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Risk

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Risk Interdealer rankings 2010

GFI named globally preferred broker in Credit Derivatives

Risk INTERDEALER RANKINGS 2010

GFI

*This year's survey results belie some major changes in the broker market as a result of regulation of the over-the-counter derivatives market. Many firms continue to expand into new areas of valuation, portfolio reconciliation and post-trade processing, but qualification as a swap execution facility under US regulation will prove crucial. By **Alexander Campbell***

States of flux

The derivatives industry will be watching very closely to see how US regulators decipher some of the broad principles outlined in the Dodd-Frank Wall Street Reform and Consumer Protection Act, signed into law on July 21. Some things are certain – a greater proportion of the over-the-counter derivatives market will be traded through central counterparties. Other issues are murkier – who will be designated a major swap participant and so be required to clear?

At first glance, the changes might be thought to pose a threat to the business model of interdealer brokers. With regulators determined to push as many contracts as possible through transparent, multi-contributor trading venues, some think the age of voice broking may be coming to an end, limited to the universe of more complex trades not suitable for clearing. Brokers see it differently. Many reckon a clause in the Dodd-Frank Act that requires any swap subject to the clearing requirement to trade on a swap execution facility or an exchange opens the door to juicy new business opportunities.

FIRST POSITIONS

INTEREST RATES

Broker	Short-dated swaps	Swaps 2–10 years	Swaps 10+ years	Interest rate caps/floors	Interest rate swaptions	Exotic interest rate products	Inflation	Overnight indexed swaps	Repurchase agreements	Forward rate agreement	Total
Icap	3	2	3	3	3	3		2	1	1	21
Tullett Prebon	2	2		1		2	4	1	3	2	17
BGC						4	2			1	7
Tradition			1	1	1	1		1	1		6
Gottex	1	1	1		1			1		1	6

CURRENCIES

Broker	Cross-currency swaps	Vanilla currency options	Exotic currency options	Currency forwards	Total
Tullett Prebon	4		1	5	10
BGC	2	1	2		5
Tradition-Icap		4	1		5
GFI		**1**	**1**		**2**
Icap				1	1

EQUITY DERIVATIVES

Brokers	OTC single-stock equity options	Equity index options	Exotic equity products	Total
Sunrise	3	8	5	16
GFI		**1**	**1**	**2**
Tradition			2	2
Exane		1		1

CREDIT DERIVATIVES

Brokers	Credit default swaps	Structured credit	Total
GFI	**4**	**6**	**10**
Tullett Prebon	3	1	4
Icap	1		1

How the poll was conducted

Risk received 1,807 valid responses from dealers and brokers to this year's interdealer survey. The responses were divided between Europe (54.4%), North America (25.1%), Asia (20%) and other (1.5%).

The survey covered 115 derivatives categories across interest rates, foreign exchange, credit and equity derivatives. Participants were asked to vote for their top three derivatives dealers in order of preference in derivatives categories that they had traded in over the course of the year.

It is important to note this poll is not designed to reflect volumes traded in any particular market and is therefore not necessarily a direct reflection of market share – voters could base their decisions on a variety of criteria, including pricing, liquidity provision, counterparty risk, speed of execution and reliability. In that sense, this poll should be considered a reflection of how market professionals view their peers in terms of overall quality of service.

When aggregating the results, we look to strip out what we consider to be invalid votes. These include people voting for their own firm, multiple votes from the same person or IP address, votes from people using Hotmail or Gmail accounts, votes by people who choose the same firm indiscriminately throughout the poll, votes by people who clearly do not trade the product, and block votes from groups of people on the same desk at the same institution voting for the same firm. For instance, we do not allow block votes from 20 people on the same desk, in the same location, all voting in exactly the same way, within hours and in some cases minutes of each other. We see this as a clear attempt to unfairly manipulate the poll. This is a process we take very seriously.

The votes were weighted, with three points for a first place, two points for second and one for third. No weighting system was used for brokers, as respondents only submitted one vote. Only categories with a sufficient number of votes are included in the final poll.

The top banks are listed in teams of overall percentage of votes, as well as number of first-place wins. To decide the winner, *Risk* uses the overall percentage of votes for each bank. The survey also includes a series of overall product leaderboards, calculated by aggregating the total number of votes across individual categories. These overall results are naturally weighted, as there are more votes in the large categories (for example, US dollar and euro swaps) than the smaller, less liquid categories.

