

**A guideline for exchange products from the standpoint of an international
broker**

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Product range

Broad spectrum: Create exchange products wherever possible over a wide variety of asset classes: commodities, equities, fixed income.

Use the same exchange infrastructure for as broad a product delivery as is feasible. Attract critical mass to the exchange through different investment interests.

Work with national and international potential exchange participants to research products which work.

Identify which potential clients will support each product class. Cannot be “all things to all men”.

Avoid self-delusion: Don't focus on a narrowly selected reference group for contract design.



Work with national and international potential exchange participants to research products which work.

Recognise design difficulties raised by market participants.

Avoid self-delusion (focus on narrowly selected reference contract group for contract design).

Keep products simple, but at the same time create a valid niche for the market.

Don't clone. Create products which reflect genuine underlying national or regional economic interest.



Products must work within the existing economic framework. Don't design products at odds with exchange control or investor regulations.

Use internationally accepted standards for risk management, margining, and settlement. Fit within the framework adopted as the norm by existing markets. Avoid intrinsic or home-developed solutions at odds with international practice.

Work hard with domestic and international ISVs to ensure adequate delivery of new products on to brokers' systems.



Dedicate resources to broker and client training and marketing.

Dedicate resources to political lobbying (tax, legislative clarity/legal enforceability).

Dedicate resources to the technological infrastructure supporting the product range.

Products do not exist in a void. Bad exchange technology and old technological standards mean bad product delivery.

Actively help the market member intermediate the product range.

