business globally. Using EquiLend's complete end-to-end services, including pre- and post-trade, reduces the risk of potential errors. The platform eliminates the need to maintain costly point-to-point connections while allowing firms to drive down unit costs, allowing firms to expand business, move into different markets, increase trading volumes, all without additional spend. This makes the EquiLend platform a cost-efficient choice for all institutions, regardless of size.

eSECLENDING
SECURITIES FINANCE TRUST COMPANY
CELEBRATING 10 YEARS

Will Gow
Senior vice president, EMEA

With 10 years of experience, eSecLending is a full-service global securities lending agent providing customized securities lending solutions for sophisticated institutional investors worldwide. The company's approach has introduced investment management practices to the securities lending industry, offering beneficial owners an alternative to the custodial lending model. Their philosophy is focused on providing clients with complete program customization, optimal intrinsic returns, high touch client service and comprehensive risk management. Their differentiated process combines agency exclusives and traditional agency routes to market to achieve best execution while providing clients with greater transparency and control, allowing them to more effectively monitor and mitigate risks.

Northern Trust

Sunil Daswani
International head of client relations

Northern Trust is a leading provider of asset management and asset servicing solutions for corporations and institutions worldwide.

Northern Trust began lending securities for its clients in 1981, and today offers 24-hour trading in close to 50 markets across four trading locations. Its aim is to optimise returns to clients' portfolios through customised lending programmes in the context of thoughtful risk management, and without impacting clients' investment strategies.

State Street

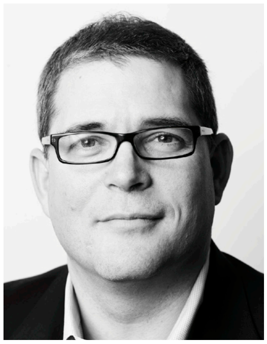
Nick Bonn
Executive vice president and global head of securities finance

State Street Corporation (NYSE: STT) is one of the world's leading providers of financial services to institutional investors, including investment servicing, investment management and investment research and trading. With $19 trillion in assets under custody and administration and $1.9 trillion in assets under management at March 31, 2010, State Street operates in 25 countries and more than 100 geographic markets worldwide.

SUNGARD®

Craig Costigan
Executive vice president, general manager SunGard Securities Finance Software division

SunGard is the third largest provider of business application software, and customers all over the world rely on SunGard to fulfill their securities finance business needs. SunGard provides a comprehensive suite of securities finance solutions, from trade initiation through to final return; including order routing, trading, position management, operations, accounting, settlement, transaction analytics and benchmarking and trade automation services. With over 20 years experience SunGard has a global linked community of securities finance users. 17 out of the world's top 20 banks use one or more products from SunGard's suite of solutions for securities finance. SunGard's securities finance technology suite includes Apex, Astec Analytics, Global One, Loanet and Martini.



QUADRISERV

Bruce C. Turner
President & chief operating officer, Quadriserv, Inc

Quadriserv is a leader in delivering transformational market structure changes to the securities lending industry. Quadriserv, through its wholly owned subsidiary, Automated Equity Finance Markets, Inc, has developed the AQS® market for securities lending. AQS, through its relationship with The Options Clearing Corporation, has created a centralised market for securities lending transactions. As a FINRA member broker-dealer and a SEC regulated Alternative Trading System (ATS), AQS aims to maximise liquidity, access, credit and transparency, while mitigating systemic risk, through a fully automated trading environment.

SLT: It's been a very difficult quarter for the hedge fund industry. How have you fared?

Bruce Turner: We have been fortunate and have fared quite well, and we are pleased with the progress that AQS has made in our key markets. As evidence of this progress, we now have 42 approved member institutions, and our average GC order size is approximately USD3.2 million, while the average hard to borrow order size is approximately USD650,000, all quarter over quarter increases due, in part, to the growing connectivity of hedge funds to the AQS market.

Turner: There is a great deal of work yet to be done with respect to Dodd-Frank

These data points occur against the backdrop of continued strong demand for AQS from the broader financial services community. Indeed, in a difficult investing climate generally, all financial institutions are increasingly looking to generate incremental forms of operational alpha, while increasing efficiencies and transparency. The AQS market has been uniquely positioned to assist firms meet these objectives.