The major brokers believe they will qualify as swap execution facilities once the US Commodity Futures Trading Commission and Securities and Exchange Commission draw up the criteria. Many firms have also continued their push to adapt to the new world of clearing, valuations, post-trade reporting and portfolio reconciliation. Over the past 12 months, Icap has completed its takeover of Stockholm-based TriOptima, which provides portfolio compression and reconciliation services, as well as an interest rate trade reporting repository. It also went live in January with a post-trade aggregation service for participants in the OTC foreign exchange market through a joint venture between Traiana, one of its subsidiaries, and CLS Group, and launched Icap Fix, a market data service providing real-time, end-of-day and historical market data, in November 2009.

In March, Tullett Prebon acquired Vancouver-based OTC Valuations, which specialises in independent derivatives valuations of illiquid, hard-to-value OTC securities and exotic structured products, while BGC launched a post-trade processing service for foreign exchange options through Thomson Reuters.

All in all, brokers see a number of positive outcomes from the regulatory changes – although they acknowledge the requirement to post initial and variation margin on cleared trades will, on balance, increase costs for derivatives users.

"The increased costs associated with margin requirements do increase the potential for higher transaction costs. In addition, there will be continued focus on the timely reporting and confirming of trades, which will no doubt increase the technology spend required to be compliant," says Steph Duckworth, chief operating officer at Tullett Prebon in London. "But any negative effects this could have on the volumes transacted by our customers could be offset to a greater degree by the benefits derived from mitigating counterparty risk through the increased use of clearing facilities."

Tullett Prebon performed strongly in interest rates in this year's *Risk* survey, taking 17 first places, just behind Icap on 21. It also led the currency segment with 10 top spots, with the majority of its wins in cross-currency swaps and forwards.

The change in regulation is not all good news, however. Different countries are largely pursuing their own regulatory agendas, with the US likely to go further than Europe, which in turn is likely to be more aggressive than Asia and Australia.

"Derivatives market participants tend to arbitrage regional regulatory environments given that markets are now globalised. Traders will always look for less or differently regulated markets, complicating the tasks of regulators. The broad regulatory ideals agreed at the summits of nations can often yield extreme divergences when translated into specific legislation in different jurisdictions," says Claude Amar, London-based chief executive at Sunrise, which dominated the equity derivatives categories with 16 first places.

The current period of uncertainty has also been a challenge, as regulators in the US flesh out the details of the Dodd-Frank Act and the European Commission puts the final touches on its own regulations. In particular, some clients are choosing to sit on the sidelines until the rules are finalised. This has been especially noticeable in the credit derivatives market, says Colin Heffron, president of GFI Group in New York.

"Volumes are not falling as dramatically this year – I think we've hit a base level. But there's going to be no real improvement until we get more clarity on regulation. It's very hard for customers to get involved if they don't know what the margin requirements are going to be," he says. GFI topped the credit derivatives categories this year with 10 first places.

Beyond new regulation, market participants have had to cope with some significant market shocks. In the second quarter of this year, fears that a debt crisis in Greece would spread to other, weak eurozone countries caused the euro to slump, sovereign credit spreads to surge wider and volatility to leap.

The equity markets were particularly hard hit, with several dealers taking significant losses on short volatility positions, largely accumulated through client positions. This had knock-on effects on volumes traded in the equity derivatives market, says Robert Finegold, chief operating officer at Sunrise in London.

"The European sovereign debt crisis

created a significant shock across all asset classes. Investor confidence was slightly restored from the second half of 2009, but quickly evaporated. Since then, the equity market hasn't seen any consistent cash inflow from the large institutional investors or hedge funds," he says.

Other markets saw a spike in activity as investors rushed to unwind trades or take advantage of market volatility during the eurozone crisis, but this has now died down, says Duckworth. "It is hard to predict market activity – the normal cycles have not yet returned after the volatility in the first half of 2009, so it is very hard to talk about anything like natural growth anymore."

In fact, the major brokers have seen their revenues fall on the back of shrinking volumes over the past year. Icap noted a 6% drop in underlying revenue in the first quarter of 2010, although group revenue picked up again in the quarter to June, rising 8% compared with the corresponding period last year. However, this reflected high-frequency traders profiting from the short-term fixed-income volatility surrounding the eurozone debt crisis, with volumes falling back again in June, the broker noted. Tullett Prebon highlighted the same trend for the year to June: revenue fell 8% from the previous year, and activity in June and July was relatively subdued.

