



# AIG 'back in securities lending'

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## China indicates short selling ceiling lift

China's securities regulator has announced plans to raise the ceiling for short selling individual shares to 10 per cent of a stock's total market value, according to Bloomberg. The original

The Commission has not said when it will allow short selling and margin trading for individual stocks though there has been recent manage-

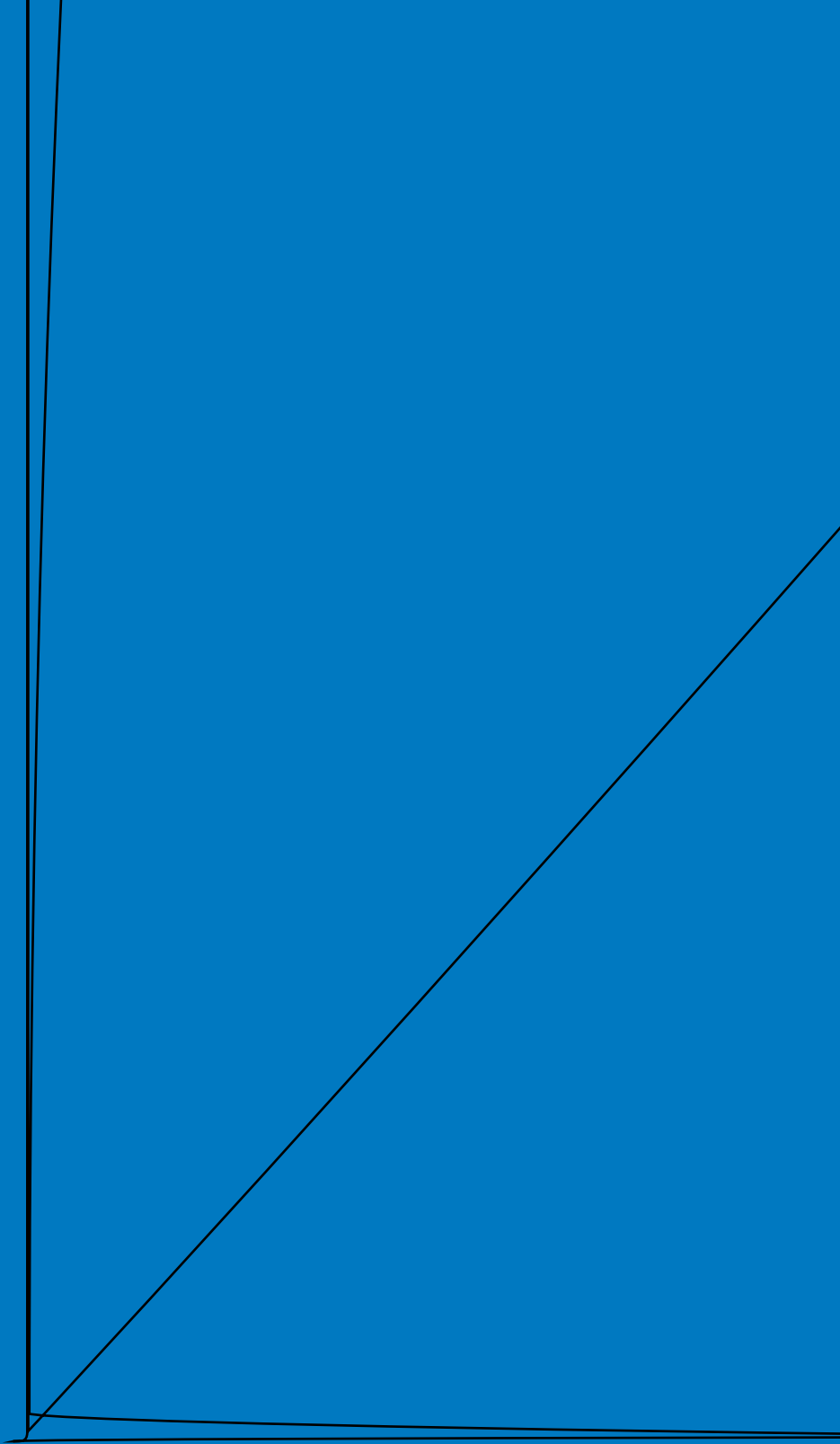
The ceiling for margin trading has been proposed at 15 per cent from a previously planned 10 per cent.

## Shipping sector heavily shorted - Data Explorers

Though the Baltic Dry Index (BDI) has seen a revival, so too have heavy shorts in the shipping sector, according to Data Explorers.

