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State Street Global Markets is the investment research and trading arm of State Street Corporation (NYSE: STT), one of the world's leading providers

US for the month of January was up 21 per cent

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30 per cent of January 2011 month-end open in-

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Customer demand has driven the listing of more

OCC volume up 22 per cent

Total OCC cleared contract volume in January

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Hedge funds record seventh consecutive month of positive returns

announcement of a planned merger between
group. This comes soon after news of the merg-

Short sellers have been active in this sector so
it is worth analysing their current behavior. In

SecFinex is a leading force for continuing market innovation, providing alternatives to OTC trading.

With billions of dollars worth of black gold bur-

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The scale of the investments and the speed of the reforms have been mindblowing. Billions have been spent on ensuring the technical in-

environment in which to trade. Skyscrapers have sprung up to house the people and busi-

But it hasn't all been plain sailing. The region

particularly badly hit. And there are concerns in

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Asia securities lending panel debate

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Giselle Awad

eSecLending

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Rob Coxon

BNY Mellon

Head of international securities lending

Sunil Daswani

Northern Trust

International head of client relations for securities lending

Richard Meek

Brown Brothers Harriman

Head of securities lending relationship
{ æ} æ* ^ { ^} cÉÁcE•íæÁÚæ&á, &Á

Zubair Nizami

Northern Trust

Senior securities lending trader

Anne M. Sylvester

J.P. Morgan

Head of regional technical sales and &|á^}cÁ { æ} æ* ^ { ^} cÁ- [!Á, }æ} &á} *Áæ} áÁ markets products

Þ [!c@^!}K K é^ K K Á

tribution from Asia securities lending to overall lending revenue will be higher than 2010; only 43 per cent think it will stay at 2010 levels and contribution. We also continue to see increased demand from Asian investors to lend their securities from investors starting lending for the

priority for both lenders and borrowers. Volumes have grown over the past few years as a result

Ujā* }ā, &æ} cĀ*! [, c@Ā] [c^] cāæ|Ā^cā•c•ĥā} Ā Tæ|æ^•āæĥā} Ā c@^Ā•@ [!cĥ [Ā { ^āā~ { ĥc^! { Ēĥæ•Ā , ^||ĥæ•ĥā } āāāæĥæ } āĀ Indonesia in the long term.

Cheng: In 2011 the biggest growth in Asia will come from increased corporate activities such as AIQIU•LĀ , ^Ā^c] ^&cĀP [] *ĀS [] *Āæ } āĀUā } *æ } [!^Ā c [Ā @æc^Ā æ } Ā ^ā~^Ā [c^Ā!Ā { æ!^c•ĒĀ Ø! [{ Ā æĀ] ^!&^ } cæ^Ā*! : [, c@Ā] ^!•] ^&cāc^ĒĀ] ^ , Ā { æ!^c•Ā such as Taiwan should also record good growth in 2011 as more participants enter into the market. We are closely keeping our eyes on developments across India and China – with the sig- } ā , &æ } cĀæ { [~ } cĀ [-āā } c^•c { ^ } cĀ ' [, •Āā } c [Ā c@^•Ā { æ!^c•ĒĀ c@^•Ā { æ!^c•Ā æ•Ā c@^•Ā ^c [!c^Ā & [~ |āĀ] !^•^ } cĀ •ā* } ā , &æ } cĀ |^ } āā } *Ā [] [!c~ } ācĀ•ĒĀ ĒĀāā- cā [] æ! ĒĒĀ , ^Ā& [] cā } ~^ĥ [Ā•^Āāæĥ•c! [] *Ā' [, Ā [-Ā] ^ , Ā ā } c^•c [!•Ā!^ } āā } *Ā•^&~!ācĀ^•ĥ- [!ĥc@^Ā , !•cĥcā { ^ĥæ } āĀ this has fueled much of our growth in the region over the last several years.

Awad: Both the increased focus on Asia by hedge funds and a general growth in asset values means returns will continue to gradually in- &!^æ•^ĥā } ĀcĒ•āæĒĀ Y @ā|^cĒ•āæĥā•Ā^c] ^&c^āĥc [Ā•^Āĥc@^Ā { [•cĀ*! [, c@Ēc@^ĀWUĥæ } āĀÖ•! [] ^Ā , ā||Ā!^ { æā } ĥc@^Ā highest in absolute terms.

