

Tokyo Exchange Will Join Globex, Retired Merc Chairman Predicts

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TOKYO — Growing competition in global futures markets will force a reluctant Tokyo Stock Exchange to join the Chicago Board of Trade and Chicago Mercantile Exchange's Globex automated trading system, Leo Melamed, Merc chairman emeritus, said.

Mr. Melamed, responding to a question about the reluctance of the world's largest stock market to embrace his high-tech trading brainchild, added that he has been assured there is no longer any official opposition to Globex in Japan's powerful Ministry of Finance.

"I don't know the motivation for the Tokyo Stock Exchange's refusal to join Globex, but quite possibly in a few years it will change its mind," said Mr. Melamed, who is chairman of Globex Corp. "Increased competition will drive the Tokyo exchange and other markets to join."

One motivation cited by Tokyo exchange officials seems to be fear.

"Some people in the Tokyo exchange fear that Globex is an attempt to monopolize global futures trading," complained one Tokyo exchange official.

"The Tokyo exchange knows that Globex has opened its arms to every

exchange in the world," Mr. Melamed said. "That is not monopolistic behavior. Of course, not everyone has to join, and if Tokyo doesn't want to join, that's its prerogative."

"But I have to tell you, I have traveled up and down Tokyo's financial community, and it is very interested in Globex and in the liberalization of all of Japan's financial markets," Mr. Melamed said.

The Globex system is not yet operational, but it should be by the end of the year, Mr. Melamed said. The merger and consolidation of some CBOT and CME functions has meant a drastic restructuring of the system.