Nick Bonn: We saw our securities finance revenue increase in the second quarter of 2010, primarily due to the impact of the dividend season in Europe. On July 7, we also announced some important steps that will unlock liquidity in our commingled collateral reinvestment pools for our clients. With market conditions in flux, we are in constant communication with our clients about their lending programs and specifically about how to develop programmes that are the right fit for their risk profile.

Craig Costigan: As a solution provider to hedge funds, and their prime brokers, we probably have a different take on this question to the other panelists. What we have seen is that business levels are slowly increasing; however, in addition to looking for new business opportunities, including expanding into other markets, many firms are looking at their own business processes and looking for increased efficiency and cost savings, through consolidation of resources and automation.

Will Gow: The market experienced an encouraging European dividend season and there are certain asset classes that are holding up well. However, Data Explorers has recently shown that while the long short ratio is at a two year high, demand is down. This requires lenders and their agents to be nimble and to evaluate new trading opportunities in order to remain attractive as a lender and retain, or gain, revenues. Being flexible is essential and will provide value while the market comes back. We are already seeing increased M&A activity, which should benefit lenders with respect to special opportunities in the second half of the year.

In addition, the securities lending industry continues to evolve as the topic of third-party lending is becoming more and more prevalent. For eSecLending, these recent events support our belief that beneficial owners who view securities lending as a front office decision are utilising best in class providers for their investment needs. Our 10-year proven history of delivering customised solutions for institutional investors has positioned us well to capitalise on the opportunities as the industry continues to evolve. Toward that end, we've added five new clients thus far in 2010, two of which have never lent before and two have chosen eSecLending after suspending their programmes with prior agents following the credit crisis.

Earlier this summer we also expanded the senior expertise, depth and perspective of our sales & servicing and trading teams to meet our business needs. Ed Oliver, former global head of consulting at Data Explorers joined as senior vice president of client relationship management and Matt Bray, former securities financing trading manager at AllianceBernstein, joined as senior vice president of securities financing and asset/liability management.

Keith Haberlin: Outside of structured trade strategies which have held up well, demand is undoubtedly depressed with very few specials opportunities, largely due to the lack of hedge fund activity. We are fortunate that the new business we have won has meant that our revenues are strong, but the lack of hedge fund conviction is making for tough times for lending agents.

We do feel that this is a cyclical phenomenon and as recent statistics show, flows into hedge funds have increased, which will eventually be put to work as a result of a clearer picture of impending regulatory changes and conviction over the direction of the markets. In all likelihood, we feel this is a Q4 or early 2011 event.

SLT: CalPERS has praised the new federal financial reform law, describing it as a historic step towards protecting markets and advancing shareowner democracy. What do you feel the reforms will have on the securities lending market?

Turner: There is a great deal of work yet to be done with respect to Dodd-Frank legislation, which now enters the all-important rule making process. In general, we share CalPERS' sentiment and agree that with the appropriate balance, the ensuing rules can positively affect the quality of public markets. With respect to securities lending specifically, we would have two observations:

First, to the extent the legislation explicitly embraces a more widespread use of exchanges and CCP models, we believe that a certain level of securities lending activity will ultimately move in that direction, as well. This is the core of the AQS model, and legislative support for the initiative is a positive sign.

Second, the legislation specifically calls on the SEC to promulgate rules that are designed to increase the transparency of information available to brokers, dealers and investors with respect to securities lending. Quadriserv's commitment to this laudable goal is manifest in – among other initiatives – our expansion of market data products and services beyond the current member base to include industry-wide distribution. We look forward to advancing these services while leading by example and serving as a template for collaborative industry input.

Bonn: Securities lending was not a primary focus of the legislation, however, there will be some changes that affect the industry. The legislation provides the SEC with rule-making authority over securities lending transactions, which we expect will result in increased transparency and standardisation.

While agent lenders have always made transparency and access to daily reporting platforms a cornerstone of their service offering, there have been considerable differences in the type and quality of information available. The events of last two years are already transforming the way portfolios are built and how risk is managed. This new emphasis will help the industry to develop better programmes, more innovative products, and, ultimately, build stronger relationships between agent lenders and their clients.

Gow: Beneficial owners who view securities lending as a front office decision are utilising best in class providers for their investment needs

Costigan: The new financial reforms are ultimately aimed at increasing customer protection further, so that the trading activities of large firms cannot put the market at risk in a way that was demonstrated during the financial crisis. The implications of these changes is far reaching, and it will take some time before any direct implications for stock lending are identified, though it is likely that there will be further segregation of activities resulting from structural changes, which are will bring solution infrastructure challenges to many firms.

