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The Future of the Financial Exchanges: Insights and Analysis from The Mondo Visione Exchange Forum (Elsevier World Capital Markets)

Herbie Skeete

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Herbie Skeete : The Future of the Financial Exchanges: Insights and Analysis from The Mondo Visione Exchange Forum (Elsevier World Capital Markets) before purchasing it in order to gage whether or not it would be worth my time, and all praised The Future of the Financial Exchanges: Insights and Analysis from The Mondo Visione Exchange Forum (Elsevier World Capital Markets):

1 of 1 people found the following review helpful. Excellent insight and analysis from pros about market nitty gritty By Bachelier Herbie Skeete's agglomeration of topics in "The Future of the Financial Exchanges" is a welcome and timely discussion gleaned from the (now annual) "Mondo Visione* Exchange Forum." This review highlights the most interesting points raised for me, but is by no means exhaustive (use the Look Inside feature for a table of contents). Participants are all leaders in the industry with thoughtful comments and insights. I rate this book five stars for what it is: a round-up of views and discussion from extremely intelligent professionals engaging in high level issue discussion at a conference. This is not a "trading" book. Front and center is a discussion of the wave of demutualization of exchanges throughout the 90s and 00s, with a corresponding review of the agency functions of actors afterwards. Metrics on transaction costs and efficiency have been notably improved, the participants note, allowing clients who pay close attention to market microstructure and costs at each node to shop efficiently for execution (the Renaissance Technologies, D.W. Shaw, and Ion Asset Architectures of the world). In addition, streamlined product innovation and success (or failure) models are also noted. The discussion of corporate governance and market power is among the most arresting, raising a plethora of questions facing publicly traded exchanges and how they govern themselves in the face of global competition. Do corporate governance standards ultimately hobble global competition? Or are they a sign of quality that attracts long-term business (and therefore stable and predictable revenue and growth)? Chapter Three (3) covers "Regulation is Affecting Trade through Settlement," with excellent discussion on the possible effects of regulation creating economic rents for current large players (compliance with regulation is something that can only be done on a large scale) and hobbling innovation, to alternately promoting customer confidence. The obvious results that regulation have increased the need for back office staff has also led to some curious results on improvement in efficiency of trade settlement, increased computerization, as well as prompted the curious case of the remutualization of the Depository Trust and Clearing Corporation. Market integration, transatlantic consolidation, and internationalization of transactions in public markets are also freely discussed, and also contrasted with instruments in the OTC markets. The obvious trend is towards increased central market consolidation, however the shape and strategic alliances and subsequent product innovation or client retention or attraction remain complex topics, all wonderfully discussed here. One criticism: much of the book depends heavily on the comments of Dr. Benn Steil. This is not a bad thing, for his deep thinking, insightful views, and welcome questions all contribute massively to the value of this book, but disclosure on his near co-authorship, or providing more alternative voices would have been welcome. Perhaps Steil is highlighted so much simply because he is the most thoroughly briefed and has the widest and deepest knowledge on current market issues. Investment professionals from custodians, to front back and middle office will find useful information here. However, this volume is most appropriate for those in the back office who have responsibilities on the custody and settlement chain, but the discussion is also appropriate for investment and brokerage firm executives and corporate legal council who are ever mindful of costs, regulation, liquidity, and the economic agency that motivates market participants. In addition, those hedge funds that extract value through pricing at every node of market microstructure will find this work indispensable, as the major players and thinkers that will shape exchanges and their procedures are all represented here. My view is that these are discussions for pros who don't mind getting on the telephone to talk to their congressman or industry regulators, a real technical "Inside Baseball" discussion for suppliers and actors in the game, not fans and sideline participants. A very useful book.* A word on "Mondo Visione." Although Herbie Skeete and I are of the same generation where "Mondo Cane" and "Mr. Mike's Mondo Video" were both popular alternative films, "Mondo Visione" is simply ersatz Italian-American slang for "World Vision" and bespeaks of the participants `weltanschauung" or more commonly: world view. In an age where the auction for capital is increasingly computerized, instantaneous, transparent and global it is a well-chosen appellation. 0 of 0 people found the following review helpful. Very good overview of the issues the exchange industry faces By M. Groot The space of financial exchanges is undergoing rapid transformation brought about by innovations in technology, industry restructuring and client demands. In this book, Herbie Skeete brings together a number of insights and commentary from many of the key players in the exchange world on topics ranging from demutualization and regulation to product innovation and technology. This is interspersed with his own observations drawing on his extensive experience. For everyone with an interest in financial exchanges in whatever capacity, this concise volume offers a very good overview of the main issues the industry faces.

