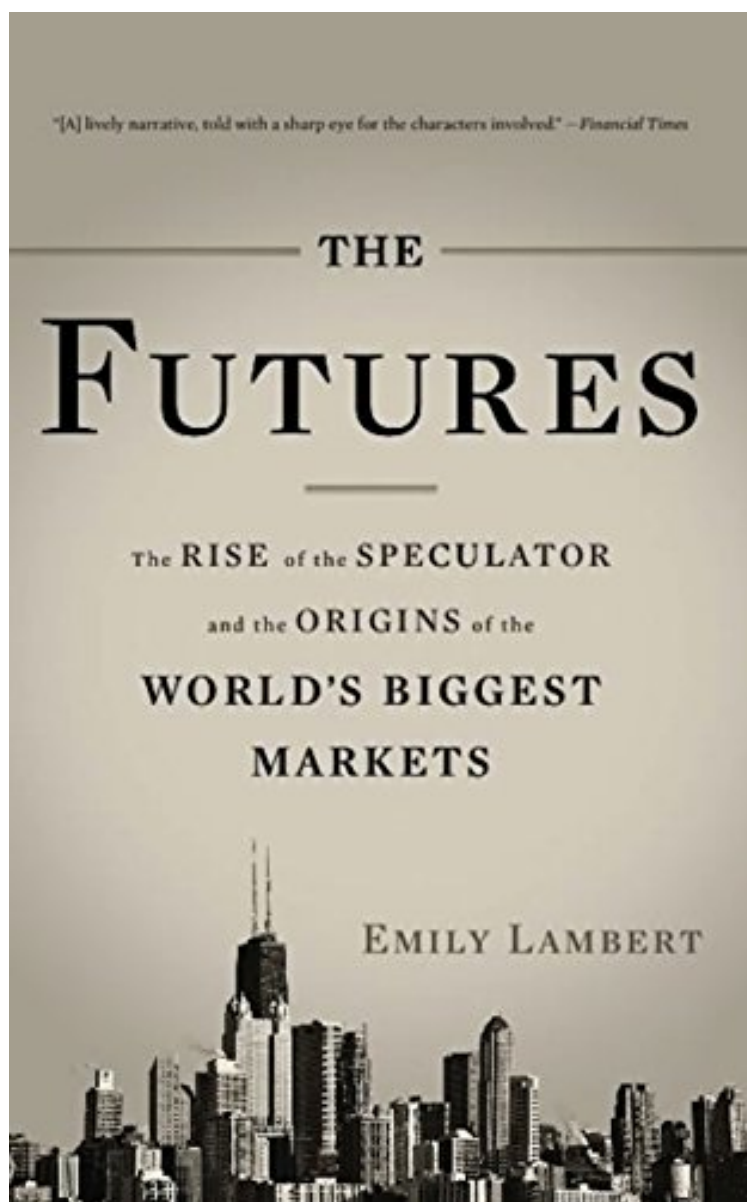


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## The Futures: The Rise of the Speculator and the Origins of the World's Biggest Markets

*Emily Lambert*

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**Emily Lambert : The Futures: The Rise of the Speculator and the Origins of the World's Biggest Markets** before purchasing it in order to gauge whether or not it would be worth my time, and all praised The Futures: The Rise of the Speculator and the Origins of the World's Biggest Markets:

1 of 1 people found the following review helpful. Financial History of Chicago By Louis Foster This book presents a description and history of the Chicago-based exchanges where commodity and financial futures have been traded for over a hundred and fifty years. Begun in the mid-nineteenth century as a way for farmers and other producers of commodities to hedge or protect themselves from falling or rising prices and for speculators to profit off the same changes in price for things like grain, soybeans, and meat, the Chicago Board of Trade and other exchanges sprang up between the vast American breadbasket out west and the hungry markets to the east. On this and other exchanges futures contracts - basically an agreement to buy or sell these commodities with delivery set for some time in the future - have been traded, originally in pits or sunken bowls with steps populated by traders but now increasingly by computer via the Globex trading system. Emily Lambert includes a capsule history of these institutions and their evolution along with some basic, easy to follow descriptions of the financial instruments that are traded but her real strength is in the journalistic reporting on the personalities that have been attached to the trading of futures in Chicago, particularly in the latter half of the twentieth century. Much of the book reads like an oral history of the Chicago Board of Trade and the Chicago Mercantile Exchange as they gradually transitioned from being primarily commodities exchanges of great value to the business of farmers and large agricultural companies to what they are today, globally important financial exchanges offering a variety of financial derivatives based on stock index futures, interest rates, and currency exchange rates. Lambert covers these more modern, more complicated futures, but there is a dearth of local color and fewer eccentric characters to attach the narrative to as the tide of high finance sweeps away the oddballs who previously made their fortunes at the exchanges, often through some family or neighborhood connection in the Windy City. While I would have appreciated a more rigorous or academic historical approach with more facts and figures, Lambert's extremely thoroughly reported history of Chicago as a financial center and the way in which it developed from a market for raw goods to a sophisticated financial city captures a warm human angle of this piece of financial history.