Meanwhile, staff retention and poaching of employees continues to dog the broker market, with a number of high-profile disputes over the past year. Defections have hurt several firms, with Tullett Prebon blaming an alleged raid of broker staff by BGC in North America for causing a 7% decline in revenue in the first half of the year. Growth in the US also affected GFI: the broker noted "increased competition as re-capitalised dealers in the US rebuilt their sales teams" in the fixed-income market, which was also seeing "heightened competition for brokerage personnel".

However, the introduction of new regulation could help reduce poaching, believes Heffron at GFI. High start-up costs will make it more difficult for new entrants to get established, creating less demand for broking staff, he believes. "Retention is starting to get easier now, and it will get better as people realise that there will be fewer and fewer start-up shops, because they won't have the capital and the technology to compete." ■

> "Volumes are not falling as dramatically this year – I think we've hit a base level. But there's going to be no real improvement until we get more clarity on regulation"
>
> Colin Heffron, GFI Group

VANILLA CURRENCY OPTIONS

US dollar/euro

2010	2009	Dealer	%	2010	2009	Broker
1	2	Deutsche Bank	15.7	1	2	BGC
2	1	UBS	13.8	2	1	Tradition-Icap
3	5	Royal Bank of Scotland	12.9	**3**	**3**	**GFI**
4	3=	Barclays Capital	11.5			
5	3=	JP Morgan	10.9			

US dollar/yen

2010	2009	Dealer	%	2010	2009	Broker
1	3	Royal Bank of Scotland	15.7	1	1	Tradition-Icap
2	1	UBS	15.6	2	2	BGC
3	4	Deutsche Bank	13.2	**3**	**3**	**GFI**
4	2	Citi	12.4			
5		Nomura	11.0			

US dollar/sterling

2010	2009	Dealer	%	2010	2009	Broker
1	2	Royal Bank of Scotland	18.1	1	1	Tradition-Icap
2		Deutsche Bank	17.6	2	2	BGC
3	4	Barclays Capital	14.3	**3**		**GFI**
4	1	JP Morgan	12.5			
5	3	UBS	11.4			

US dollar/Swiss franc

2010	2009	Dealer	%	2010	2009	Broker
1	1	UBS	20.1	1	1	Tradition-Icap
2	2	Credit Suisse	18.2	2	2	BGC
3		Deutsche Bank	15.3	**3**		**GFI**
4		Société Générale	12.8			
5		Royal Bank of Scotland	11.0			

Euro/sterling

2010	2009	Dealer	%	2010	2009	Broker
1	3	Barclays Capital	18.5	1	1	Tradition-Icap
2	4	Royal Bank of Scotland	17.4	2	3	BGC
3	1=	UBS	16.9	**3**	**2**	**GFI**
4		Société Générale	14.4			
5		Deutsche Bank	13.9			

Euro/yen

2010	2009	Dealer	%	2010	2009	Broker
1	3	UBS	15.4	**1**	**1**	**GFI**
2	5	Royal Bank of Scotland	14.3	2	2	Tradition-Icap
3	2	Deutsche Bank	12.6	3		BGC
4		Nomura	11.7			
5		Société Générale	11.2			

EXOTIC CURRENCY OPTIONS

Barrier – US dollar/euro

2010	2009	Dealer	%	2010	2009	Broker
1	1	UBS	14.1	1	1	Tradition-Icap
2		Royal Bank of Scotland	13.9	2	2	BGC
3	4	Société Générale	12.5	3	3	Tullett Prebon
4	3	JP Morgan	12.4			
5		Barclays Capital	9.9			

EXOTIC CURRENCY OPTIONS *CONTINUED*

Barrier – US dollar/yen

2010	2009	Dealer	%
1=	3	Royal Bank of Scotland	13.8
1=	2	UBS	13.8
3	5	BNP Paribas	12.5
4		Nomura	11.6
5	1	Citi	11.5

2010	2009	Broker
1	1	Tullett Prebon
2	2	Tradition-Icap
3	3	BGC

Barrier – US dollar/sterling

2010	2009	Dealer	%
1	4	Barclays Capital	17.4
2	5	Royal Bank of Scotland	17.1
3	1	Citi	15.5
4	2	BNP Paribas	14.0
5	3	UBS	13.5