Sunil Daswani: The new federal financial reform law offers an opportunity for positive development in financial service arenas. In the securities lending markets, this may lead to a more detailed framework than seen previously, but many details have yet to be mapped out. At Northern Trust, our experts continue to actively participate in various specialist industry associations and directly with regulators and legislative groups to contribute to these important developments.

Gow: Regulators have acknowledged the important role securities lending plays in the capital markets; however the full impact of the reforms is still unknown as there could be unforeseen results. In the meantime, until we have full clarity, demand will continue to be strained.

SLT: This is the seventh issue of *Securities Lending Times*. What more would you like to see in the publication?

Turner: In a very short period of time, *Securities Lending Times* has established itself as an authoritative voice in the industry and an open forum for unique industry perspectives. In broad strokes, we would like to see this vibrant beginning continue!

More specifically, the implementation of Dodd-Frank will have very tangible and, perhaps, revolutionary impacts on securities lending. The need to keep informed with respect to the rule-making processes that lie ahead and gain insight into regulatory initiatives is more pressing than it has ever been.

We also believe that *Securities Lending Times* can play a meaningful part in simplifying and distilling the complexities of the securities lending market today. For an industry that remained largely unchanged for many years, change is now happening relatively quickly. Within this context, we believe market participants would benefit from a focus on:

Clear assessment of the multiple routes to market, with risk and returns of each;

Use of case studies to highlight these routes to market and quantifiable metrics to gauge their relative success.

Bonn: It would be interesting to see the publication explore emerging markets for securities lending as well as the changing regulatory environment globally.

Costigan: From market participants and colleagues that we speak to we feel that content and format used to date has been well received. Keeping topics current and fresh is clearly a challenge! Many of the important market developments need regular revisiting in order to keep up to date with the developing market requirements.

Things such as regulatory change, the need for further transparency and methods of achieving enhanced collateral asset optimisation to counter the tightening of balance sheet capital accessibility have established themselves as perennial issues, many of them requiring new approaches to address the changing business issues.

Ensuring there is something of interest for all aspects of the business in each issue, and exploring the different angles pertinent to each business challenge from the different perspectives is key.

Daswani: We would like to see some coverage in *Securities Lending Times* on the following topics (i) Regulation and the impact of Basel II and Basel III, (ii) Collateral trends of borrowers and lenders and (iii) New developments of securities lending in emerging markets.

Gow: It would be valuable to learn more from the global beneficial owner community. Aside from some of the general trends we've heard about such as using best in class providers, the need for enhanced reporting and transparency etc, it would be interesting to learn about how they look to grow their business, what opportunities and challenges they see and how they believe we, as an industry, can respond.

Haberlin: I think the newsletter has covered the key issues. Regulation is obviously an area of interest among market participants and I think readers will be keen to learn what the industry thinks about the impact of impending rules. Separately, I think readers would also be interested to get more perspective from the hedge fund community about their expectations for borrowing demand.

11th Annual Collateral Management

Date: 8-10 September 2010
Location: London
Website: www.marcusevans.com

For this 11th annual marcus evans conference we both pick up on the changes to the collateral landscape as well as return to the great debates within the field to offer practical solutions for meeting these challenges.

IMN's 15th Anniversary European Securities Lending Summit

Date: 20-21 September 2010
Location: London
Website: www.imn.org

In September 2009, more than 250 attendees and 60 beneficial owners participated in IMN's 14th Annual Beneficial Owner Securities Lending Summit. Leading European decision-makers discussed important issues confronting beneficial owners and the securities lending industry at large.

SunGard London City Day

Date: 23 September 2010
Location: London
Website: http://events.tenfor2010.com/citydays/london.aspx

SunGard is engaging with key customers and industry players to determine how best to meet immediate challenges and help prepare you for the new business priorities which lie ahead.

4th Annual Collateral Management Conference

Date: 5-6 October
Location: Amsterdam
Website: www.jacobfleming.com

A number of high-profile defaults, volatility in the financial markets and heightened concerns over counterparty credit risk have placed great strain on many banks' collateral programmes and have highlighted the need for a new approach.

Hong Kong Securities Financing Forum

Date: 7 October 2010
Location: Hong Kong
Website: www.dataexplorers.com

Data Explorers' Securities Financing Forum in Hong Kong is taking place on Thursday, 7th October 2010. Our Global Securities Financing Forums are known throughout the industry as THE event to attend for insightful analysis that highlights specific challenges and opportunities facing the securities financing market.

