

## Here's what industry experts are saying about the value of regulated futures markets and central counterparty clearing.

Moving trades onto regulated exchanges, as the industry trade body ISDA has discussed, should be the first step. It would mean that buyers and sellers of protection are more efficiently matched. -- **Financial Times, 9/23/08**

If the street won't lend me money to leverage 30-to-1, the only game in town will be the futures market," he said. "The futures market attracts business because it's still a business that allows leveraged bets; it's a more difficult strategy to pursue, and futures exchanges will be the preferred way to do it." **Brad Hintz, senior analyst, Sanford Bernstein & Co.**

"My personal view is that for the first time in a while, the exchanges have a good argument to take on some of the OTC business," said Fandetti. "[Banks are] trying to come up with a dealer solution to clearing, but I have to think that the events of the last few months help exchanges' involvement in central clearing," he added. **Don Fandetti, Citigroup analyst**

"One possible way to help with the problems [in OTC derivative trading] in the future is to ensure companies price positions on a daily basis, as the listed futures market does," said **Bob Tebbutt, vice-president of risk management at futures and options trading house Peregrine Financial Group Canada Inc.**

Chip Dempsey, a clearing industry consultant in the US, said there was a need for new services. He said: "In the credit-crunch environment, it is not safe to assume that one counterparty is able to make its agreed payment. The comfort of having a guaranteed default fund of a clearing house is now essential." **Competition raises stakes for clearers, 09/08/2008, Financial News**

"...a central counterparty model already exists and according to CME Group data that is published daily, it continues to do well. CME's model is different to the bank central counterparty model in that it has a five tiered safeguard system, starting with the defaulting firms collateral and working through temporary liquidity facilities to a series of risk capital contributions." **The central counterparty is clearly the hot topic at this moment... . 09/16/2008, PROFIT AND LOSS**

"We're hoping the long-term effect generally is to move these and other products onto exchanges or electronic communications networks (ECNs), where there is far more transparency and the possibility for increased distribution of risk," said one hedge fund manager. **US meltdown spurs central clearer debate, 09/29/2008, FX Week – Online**