

item 3b_FW EFMLG 22nd meeting.txt
EFMLG 22nd meeting - item 3.b

From: Jacobs, Leslie Payton
Sent: Tuesday, March 06, 2007 1:39 PM
To: Annette Maluenda; Brian Henry; Chandraleka Bhargavan; Charles Stott; Chris Allen; David Miller; Emilio.Jimenez@barclayscapital.com; Gaynor Wood; Karolina Dayal; Kate Binions; Liz Goodman; Milena Tocheva; Nakul Kapur; Niharika Patel; Pascal Combriat; Ruth Laslo
Subject: FW: EMTA XCURRENCY WG MTG-SUMMARY

All,

The following questions are ready for circulation among your traders and Operations/Documentation areas to help us get a handle on the need for standardizing terms for product. With feedback on the below, we can determine what the next step will be. Being very aggressive here, can I ask that you request responses within a calendar week or so? Thanks in advance.

Leslie

FOR YOUR TRADERS:

Currently, how is the liquidity in the cross-rate product spread out; how much activity takes place in the interbank market and how much activity is in the end user market?

Currently, cross-rate transaction pricing seems to be very individual and not very standardized, meaning that fixings may be taken from a variety of available sources depending upon a number of factors. Is this flexibility important to the market, or is there a current or may there be in the future, a need to move toward some industry consensus on designated fixings per currency?

Do you see the volumes of cross currency transactions increasing/decreasing (if increasing, quantify) over the next 1-2 years, or staying stable?

Are there any other issues that might need to be addressed for this product?

FOR YOUR DOCUMENTATION SPECIALISTS AND OPS AREAS:

Would a standardized form of cross-currency template terms and market practices, or, alternatively, some kind of user's guide) be useful, or is the documentation for this product well-settled enough that an industry recognized form is not particularly useful at this time?

Would some kind of cross-rates guidance be useful with or without a standardized form of confirmation?

What percentage of your current transaction volumes comprise cross currency

trades?

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