



Newsletter

Harvard Business School Club of Chicago

228 North LaSalle Street

Chicago, Illinois 60601

312-641-6376

VOLUME 9, ISSUE 4

CELEBRATING 50 YEARS OF LEADERSHIP & SERVICE

JANUARY 1975

LEO MELAMED CHAIRMAN OF THE BOARD, INTERNATIONAL MONEY MARKET TO SPEAK AT JANUARY 14th MEETING

Money makes the world go around Dollars, Pounds, Guilders, Francs, Lira, Yen, and GOLD. Will there be a new "gold rush"? How big and what will the effects be? Where will it be bought and sold?

Since January 1, American citizens can legally own gold; something they have not been able to do for over 40 years. Gold futures are traded in Chicago and New York. The International Monetary Market conducts trading in gold futures here in Chicago.

Leo Melamed, Chairman of the Board of the International Monetary Market will address the club on Tuesday, January 14, 1974.

The International Monetary Market originally began trading operations in 1972 in the following seven currencies: pound sterling, Swiss franc, Deutsche mark, Italian lira, Mexican peso, Canadian dollar and Japanese yen. In May, 1973, the Dutch guilder became the eighth currency actively traded on the IMM. These currencies are traded in terms of the United States dollar, which is still the mainstay of the world's international monetary system.

On June 1, 1973, the IMM's first change in its contract specifications was made, involving a 2 for 1 split in all IMM contracts except the Mexican peso and the Dutch guilder. The trading hours were changed on the IMM's first anniversary and are now: 8:55 a.m. to 1:10 p.m., Chicago time.

On October 1, 1973 the International Monetary Market offered U.S. and Canadian Silver Coin futures contracts of \$5,000 face value. Trading has continued at a vigorous level to this date. This date marked the IMM's entrance into the metals market. The trading hours for silver coins are 8:50 a.m. to 1:20 p.m.

Prior to Gold, the most recent addition to commodities offered for futures trading on the IMM was copper, which was opened on July 1, 1974. Copper trading began with an enthusiastic response from the membership and interested speculators and hedgers throughout the country. The trading hours for copper are 8:45 a.m. to 1:15 p.m.

The philosophy that fostered the IMM called for the eventual listing of as many futures contracts as feasible in the worlds of money, finance and metals.

Originally, there was trading in foreign currencies to facilitate foreign trade and investment by providing a mechanism to insure the foreign-exchange risks of importers, exporters, multinational corporations and, generally, international traders of all kinds — risks arising from fluctuations in the prices of these several currencies.

Later, contracts in United States and Canadian silver coins and in copper were added.

Price fluctuations that make futures markets a valuable economic tool to the hedger, also make these markets attractive to the speculator, who assumes the hedger's risk in anticipation of making profits in the market. The hedger hopes to profit through his normal business operations, using the futures market to protect his price but not necessarily his profit.

In addition to its more obvious economic contributions, the IMM serves as a communications nerve center. It maintains a ticker system that sends futures-price quotations and market information all over the world. And it receives the money and metals wires of Reuters', a global news service; the Commodity News Service wire, New York spot and forward hourly quotations, and pertinent information from other foreign exchange, gold, silver, and copper markets.

Mr. Melamed was born in Bialystok, Poland in 1932. He left Poland in 1939 and arrived in the United States in 1941, where he attended grammar school on the northwest side of Chicago. He then attended Roosevelt High School and the University of Illinois. He furthered his education at John Marshall Law School from 1952 to 1955 receiving his Bachelor of Laws degree in 1955. He was admitted to the Illinois Bar in 1955.

Mr. Melamed became a member of the Chicago Mercantile Exchange in 1954. He practiced law from 1956 through 1966 and was a partner in the law firm of Melamed, Kravitz & Verson.

In 1966, he gave up active practice in law for full time speculation in commodities and stocks. He became the founder and President of Dellsher Investment Company, Inc.

He was elected to the Board of Governors of the Chicago Mercantile Exchange in 1957 and



LEO MELAMED

served in that capacity through 1974. He was elected Secretary of the Board for 1967 to 1968 and again for 1972 through 1974. He was elected Chairman of the Board in 1969, and again by acclamation in 1970 and 1971.

Mr. Melamed was a principal founder of the International Monetary Market of the Chicago Mercantile Exchange, Inc. He was elected Chairman of the Board — International Monetary Market in 1972.

He was appointed by the Honorable Richard J. Daley, Mayor of the City of Chicago to the Mayors Council of Manpower and Economic Advisors in 1972.

He has published a number of articles on commodity futures trading, exchange operation and related subjects. He has frequently appeared as expert witness in commodities before congressional committees. He is a member of the Board of Trade of the City of Chicago, the Chicago, Illinois and American Bar Association, the Economic Club of Chicago, the Executive Club of Chicago and the American Judicature Society. He was chosen for inclusion in *Marquis World Who's Who in Finance and Industry* for the 1970-71, 1972-73 and 1974-75 editions.

The luncheon will be held in the Illinois Room of the LaSalle Hotel at 12:00 noon on January 14, 1974. Cocktails will be available at the reception which will be held at 11:30 a.m. Reservations can be made by calling the HBS Club office, telephone: 641-6376.