2010	2009	Broker
1	2	BGC
2	**1**	**GFI**
3	3	Tradition-Icap

Barrier – euro/yen

2010	2009	Dealer	%
1	2	UBS	15.1
2	3	BNP Paribas	14.6
3	1	Citi	13.6
4		Société Générale	12.9
5		Nomura	11.4

2010	2009	Broker
1	2	BGC
2	3	Tullett Prebon
3		**GFI**

Long-dated

2010	2009	Dealer	%
1	2	Deutsche Bank	15.9
2	5	Royal Bank of Scotland	15.6
3	3	Goldman Sachs	13.9
4		Société Générale	13.7
5		BNP Paribas	13.3

2010	2009	Broker
1	**2**	**GFI**
2	1	Tradition-Icap
3	3	BGC

OTC SINGLE-STOCK EQUITY OPTIONS

US

2010	2009	Dealer	%
1	4	Morgan Stanley	19.6
2	2	Société Générale	13.4
3	3	JP Morgan	10.9
4	1	Goldman Sachs	9.4
5	5	BNP Paribas	8.9

2010	2009	Broker
1	1	Sunrise
2	3	Icap
3	**2**	**GFI**

Europe

2010	2009	Dealer	%
1	2	Société Générale	18.6
2	1	BNP Paribas	18.0
3		JP Morgan	11.4
4	5	Morgan Stanley	9.5
5	4	Deutsche Bank	8.2

2010	2009	Broker
1	2	Sunrise
2	**1**	**GFI**
3		Tullett Prebon

Asia

2010	2009	Dealer	%
1	2	Société Générale	18.9
2	1	BNP Paribas	17.8
3	4	JP Morgan	12.4
4		Morgan Stanley	10.5
5	5	Goldman Sachs	8.4

2010	2009	Broker
1	1	Sunrise
2		Tradition
3	2	Icap

EQUITY INDEX OPTIONS

DJ Eurostoxx 50

2010	2009	Dealer	%	2010	2009	Broker
1	1	Société Générale	18.6	1	2	Sunrise
2		JP Morgan	14.6	**2**	**1**	**GFI**
3	2	BNP Paribas	14.4	3		Tradition
4	4	Morgan Stanley	11.7			
5	3	Credit Suisse	10.6			

Nasdaq 100

2010	2009	Dealer	%	2010	2009	Broker
1	1	Société Générale	18.7	1	1	Sunrise
2		Goldman Sachs	15.9	2		Icap
3	2	Morgan Stanley	13.9	3	2	Tradition
4	4=	JP Morgan	11.0			
5	3	Credit Suisse	9.8			

DJ Global Titans

2010	2009	Dealer	%	2010	2009	Broker
1	1	Société Générale	19.2	**1**		**GFI**
2		Deutsche Bank	18.8	2	2	Sunrise
3	5	JP Morgan	13.7	3	1	Icap
4	3	BNP Paribas	12.8			
5	2	Morgan Stanley	10.9			

S&P 500

2010	2009	Dealer	%	2010	2009	Broker
1	4	JP Morgan	18.1	1	1	Sunrise
2	1	Société Générale	16.1	2	2	Tradition
3	2	Deutsche Bank	13.2	3	3	Icap
4	3	Goldman Sachs	12.1			
5	5	Morgan Stanley	10.6			

FTSE 100

2010	2009	Dealer	%	2010	2009	Broker
1	1	Société Générale	17.3	1	1	Sunrise
2	2=	BNP Paribas	16.5	2	3	Tullett Prebon
3	2=	Credit Suisse	14.3	**3**		**GFI**
4	5	Royal Bank of Scotland	13.2			
5	4	Barclays Capital	11.7			

Nikkei 225

2010	2009	Dealer	%	2010	2009	Broker
1	2	Société Générale	16.1	1	1	Sunrise
2	3	BNP Paribas	15.9	2	2	Icap
3		Nomura	15.1	3	3	Tradition
4	4	JP Morgan	13.2			
5	1	Deutsche Bank	13.0			