In May 2007, an extraordinary meeting took place in London's The Exchange Forum. Chief executives from many of the world's most important financial exchanges came together with senior executives from a wide array of global banking, trading, and investing firms, index providers, regulators, system suppliers, and key academics to discuss the rapidly changing business and technological environment in which exchanges function. The forum was an exclusive event, open only to the most senior-level individuals in the global exchanges community: those who run exchanges, who are clients of exchanges, who invest in exchanges, and who supply goods and services to exchanges. In presentations and panel discussions over two days, these experts explored the effect of shrinking margins as more instruments became exchange traded rather than OTC and the conflicts that creates. They shared what exchanges are doing today to respond to the challenges wrought by competition, globalization, and rapid technology

advances. And they looked into the future and discussed the multi-asset, multi-currency, and multi-region trading that holds out the promise of future success. The book is based on the discussion and analysis that took place at this exclusive event that brought together leading exchange professionals, their customers, and suppliers from around the globe to share insights and experiences. It will provide an overview of the latest technological, regulatory, and market developments in the exchange industry and the common problems exchanges face; explain how these problems are being addressed; and present the consensus view from leading exchange professionals about how to move forward. Most significant, the ideas in the book will come directly from the world's leading exchange professionals and customers.* Hear the voices of executive-level exchange professionals throughout the book for a candid, realistic, and high-level analysis of the exchange business, its present and future* Share the stories of success and failure these exchange executives shared as they discussed solutions to common challenges* Chart the way forward for your exchange business with confidence based on the collective insights and experience of these professionals

"The Mondo Visione Exchange Forum stands out as a 'must attend' event for exchange industry investors and leaders.

This book, which reports on the first Exchange Forum, showcases the latest thinking on trading and execution, clearing and settlement, and competitive new entry --- the very themes that impact business on and of exchanges world-wide."-Robert Barnes, Managing Director, Equities, UBS Investment Bank

"Herbie Skeete is a well-known veteran of the stock exchange world, and his book *The Future of the Financial Exchanges* is an excellent overview of the dynamics, operation and governance of the global stock exchange industry. It gives an in-depth analysis of trends, change, growth and globalization, and how these developments impact all who operate in today's capital markets. This is an essential read for anyone involved in the industry." -Tom Healy, Chief Executive, Abu Dhabi Securities Exchange

"Drawing on the debates of the first Mondo Visione Exchange Forum, this book contains many intriguing insights into important issues facing exchange trading and post-trade businesses today. Updated to take account of subsequent developments, it provides a valuable basis for further consideration of these fast changing sectors in today's financial world."-Peter Norman, journalist and author of *Plumbers and Visionaries: Securities Settlement and Europe's Financial Market*". . .

The Future of the Financial Exchanges (like its underlying conference) provides detailed and current insights into a fascinating industry based on a perfect mix of background information and quotes/statements from key industry leaders. Both newcomers in trading, clearing and settlement, and long time professionals will find it very enlightening to read."-Peter Gomber, Chair of e-Finance, University of Frankfurt, Germany

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About the Author Herbie Skeete is a well known figure in the financial information industry having spent 26 years at Reuters. During his many senior positions with Reuters - most recently as Head of Equities Content and Head of Exchange Strategy - Mr Skeete has become recognised globally as an expert on exchanges and content issues. He is frequently asked to address conferences and to contribute to round table discussions. Mr Skeete runs the exchange information publisher Mondo Visione Ltd, edits the industry-standard Handbook of World Stock, Commodity, and Derivatives Exchanges, and operates the exchange information web site www.exchange-handbook.com.