27th Annual RMA Conference on Securities Lending

Date: 12-14 October 2010
Location: Boca Raton Resort & Spa in Boca Raton, Florida
Website: www.rmahq.org

The Boca Raton Resort has always been one of our premier conference locations. It was the site of the very first RMA Conference and continues to be the foremost favorite venue. We know you'll enjoy the newly renovated Boca Beach Club. It is quite a dramatic transformation!

Finadium 2010 Conference

Date: 19 October 2010
Location: New York
Website: www.finadium.com/site/conference_1010.php

This event highlights best practices and emerging trends in the prime brokerage, securities finance and asset servicing industries.

Industry Appointments

Deutsche Bank has established an Asian equity strategy team with **Ajay Kapur** appointed as managing director and head of Asian equity strategy. Kapur is based in Hong Kong and reports locally to Guy Ashton, global head of company research.

Joining Kapur are **Priscilla Luk**, who is appointed as a director, Asian equity strategy, and **Ritesh Samadhiya**, vice president, Asian equity strategy.

In his new role, Kapur is responsible for building Deutsche Bank's Asian equity strategy capabilities and research product offering. He joins Deutsche Bank from Mirae Asset Securities, where he was chief global and Asia strategist.

BNP Paribas Corporate and Investment Banking has appointed **Edward Speal** as head of global equities and commodity derivatives (GECD) - Americas, **Lionel Crassier** as head of equities - Americas and **Dan Cozine** as head of structured finance - Americas. Additionally **Chris Innes** has joined the Bank as head of equity flow and financing sales also for the Americas.

Dan Cozine returns to New York to run the structured finance business at BNP Paribas after spending two years in London as head of loan syndications and trading for EMEA. Prior to that, he held positions as co-head of energy and commodities structured debt and head of project finance in the Americas. He reports locally to Everett Schenk and globally to Dominique Remy, global head of structured finance.

Commenting, Dominique Remy said: "Dan is a great professional with many years of structured finance experience and I am confident he will continue the stellar job Edward has done with the structured finance business."

Penson Financial Services has named **David Mudie** as head of sales. Mudie joins PFSL from MF Global, where he worked in prime brokerage sales. He has more than 15 years experience in financial services, having held sales and leadership positions with Newedge USA LLC and other clearing firms.

ING Investment Management Asia Pacific has appointed **Grant Bailey** CEO. He will be based at the company's Asian headquarters in Hong Kong.

Bailey has been with ING for almost nine years, most recently as regional general manager for ING Investment Management Asia Pacific. He started his career with ING in Australia, where he was the CEO of ING Investment Management within the country. He also spent time in Dubai, setting up the group's investment operations in the Middle East. He succeeds Alan Harden, who has left the bank.

Gilbert Van Hassel, CEO at ING Investment Management, said: "I want to thank Alan for his contribution to the business and I am pleased to welcome Grant as regional CEO for Asia-Pacific. I am fully confident that Grant, with his track record in both mature and emerging markets, will be able to contribute to the further development of the Asia-Pacific region and to ING Investment Management's strategy of becoming a top tier asset manager."

Daiwa Capital Markets Europe has hired **Meurig Williams** as regional head of equity for Europe and the Middle East, appointing him managing director of Daiwa Capital Markets Europe. In his new role Williams will work closely with the firm's other regional equity heads to further build its franchise in the pan Asian equities markets.

Williams, who was formerly a managing director at Goldman Sachs, will be based at Daiwa's European headquarters in London, reporting to Yoshio Urata, Hong Kong-based global head of equity sales, and locally to Masami Tada, chairman and CEO of Daiwa Europe. In addition to his 12 year career at Goldman Sachs where, amongst other senior roles, he served as head of pan Asian shares in Europe, Mr. Williams was previously CEO of WiJo Capital, a London-based investment management company.

Vendible Broker recently announced the expansion of its brokerage platform with the addition of key hires in sales and relationship management. **Mike Maclean** and **Adrianne Salmon** have joined Vendible Broker to broaden its brokerage offering. They join Vendible Broker's New York office that already includes 12 professional brokers focused on serving the company's growing client base.

"We view New York as an important strategic market. Having a local presence is vital to our success and demonstrates Vendible Broker's commitment to the New York business community," commented Kyle Goldstein, vice president & operations manager.