SMI

2010	2009	Dealer	%	2010	2009	Broker
1	1	Société Générale	18.3	1	1	Sunrise
2	2	BNP Paribas	15.8	2	2	Icap
3		UBS	14.1	3		Vantage
4	3	Credit Suisse	10.9			
5		JP Morgan	10.8			

Risk
INTERDEALER RANKINGS
2010

EQUITY INDEX OPTIONS *CONTINUED*

Dax 30

2010	2009	Dealer	%
1	1	Deutsche Bank	22.4
2	3	Société Générale	14.8
3	2	BNP Paribas	13.1
4		Commerzbank	12.9
5	4	Credit Suisse	10.6

2010	2009	Broker
1	1	Sunrise
2	3	Icap
3		Tradition

Cac 40

2010	2009	Dealer	%
1	1	Société Générale	21.4
2	2	BNP Paribas	18.3
3		JP Morgan	17.1
4		Crédit Agricole	15.2
5	3	Deutsche Bank	11.0

2010	2009	Broker
1	1	Exane
2	2	Sunrise
3	3	Icap

Hang Seng

2010	2009	Dealer	%
1	2	Société Générale	18.1
2		Royal Bank of Scotland	17.1
3	3	BNP Paribas	16.2
4	4	JP Morgan	12.7
5	5	Morgan Stanley	10.5

2010	2009	Broker
1	1	Sunrise
2		Tradition
3	2	Icap

EXOTIC EQUITY PRODUCTS

Cliquet

2010	2009	Dealer	%
1	1=	Société Générale	17.3
2	1=	BNP Paribas	14.1
3	3	Credit Suisse	11.2
4		JP Morgan	11.1
5	4	Deutsche Bank	11.0

2010	2009	Broker
1	1	Sunrise
2	2	Tradition
3	**3**	**GFI**

Daily put crash protection

2010	2009	Dealer	%
1	1	Société Générale	17.9
2	3	BNP Paribas	14.1
3	5	JP Morgan	13.9
4	2	Barclays Capital	11.3
5		Royal Bank of Scotland	9.8

2010	2009	Broker
1	2	Sunrise
2	1	Tradition
3	3	AFS Brokers

Quanto forwards

2010	2009	Dealer	%
1	1	Société Générale	20.1
2	2	BNP Paribas	16.0
3		Deutsche Bank	15.1
4=	4	Credit Suisse	13.6
4=	3	JP Morgan	13.6

2010	2009	Broker
1	**3**	**GFI**
2	2	Sunrise
3	1	Tradition

Volatility/variance swaps

2010	2009	Dealer	%
1	1	Société Générale	16.9
2	2	BNP Paribas	15.8
3		JP Morgan	13.9
4	3	Credit Suisse	12.6
5		Goldman Sachs	11.4

2010	2009	Broker
1	2	Tradition
2	1	Sunrise
3	3	Icap

EXOTIC EQUITY PRODUCTS *CONTINUED*

Dividend swaps

2010	2009	Dealer	%	2010	2009	Broker
1	2	Société Générale	18.4	1	1	Sunrise
2	3	BNP Paribas	17.6	2	2	Icap
3	1	Barclays Capital	14.2	3		Tradition
4	5	JP Morgan	11.0			
5		Goldman Sachs	10.3			

Worst-of options

2010	2009	Dealer	%	2010	2009	Broker
1	2	Société Générale	20.4	1	3	Tradition
2	1	BNP Paribas	18.2	2	1	Sunrise
3	3	Credit Suisse	16.1	3		Icap
4		JP Morgan	12.7			
5		Bank of America Merrill Lynch	12.0			

OTC basket options (index baskets)

2010	2009	Dealer	%	2010	2009	Broker
1	1	Deutsche Bank	18.3	1	1	Sunrise
2	2=	Société Générale	18.2	2	2	Tradition
3	2=	BNP Paribas	16.2	**3**	**3**	**GFI**
4	5	JP Morgan	13.5			
5		Nomura	11.1			

OTC basket options (stock baskets)

2010	2009	Dealer	%	2010	2009	Broker
1	1	Société Générale	19.3	1	1	Sunrise
2	3	BNP Paribas	14.8	2	3	Tradition
3	2	Deutsche Bank	14.2	**3**	**2**	**GFI**
4		JP Morgan	11.7			
5		Nomura	11.3			

