

FATHER FIGURE

HALL OF FAME

Financial futures are the pistons that fire the global economic engine, the life force of traders everywhere. Leo Melamed invented them

BY LEAH McGRATH GOODMAN

FLYING DOWN CHICAGO'S South Wacker Drive behind the wheel of his jet-black Porsche, Leo Melamed is a study in contrasts — not to mention a hell of a driver.

His phone is ringing, his radar detector is beeping, but the 74-year-old never takes his eyes off the road. The esteemed chairman emeritus of the Chicago Mercantile

Exchange floors it, swerving around concrete pylons and changing lanes. He's late to a stuffy cocktail party, and lost. No big deal: He enjoys the ride and improvises an alternate route — which is, incidentally, just the kind of life path that has made him a living legend in the world of trading.

As a veteran speculator, Melamed has

test-driven many new markets since the 1960s, but his contributions to the financial markets themselves, and not so much his ability to slay them, are what make him so widely admired. He's credited with being the father of financial futures, having had the foresight to view the market in a way that changed its history despite a chorus of Wall Street naysayers. He's not merely an accomplished trader — he might be the reason *why* you're trading. In 2005, the notional dollar value of all financial futures traded worldwide was estimated at roughly \$1 *quadrillion*.

From humble roots, this poor Polish immigrant rose quickly through the ranks of the CME, becoming at age 37 its youngest chairman. A few years later, in the early '70s, he brazenly transformed the struggling meat-and-dairy exchange into the world's largest financial marketplace. Then, not content with having revolutionized trading once, Melamed did it again in 1992 by unveiling Globex, the world's fastest and busiest electronic futures market. Globex started with thousands of trades a day; it now tallies millions.

For his unparalleled vision and boundless pioneer spirit, *Trader Monthly* inducts Leo Melamed as the tenth member of the Trader Hall of Fame. "One can't imagine what the market would be like without Leo," says Roger Corrado, vice chairman of the New York Board of Trade. "As the founder of financial futures, he's a father figure for us all."

Born into a Jewish family in 1932 in Bialystok, Poland, Melamed spent his early years fighting for survival, as his family fled the Nazis *and* the KGB across Europe and Asia in a dramatic escape worthy of a Hollywood summer blockbuster. "My parents, who were Yiddish teachers as well as anti-Communists, never knew whether they were at the end of the road or not," Melamed says. "As a child, I could see the constant fear in their eyes."

The Melamed family, marked for extermination, narrowly dodged the authorities on numerous occasions. As a child, young Leo watched German and, later, Russian officials ransack his childhood home in search of his father, a city councilman.



CHICAGO BULL: Leo Melamed can rest easy knowing his place in trading history is secure.



