

Forbes

WHAT 800 CEOs MADE LAST YEAR



Leo Melamed, formerly of the Chicago Mercantile Exchange

Nurturing Japan's futures industry.

Back to the futures

LEO MELAMED, 58, personifies the U.S. futures industry. A commodities trader, he became head of the Chicago Mercantile Exchange a quarter-century ago. By shrewdly adding products such as currency futures that are vital to the hedging strategies of companies and investors, Melamed transformed the little trading floor into perhaps the world's foremost financial futures and options market.

Melamed stepped down as the Merc's top man last December, but he is busy with his own trading firm, Dellsher Investment Co. "I made the forest, but I never made a tree," he says. "Now I want to make a tree."

He has sunk a strong taproot: In February he inked a deal to sell a majority stake in Dellsher to Mitsui Taiyo Kobe, the Japanese banking giant (assets, \$400 billion). As head of Dellsher, Melamed will lead Mitsui's plunge into futures and options.

To smooth out gyrating costs of global manufacturing and trading, the Japanese love hedging. But Japan's futures industry is still maturing. Japanese banks, for example, trade financial futures contracts mostly through their foreign subsidiaries or through foreign brokers, since overseas markets are more liquid.

But that may soon change. Melamed expects the Japanese Ministry of Finance to approve a proposal that will permit Japanese institutions to invest customers' money in domestic funds specializing in futures and options. If he's right, the volume of Japanese futures trading will skyrocket. Melamed will be there, teaming his expertise with Mitsui's capital.

Meanwhile, Melamed is writing his second science fiction novel, in which Earth is attacked by aliens and must rely on friends from another planet. In dealing with the new world of international futures trading, it probably helps to think like a science fiction writer.

—EDWARD GILTENAN