CREDIT DEFAULT SWAPS

Investment grade – Americas

2010	2009	Dealer	%	2010	2009	Broker
1	1	JP Morgan	20.4	1	3	Icap
2	2	Goldman Sachs	16.1	**2**	**1**	**GFI**
3	3	Morgan Stanley	15.2			
4	4	Deutsche Bank	11.5			
5		Bank of America Merrill Lynch	9.0			

Investment grade – Europe

2010	2009	Dealer	%	2010	2009	Broker
1	2	JP Morgan	18.2	1		Tullett Prebon
2		Barclays Capital	15.5	**2**	**1**	**GFI**
3	3	Deutsche Bank	12.5	3		Sunrise
4	5	Credit Suisse	10.9			
5		Morgan Stanley	9.4			

Investment grade – Asia

2010	2009	Dealer	%	2010	2009	Broker
1	1	JP Morgan	19.4	**1**	**1**	**GFI**
2	2	Deutsche Bank	17.9	2		Sunrise
3=	4	BNP Paribas	13.8	3		Tullett Prebon
3=	3	Goldman Sachs	13.8			
5	5	Credit Suisse	10.5			

CREDIT DEFAULT SWAPS *CONTINUED*

Investment grade – sovereigns

2010	2009	Dealer	%
1		Goldman Sachs	17.4
2	1	JP Morgan	15.9
3		Deutsche Bank	15.8
4	2	Barclays Capital	12.3
5	4	Morgan Stanley	9.0

2010	2009	Broker
1		Tullett Prebon
2	**1**	**GFI**
3	3	BGC

Emerging market – sovereigns

2010	2009	Dealer	%
1		Barclays Capital	18.4
2	1	JP Morgan	17.1
3	4	Goldman Sachs	13.2
4=	2	Deutsche Bank	11.0
4=		UBS	11.0

2010	2009	Broker
1		Tullett Prebon
2	2	BGC
3	**1**	**GFI**

High yield – Americas

2010	2009	Dealer	%
1	3	Morgan Stanley	19.0
2	2	Goldman Sachs	17.2
3	1	JP Morgan	15.7
4		Bank of America Merrill Lynch	10.5
5	4	Barclays Capital	10.4

2010	2009	Broker
1	**1**	**GFI**
2	3	Icap
3		Tullett Prebon

High yield – Europe

2010	2009	Dealer	%
1	3	Barclays Capital	18.2
2	1	Deutsche Bank	15.8
3	2	JP Morgan	12.3
4		Credit Suisse	10.0
5		Morgan Stanley	9.7

2010	2009	Broker
1	**1**	**GFI**
2		Tullett Prebon
3	3	Icap

High yield – Asia

2010	2009	Dealer	%
1		Goldman Sachs	18.6
2	1	JP Morgan	17.2
3		UBS	13.5
4	3=	Deutsche Bank	12.7
5		Nomura	10.1

2010	2009	Broker
1	**1**	**GFI**
2		Tullett Prebon
3	3	BGC

STRUCTURED CREDIT *CONTINUED*

Markit iTraxx Europe index

2010	2009	Dealer	%	2010	2009	Broker
1	2	Morgan Stanley	19.6	**1**	**1**	**GFI**
2	3	Deutsche Bank	17.2	2		Tullett Prebon
3	1	JP Morgan	16.4	3	3	Icap
4	5	BNP Paribas	11.7			
5		UBS	8.9			

Markit iTraxx Asia/Australia/Japan index

2010	2009	Dealer	%	2010	2009	Broker
1	2	Deutsche Bank	17.1	**1**	**1**	**GFI**
2	1	JP Morgan	16.5	2	3	Icap
3	3	Morgan Stanley	16.0	3		Tullett Prebon
4	5	Société Générale	13.1			
5		UBS	11.6			

Markit CDX index

2010	2009	Dealer	%	2010	2009	Broker
1	2	Morgan Stanley	16.9	**1**	**1**	**GFI**
2	1	JP Morgan	16.7	2		Tullett Prebon
3	3=	Deutsche Bank	16.4	3		Icap
4	3=	Goldman Sachs	14.1			
5		UBS	11.0			

Markit iTraxx Europe tranches

2010	2009	Dealer	%	2010	2009	Broker
1	3	JP Morgan	18.8	**1**	**1**	**GFI**
2	1	Morgan Stanley	18.2	2	3	Sunrise
3		BNP Paribas	13.2	3	2	Creditex
4		Bank of America Merrill Lynch	13.0			
5	2	Deutsche Bank	12.8			

