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ACI on quest for global understanding



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The current money market conditions continue to be the subject of debate within the financial community. The discussions are global and, with ACI being a global association, there is a need to reach out to members to understand their current thinking with regards to the state of the markets.

Views and opinions of members obtained through subcommittees during this year's ACI World Congress in Vienna (May 29–31) and results from a pre-conference survey proved interesting reading. A summary of the pertinent points is shown below:

Confidence is low. Full disclosure of all losses and risk within bank balance sheets is required. A number of positive quarterly reporting results from banks will hopefully form a foundation that can support confidence rising.

The central bank liquidity efforts have been received in different lights. On one hand there is a call for additional funds with longer tenors. Contrary to this, there is the view that central banks could be prolonging the situation by offering these facilities and should reduce their intervention in the markets.

Having well-educated, established and professional traders in these conditions is crucial. The actual role of a money market trader is morphing to become more of a liquidity manager than a trader. Could the money market desk become a cost centre rather than the profit centre that we see today?

The current press coverage highlights the sensationalist aspects. A healthy debate to understand the situation and progress towards a solution is supported.

When will the credit crunch end? The view varies widely. However, what is apparent is that only a small minority feel that the end is in sight. The majority feel that it will take at least another year, a view shared by ACI UK.

Upcoming events

July 3 – ACI UK first Thursday drinks – Tao Bar, London, EC4

July 17 – ACI Ireland golf outing and BBQ – Sutton Golf Club

For more details of the above events or for any enquiries about ACI membership, please email ACIUKMembers@aol.com or see the websites:

www.aciforex.com (global); www.aci-uk.com (UK); www.aciireland.com (Ireland)

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