Coxon: Hong Kong has seen steady growth and this market remains one to watch given that it now rivals Japan in terms of overall volume. We have high hopes for Korea going forward and we believe that further regulatory developments in Taiwan will certainly help to release more supply into that market too.

It is clear that the general interest around the economic powerhouses that are India and China have fuelled overall interest in Asia and as the global economic balance of power shifts there is no reason to see this trend reverse in the near c^! { Āæ } āĥc@^Ā*! [, c@ĥā } ĀcĒ•āæ } Ā~^āc^Ā!^ } āā } *ĥæ } āĀ ÖVØĥā••~æ } &^ĥæ } āĥ!^ } āā } *ĥā•Ā||ā\^ĥc [Ā& [] cā } ~^Ē

SLT: The US and Europe are going through huge regulatory upheavals, but we're not seeing the same levels of change in Asia. What are your views on this?

Coxon: ĀP [] *ĀS [] *ĥā•ĥāĀ] ĩā { ^ĥ^cæ {] |^Ā [-ĥæĀ { æ!- ket that thought long and hard about the regulatory regime it wanted to oversee short selling and lending and borrowing. It is now clear that it achieved a good balance between the need for robust reporting without overtly dampens the āāāāc~Ā c [Ā c!āā^Ā ā~Ā] ^! [~•Ā āā•& [] •~!^Ā!^~~ā!- ments or cumbersome on-shore lending ar- ĩæ } *^ { ^ } •ĥc@! [~•@Āā^] [•āc [!ā^•Ā [!ĀÖUÖ•ĒĀV@^Ā

results are clear to see in terms of the growth in the Hong Kong market combined with minimal] [•cĒGĒĒ! ĥæāb~•c { ^ } •ĥc [ĥc@^Ā!^*~|æc [!^Ā!^*ā { ^ĒĀ Ā } c^Ā!Ā c@^Ā { æ!^cĒĀ ā [c@Ā [~•@ [!^Ā æ } āĀ [] •@ [!^ĒĀ , @ā&āā } Ā c^!] Ā @æ•Ā @^] ^āāā {] : [c^Ā!ā~~āāc^Āæ } āĀ facilitate various trading strategies. ĩæ*^•Ā , āc@Ā } [Ā! [*ā&æ]ĒĀ ~•^•~|Ā [~c& [{ ^Āā } Ā•ā~•cĒĀ This has been detrimental to market evolution and recovery.

I'm concerned that many of the new regulations

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As investors seemingly stumble over them-
 •\ç^•âc[â^)^•~!^âc@æçâc@^â^âæ!âæâ^~æc|â!â]-
 resented in the biggest potential market in the
 , [!âÉâ äç æ]]^æ!•â c@æçâ c@^â ±&æç^æçâ ^ {]c[iç æ]-
 proach is often ignored.

Y @j^ââçâ@æ•ââ^&[{ ^â|^æ!âc@æçâæ•\â} *A~^•câ[]•â
 and undertaking due diligence are imperative
 , @^}ââ~^â} *âæ}ââ^|â} *âÖ@â}^•â^c[&\ •Éâçââ•ââ--
 , &~]çâc[â *^çâ* [[âââ]-[! { æçâ[]âæâ[~çâ { æ} ^â • { æ||É
 &æ]âÖ@â}^•ââ&[{]æ}â^•ÉâQ}âæâââçâ[]Éâc@^â}æç~!ââ
 of reverse takeovers pose added risks to inves-

the stock. One of the fund's allegations was that... legations were eventually proven true when the...

CEU fell sharply after a hedge fund released... demonstrated how it was impossible for poten- tial customers to purchase educational materi- als on CEU's websites.

When Muddy Waters issued another series of... follow-up reports from auditors claiming that... helped by some US shareholders who were in- volved in defending the company against Mud-



Andrew Shinn SunGard Astec Analytics

PASLA/RMA Conference on Asian Securities Lending

Öæc^Ä 1-3 March 2011
Location: Singapore
Website: [www.asiansecuritieslending.com](#)

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London Securities Financing Forum

Öæc^Ä 16 March 2011
Location: London
Website: [www.londonsecuritiesfinancingforum.com](#)



Öæc^Ä 16 March 2011
Location: London
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APAC Collateral Management Forum

Öæc^Ä 23-24 March 2011
Location: Singapore
Website: [www.apaccollateralmanagementforum.com](#)