Markit iTraxx Asia/Australia/Japan tranches

2010	2009	Dealer	%	2010	2009	Broker
1		UBS	18.4	**1**	**1**	**GFI**
2	3	Goldman Sachs	18.0	2	3	Icap
3	1	JP Morgan	16.8	3		Sunrise
4	5	BNP Paribas	12.4			
5	2	Deutsche Bank	12.2			

Markit CDX tranches

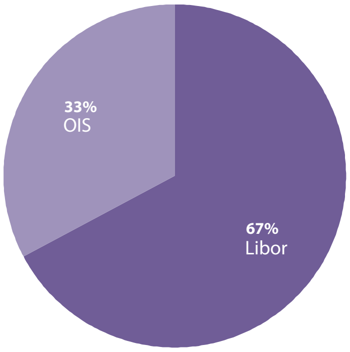
2010	2009	Dealer	%	2010	2009	Broker
1		BNP Paribas	16.3	**1**	**1**	**GFI**
2=		Citi	15.8	2		Sunrise
2=	2	Deutsche Bank	15.8	3	3	Icap
4	1	JP Morgan	15.1			
5	3	Morgan Stanley	11.2			

Other structured credit and correlation products (incl. bespoke CDO tranches, first-to-default baskets, credit options, off-the-run tranches)

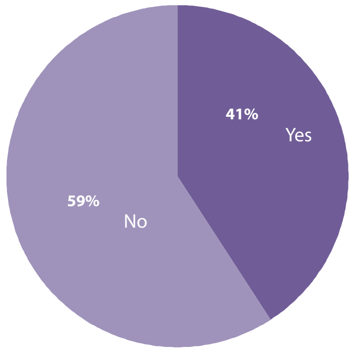
2010	2009	Dealer	%	2010	2009	Broker
1	na	JP Morgan	19.2	1	na	Tullett Prebon
2		UBS	15.1	**2**		**GFI**
3		BNP Paribas	12.8	3		Sunrise
4		Morgan Stanley	12.6			
5		Deutsche Bank	12.1			

ADDITIONAL QUESTIONS

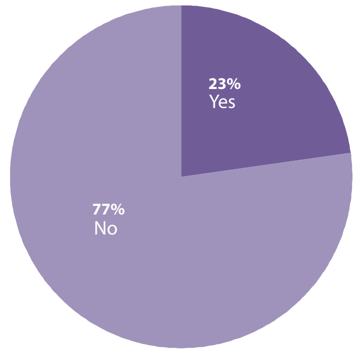
What rate do you use to discount the present value of collateralised trades?



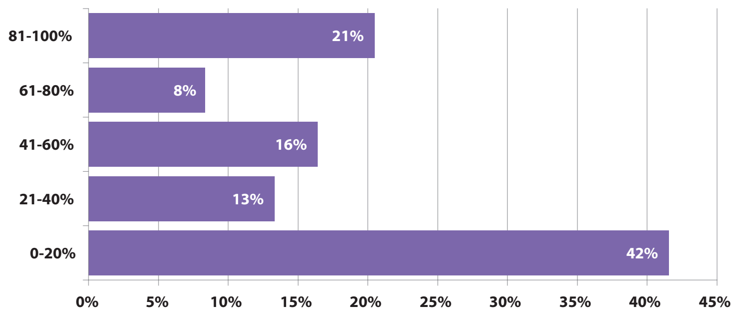
Are you already a clearing member with one or more OTC derivatives CCPs?



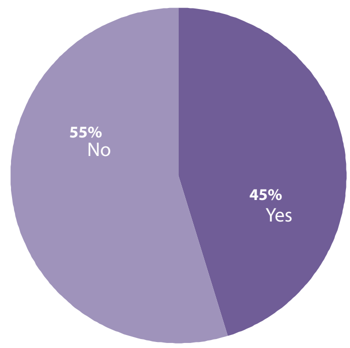
If not, are you planning to become a clearing member?



Regulatory change will impose extra costs on derivatives markets – what proportion of these costs will be passed on to clients?



Will the Dodd-Frank reforms recently passed in the US have a direct effect on your part of the derivatives business?



Following implementation, what will be the aggregate impact of the various strands of regulatory reform on derivatives volumes?