2 of 2 people found the following review helpful. An excellent narrative, but wonks will be disappointed By Chaco Key I agree with a lot of what has been already said in both praise and detraction for this book. As a story recounting the origins and growth of the futures markets, the book is immensely satisfying. The storytelling is clear and easily approachable with the one exception that there is too much name dropping. A casual reader will not be able to keep track of who is important through the development of the story versus who is being mentioned as a comical aside of spending excess. That being said, this book does not give me what I was after. I was hoping for more, well, charts and graphs. For instance, one development that the author points out is the banning of onions from futures trading during the Ike administration. The obvious question the wonks have is "Did the role of onion futures actually have a mitigating effect on the price of onions? Are onions more or less volatile relative to other similar commodities since their ban from the futures markets?" To this question, and others like it, the reader will not even be superficially engaged. This book is about men, ego, power and politics. Nerds need not bother. Still, this was not the author's focus of the novel, so it falls on me to know what I was getting into before hand. Caveat emptor, right? Just like in the exchanges...

0 of 0 people found the following review helpful. A very high and wide view that actually is very interesting By Robert Kirk With a topic as huge as the futures market, there is no way you can be complete in 200 pages. The author does a good job of giving a brief history of the origins of Chicago futures trading in the many markets. A brief introduction, a few fun facts, and some colorful bios on some of the traders await and although its not academic or information to help you become a better trader, it is interesting. In summary, entertaining and worth the time to read.

In *The Futures*, Emily Lambert, senior writer at Forbes magazine, tells us the rich and dramatic history of the Chicago Mercantile Exchange and Chicago Board of Trade, which together comprised the original, most bustling futures market in the world. She details the emergence of the futures business as a kind of meeting place for gamblers and farmers and its subsequent transformation into a sophisticated electronic market where contracts are traded at lightning-fast speeds. Lambert also details the disastrous effects of Wall Street's adoption of the futures contract without the rules and close-knit social bonds that had made trading it in Chicago work so well. Ultimately Lambert argues that the futures markets are the real "free" markets and that speculators, far from being mere parasites, can serve a vital economic and social function given the right architecture. The traditional futures market, she explains, because of its written and cultural limits, can serve as a useful example for how markets ought to work and become a tonic for our current financial ills.

From Booklist In the late 1800s, the Chicago Sanitary and Ship Canal was completed, creating the only shipping link between the Great Lakes and the Mississippi River system. As Chicago became a major trading hub, a group of businessmen formed an organization called the Chicago Board of Trade that would centralize the trading of wheat, corn, and other grains. To minimize the risk of fluctuating grain prices, farmers used the exchange to lock in a price for a promise to deliver the crop at a future date, and the futures contract was born. In 1898, the Chicago Mercantile Exchange opened to trade in perishables such as butter, eggs, and onions. Lambert tells the colorful history of these commodity markets, which were designed to hedge risk for farmers but became hotbeds for speculators, fast-deal

makers, and shrewd manipulators. The chapters are organized chronologically by the commodities that were added to the "pits," such as pork bellies, currencies, stock options, oil, and bonds. Lambert, a senior writer for Forbes magazine, keeps the story moving with a surprising litany of legendary traders you probably never heard of until now. --David Siegfried Dennis Kneale, CNBC Media and Technology Editor

With a passion for pork bellies, Emily Lambert takes us on an unexpectedly entertaining tour of the most volatile gambling pit in the world. Frenzied and fully wired on caffeine and fiber-optics, the exchange shapes food prices and influences global trade, yet it remains obtuse and impenetrable. Not after reading this fine book. --Justin Fox, author of *The Myth of the Rational Market*

