

Business

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Melamed departs Globex leadership

By William B. Crawford Jr.

Leo Melamed, for years a driving political force at the Chicago Mercantile Exchange and a futures industry innovator, formally stepped down Friday as chairman of the committee that oversees Globex, the world's first computerized, after-hours trading system.

Melamed's departure from the Globex system came as the network reported record volume in the 16-hour overnight session that began Thursday. Globex officials said 23,185 financial futures and options were bought and sold.

"I am very delighted with the way in which the Globex system is progressing. It has been on a continual growth track since its launch, and I believe Globex will become the standard for trading in a 24-hour environment," said Melamed.

"I hasten to add, however, that Globex was never intended to replace open outcry, the futures trading system used during business hours, and, in fact, will supplement that system," he said.

When Melamed was appointed to a two-year term as Globex committee chairman more than a year ago, he said he would remain at the helm only until the system was airborne and any operating kinks had been worked out.

After Melamed announced recently that he was satisfied with Globex's progress and was relinquishing the position to devote more time to Sakura Dellsler Inc., a futures firm of which he is chief operating officer, Merc Chairman John F. Sandner was named to complete the remaining 12 months of Melamed's term.



Leo Melamed plans to devote more time to Sakura Dellsler, where he is chief operating officer.

Globex officials reported that in Thursday's overnight session, brokers bought and sold 7,512 futures and options belonging to the Merc; 1,206 U.S. Treasury bonds belonging to the Chicago Board of Trade; and a whopping 14,467 products belonging to the Marche a Terme International de France, known as the Matif, in Paris.

Globex, which is owned jointly by the Merc, the Chicago Board of Trade and Reuters PLC, the information conglomerate headquartered in London, has been steadily setting volume records in recent weeks after a sluggish start last summer and fall.

The system, which had been averaging

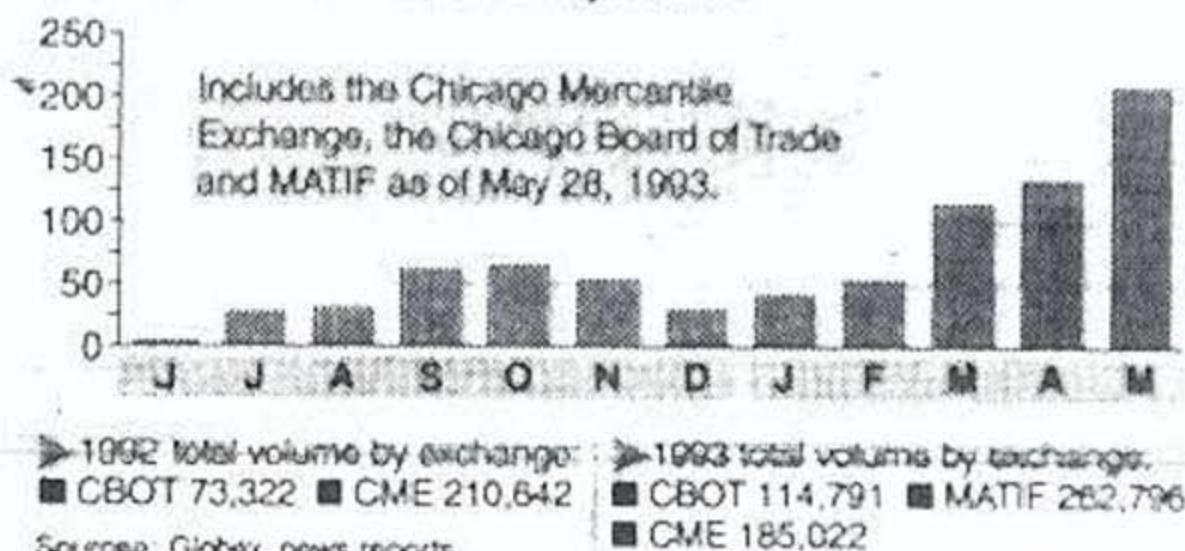
“I am very delighted with the way . . . the Globex system is progressing.”

**Leo Melamed,
Globex chairman**

Globex monthly volume increases

Globex, a worldwide system for round-the-clock futures trading launched last June, is nearing its one-year anniversary.

➤ Cleared volume, monthly closes



about 2,000 trades a session for weeks after its launch. June 25, began spiking upward last winter when the Matif signed on. With the arrival of the Matif—the only other futures market so far to sign on to Globex—nightly trading volume began to exceed 10,000 trades with regularity.

The system, which is opened to investors for staggered periods in a 24-hour cycle Sunday through Thursday, offers the opportunity to trade a variety of financial futures. Currently there are about 200 operational Globex terminals leased by Merc and CBOT member firms in Chicago, New York, London and Paris.

Volume leaders among the nearly dozen contracts listed on Globex include the Matif's notional or long bond and its Pibor contract based on the Paris interbank offered rate; the Merc's Eurodollar contract and its Libor contract based on the London interbank offered rate; and the CBOT's 30-year U.S. Treasury bond contract. The system also lists the Merc's family of foreign currency futures, its Euromark contract and the CBOT's 10-year Treasury note contract.

Except for two relatively brief trading shutdowns since its start, Globex has remained largely free of costly or embarrassing interruptions caused by failures of the two computers, in London and Long Island, that drive the system. If it is to be a truly round-the-clock system, it must sign up other overseas market powerhouses, including the Tokyo International Futures Exchange, the London International Futures Exchange and the Singapore Monetary Exchange.