Öæc^Ä 23-24 March 2011
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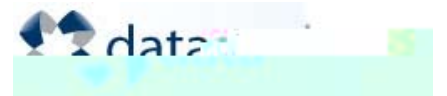
ICBI Network Management Conference

Öæc^Ä 15-16 June 2011
Location: TBC
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New York Securities Financing Forum

Öæc^Ä 26 May 2011
Location: New York
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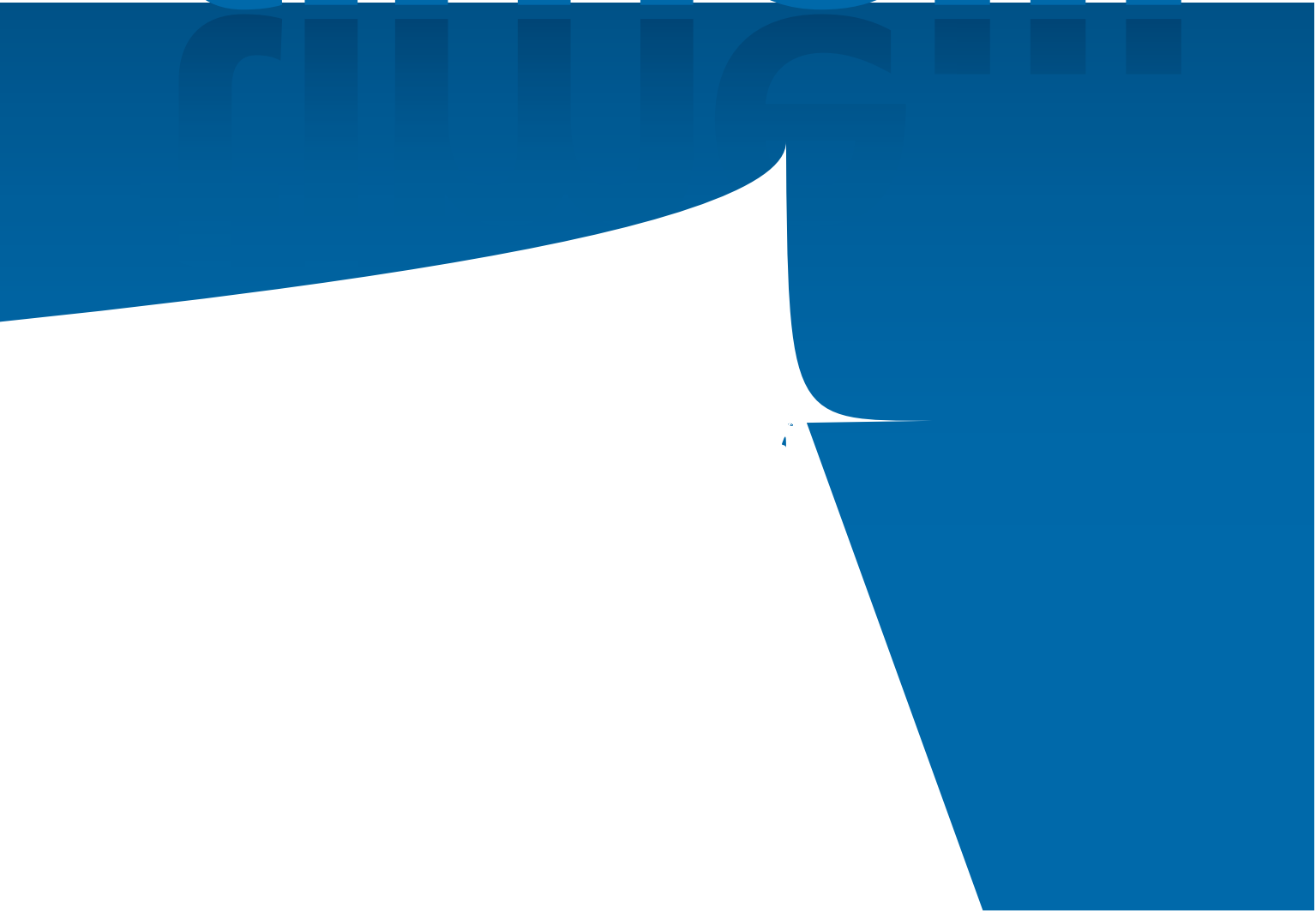
Gerard Losurdo

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