A highly readable, informative and -- here's the most amazing part -- downright charming account of where the Chicago derivatives exchanges came from and where they're going. --Liaquat Ahamed, author of *Lords of Finance*

The Futures tells the rich and colorful story of the Chicago futures exchanges -- once the homes of trading in grains, eggs and pork bellies, which then went on to remake themselves into the world's central marketplace for financial futures -- and the generations of traders and speculators and financial entrepreneurs who ran them. It is not only a book about a transformative episode in financial history, it is also a wonderfully vivid portrait of an important slice of Chicago life. --Business Insider.com

The Futures is delivered as a flat midwestern yarn -- as if told by a Chi-town native, holding forth on a barstool over beers.... By the close of the story, the color and the craziness is clearly fading, the pushers and shovers in brightly colored jackets being replaced by the quiet hum of computers. Gone are the days of frantic hand signals, spontaneous fist fights, and drug-using clerks wearing goggles to protect their eyes against paper cuts. As Chicago modernized itself, trading in stockyards for towers of steel and glass, so too has the futures industry. The future is electronic, and global. --That makes it all the more fun, though, to revisit the fast, amusing tale of how the exchanges grew up with the city, and the gritty roots of how it all came about. --The National (Abu Dhabi)

In writing this book Emily Lambert conducted hundreds of interviews, pored over archives in Chicago's Public Library and Museum and fell a little bit in love with her subject. That affection informs this meticulous history of Chicago's commodity exchanges. It's not an emotion commonly associated with things financial - especially traders. But as Lambert tells the story of the Board of Trade's first pit, -- literally stamped out in the 19th century by the men who gambled on the prices of corn, soybeans, and eggs, that's what comes through. --Financial Times

How Chicago's trading pits were transformed from parochial gambling dens in the wake of the great fire of Chicago in 1871 to the electronic trading powerhouses they are today is Emily Lambert's lively narrative, told with a sharp eye for the characters involved. --Bloomberg News

A bouncy historical jaunt through the city's trading pits.... In brisk yet lyrical prose, Lambert describes how pits pulsating with sweaty guys trading their own dough gave way to computer networks of institutions laying wagers with other people's money. The book is timely. With commodities at two-year highs and record food prices sparking riots, regulators are seeking to curb speculation. Yet the trading explosion reflects innovations that the watchdogs themselves condoned. --The Week

While tracking the futures racket from the brawling trading pits' of the 19th century to the glass-tower imperiousness' of today, Lambert heaps plenty of love on the industry's most outrageous risk takers and rogues. --Their stories matter, we learn, because past practice shapes even today's markets, making history's heroes and swindlers part of the industry's DNA. --Lambert includes numerous colorful anecdotes about the exchanges and their traders, also touching briefly on the 2008 financial crisis. VERDICT: For readers interested in the Chicago exchanges' history, Lambert's book will be satisfying. --Frank Partnoy, author of --The Match King

Most people know about the derivatives that nearly brought down the financial system. Less known, but even more intriguing, are the futures and options traded on exchanges, especially in Chicago. The Futures is a window into that market and its gripping history, with rough-and-tumble locker room trading floors, loud colorful characters, rumpled shirts, cigars, and -- most important -- lots of money. The book is a front row seat on a massive gambling operation that has been surprisingly stable for a century and a half, and remains closely connected to the very real worlds of farming and food. If subprime mortgage derivatives had been traded openly in a Chicago pit, instead of secretly among Wall Street banks, we wouldn't have had the recent financial crisis. --Wall Street Journal

In *The Futures*, Emily Lambert addresses the subject with as much affection as is ever likely to be stirred by the pork-belly business. She's a believer: With futures, traders were more than gamblers. Gamblers created risk to bet on. They threw dice that didn't have to be thrown. But in the futures business, men bet on risks that already existed. The corn crop could fail'.... [P]icaresque tales enliven what could have been a dry subject. --Kirkus

[Lambert] devotes loving attention to a parade of outrageous risk-takers.... Although she provides lucid explanations of how the market works and how the various money-making strategies collide, the charm of her fast-paced, informal history comes from the book's animating insight: Finance is like biology: Everything is intertwined. --For the general reader, a full-blooded introduction to an arcane world. --Booklist

[A] colorful history.... Lambert, a senior writer for Forbes magazine, keeps the story moving with a surprising litany of legendary traders you probably never heard of until now. --Library Journal