"There is a real disconnect between market conditions and stock pricing in the shipping







Micro caps devote less time to meetings with hedge funds, at 12 per cent.

### FINRA fines UBS Securities \$12m

The Financial Industry Regulatory Authority (FINRA) has fined UBS Securities \$12 million for failing to properly supervise its employees.



London this September, SunGard Analytics  
tionately larger revenues when compared to the  
size of the market.

**SLT: What is the global picture for  
specials at the moment?**

**Tim Smith:** Since the 2008 crisis, securities  
lending has become on a global basis more of  
a specials than a GC based industry, meaning  
people are looking at a (ocat a)Tvalu at-88( )-80 1 /areT[(lending-uste16(at 8s )-.835 8sHow )2Gar



way a company's securities would trade on the securities lending market if that company was under pressure.

What we have seen though in the earlier days in the securities lending data was that the rates in countries like Greece, Ireland and Portugal, seem to have spiked more quickly, subsequently as more markets became more troubled, such as Spain and Italy, their rates in terms of borrowing weren't quite so high as people got used to the fact that countries can be in trouble.

In the emerging markets, there are usually access products by way of swaps or derivatives - the earliest methodology was American Depositary Receipts (ADRs) or Global Depositary



**Tim Smith**  
Executive vice president  
SunGard Astec Analytics

Japan's economy has rebounded remarkably well after the devastating earthquake in March, considering the state of the global economy. To facilitate reconstruction efforts, says PIMCO's

The investment manager's team notes that over the year ending in the third quarter 2011, Japan took a hit, contracting a little over one per cent compared to world growth of 2.7 per cent. However, Japan's real GDP growth to fall between one and 1.5 per cent, a conservative estimate and in line with predictions for world economic growth.

No doubt the hot story is emerging Asia's growth, but developed markets such as Japan are still a concern. One of the reasons why Tomoya Masanao, chief economist at Dai-ichi Kangin Bank, believes that the country's economic growth will outperform other major developed economies this year is because the country's near-term policy

slightly below the value before dividend sea-  
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shorts by a factor of 10.

How much money are you leaving on the table?

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State Street's global markets chief **David Puth** has left the bank after three years running the business.

Puth headed up the business at a time of market turbulence, and weathered a senior executive exodus as a core team of senior executives left the bank to start up the ill-fated Premiere Global Securities Lending. The departures led to a number of lawsuits, which were completed earlier this year with what was generally seen as a win for State Street.

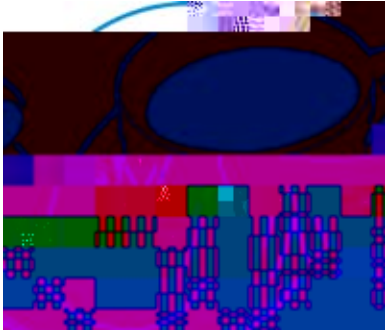
Puth will be pursuing other opportunities within the industry. He was appointed head of global trading activities at State Street in August 2008. He moved to State Street from Eriska Group, a private equity firm, where he previously worked at Chemical Bank.

Merlin Securities has announced the appointment of **Rick Besignor** as chief market strategist.

Prior to joining Merlin, Ben-

## Training and Education

**9-10 Nov    London    International Securities Settlements & Custodial Services**



Stephen Sheehan



**SLT meets Stephen Sheehan, client relationship manager, Securities Finance at Citi's Global Transaction Services**

structured cash management and treasury solutions for international corporations and subsidiaries. My time at ABN Amro provided me with exposure to a different corporate culture and the chance to drive client relationships and generate new business in the corporate banking industry in Europe.

In 2006, I returned to Citi joining the securities , }æ}&^c^æ { ÉÀÜÀ , æ•Áá}áææ||^Ácæ•\^áÁ , áç@Á { æ}æ\*- á} \*Á Üíá•@Éáæ•^áÁ •^&~ íáçá^•Á , }æ}&^Á ;^áæçá[ ]•@á]•ÉÁ My responsibilities soon broadened and I took on some relationships across EMEA. My current role combines relationship management and business development and I am now travelling more and , [ í\á} \*Á , áç@ÁÖáçáç•Á|[ &æ]Á[- , &^•áç@! [ ~ \*@ [ ^çÖ~ ; [ ]^Á to further build the Securities Finance franchise. My role is varied and energising and I get to meet