David Little, head of securities finance at Rule Financial will be moving on. After 10 years building up the securities finance business at the company, Little says he's leaving to pursue fresh challenges.

It is understood that Little's role at Rule Financial will be picked up by Alec Nelson and that all current strategies will continue.

Nomura Securities has hired **Jon Block** as head of international trading in the Americas, with responsibility for trading and sales-trading of non-US stocks.

His mandate is to grow Nomura's franchise in trading EMEA, Asian and Japanese stocks with US clients, and to build further product capabilities, including Latin America and Canada. He will act as head of the business in addition to being a client facing trader and risk manager.

Block worked at Goldman Sachs for 10 years starting in 1994, where he traded international stocks and the financials sector. He also led UBS's Canadian trading and sales trading franchise for four years starting in 2005. He graduated from Harvard College in 1990 and New York University Law School in 1994.

Reporting directly to Ciaran O'Kelly, head of equities, Americas, and regionally to Dean Schulberg, head of EMEA cash equities, and John Adair, co-head of Asia-Pacific equity sales.

SLT SECURITIESLENDINGTIMES

Editor: Ben Wilkie
editor@securitieslendingtimes.com
Tel: +44 (0)20 3006 2710

Marketing: Steven Lafferty
design@securitieslendingtimes.com

Publisher: Justin Lawson
justinlawson@securitieslendingtimes.com
Tel: +44 (0)20 8249 0235
Fax: +44 (0)20 8711 5985

Published by Black Knight Media Ltd

16 Bromley Road
Beckenham
Kent
BR3 5JE
UK

Company reg: 0719464

To subscribe please visit
www.securitieslendingtimes.com

60 Second Resumé

Ashish Pradhan

Meet Ashish Pradhan, a globetrotting securities lending professional with an expertise in international markets.

Tell me a little about yourself

After graduating in 2003 from Skema Business School, France with a management degree, majoring in financial markets, I joined hedge fund administrator GlobeOp Financial Services. Here I learnt many aspects central to the securities industry, including accounting, pricing, corporate actions, reconciliations, settlements, reporting, IT infrastructure and all associated risks, while liaising with various teams, prime brokers and hedge funds.

In late 2006 I got an opportunity to join the securities lending division at Deutsche Bank in Mumbai. I soon found myself supporting the multi-billion dollar trading book for Japanese equities. Collaborating with teams globally and learning from seasoned professionals - involving Tokyo visits - gave me a 360 degree view of the securities lending business. After close to four years at the bank I learnt a great deal about the securities lending business from front to back and its dynamics - key drivers, market forces, operations, competitions – and all this when the industry was facing great challenges during the financial turmoil.

On a personal front I like travelling, reading Indian authors and call myself a global citizen with friends across the planet.

What industry qualifications or relevant certification do you hold?

I am currently preparing for CFA Level 1 Dec 2010, Six-sigma Green Belt, KPMG. I am also willing to get any industry certifications required. I have exposure to securities lending infrastructure - vendor tools and services.

What was your last position in the industry and what did you enjoy most about it?

I was part of the securities lending team at Deutsche's Mumbai office. Since I worked on Japanese trading book, I liked the sheer size of this major financial market especially during the dividend season. I also enjoyed collaborating with teams globally, automating goliath tasks to achieve efficiency and quick turn around time along with introducing models in an endeavour to create best-in-street service and profits for the bank

What area are you looking to get back into?

I'm flexible but wish to continue my career in securities lending and allied products with international exposure and greater responsibilities within equities and fixed income. I'm looking for a place where I can perform well and add true value to the firm and fraternity. There's still a lot more to learn given my few years here.

What do you feel you could bring to a future role?

My desire to excel and innovate - these drive me to work every day. With a trait to better myself continually I believe client service with ethical standards is paramount. Having been part of the industry's market leader gave me a good insight into the industry and I wish to carry forward the knowledge sans boundaries.

What do you feel the industry needs most?

Securities lending can thrive only on free and efficient markets. Having been through the financial crisis the securities lending business has shown resilience and is raring to go. However, at macro level it needs transparency, trust of regulators and participants alike with acceptance as a mainstream activity. A global governing body will be helpful. At operational level the industry needs investments in IT infrastructure with real-time solutions. A conducive business environment with focus on collateral flexibilty, risk mitigations alongside greater compliance and transparency will fuel the growth we all anticipate.

Contact Ashish

http://in.linkedin.com/pub/ashish-pradhan/22/603/668

or pradhan77@yahoo.com