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In uncertain times, commodities seen as hot ticket



But diversification remains key to the asset class

With the recent stock market turmoil and the growing probability that the U.S. economy may fall back into a recession, commodities have become an increasingly attractive asset class for investors.

As commodities have become an intrinsic part of a well-balanced portfolio, investors must remember that it isn't a homogeneous asset class and each commodity behaves differently. Different commodities are influenced by different factors, which means that diversification within a commodities portfolio is a must.

"There's an assumption that all commodities behave the same but the correlation between commodities is actually quite low," said Scott Wolle, Chief Investment Officer of Global Asset Allocation at Invesco. "In having a balanced amount of risk associated with each commodity complex, there's a better defense against future inflation."

A diversified exposure to commodities is important as a protection against inflation as well as an expectation for possible excess return. "But if it's only a 1% or 2% exposure, it really doesn't do too much to a portfolio," he said. "It should be more 5% to 10%. Diversification helps improve a risk/return profile."

Wolle's team has been involved in the derivatives market since 2001 and in commodities since late 2005. His team launched a balanced risk commodities strategy in September 2008. With roughly \$770 million in assets currently under management, it invests in commodities

futures or swaps related to 20 commodities. "Part of the strategy is to have a balance between energy, agriculture, precious metals and industrial metals," said Wolle.

This low correlation between commodities as well as the low correlation between commodities and stocks and commodities and bonds help portfolios when financial markets are in the kind of free fall seen in mid-summer. The Standard & Poor's 500 index ended the day on Aug. 19 at 1,123.53, down 5% for that week, and was down 16% during the losing streak of four previous weeks.

But commodities rose during that period. The Dow Jones-UBS Commodity index was up 1.3% to 159 on the week ended Aug. 19. It was down 1.8% for the year to date, much less than the 11.66% drop for the S&P 500 for the year to date.

"The low correlation of commodities with other asset classes is still a strong driver to invest in commodities," said Jamie Farmer, Executive Director at Dow Jones Indexes. Farmer said that, in the last few years, the use of the Dow Jones-UBS Commodity Index as a benchmark for the asset class has increased. "Users of the index come to it for portfolio diversification purposes and because it offers a broad, fundamental reflection of commodities," he added. "More recently, both the U.S. debt ceiling and European Union debt problems have spurred market interest in commodities as an asset class."

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Solid gold.

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Commodities as a tool to fight inflation

Diversification is also key to Gresham Investment Management's commodities strategy even in economically challenging times, but investing in commodities is as much if not more about preventing the future effects of inflation. Gresham, which launched its first investment strategy in 1987 and began raising money from outside investors in 2005, trades 31 of the most liquid dollar-denominated futures contracts.

"There are times when diversification would be temporarily dampened like during the current economic slowdown as well as the one in the early 80's," said Douglas Hepworth, Director of Research at Gresham, which had more than \$14 billion in total assets under management as of July. "But even though there's a temporary hit to diversification benefits, investors are concerned that various stimulus packages will eventually lead to inflation. So we found that investors are looking at commodities as an inflation insurance asset that will probably diversify rather than as a diversifying asset that will probably protect against inflation."

Hepworth explains that in the past several years there has been a horse race on whether the economy is going to settle on an inflationary growth scenario, stagflation or a double dip scenario. "Inflationary growth and stagflation were trading places for several years, but now double dip has pulled up on the inside and inflationary growth has fallen into third," he said.

On a regular basis, the firm continues to look at other commodities around the world for potential additions to its strategy. "But most lack either the liquidity or the regulatory framework to justify the institutional flow we deal with," said Hepworth.

With low correlation within the commodities complex, the price of some commodities has gone up recently, while others have fallen.

Gold reached a new high in August and silver and copper have also gone up, all benefiting from weakness in equities, from sovereign debt problems and from the assumption that demand from emerging markets will continue to be robust. Crude oil, for its part, fell during the equities market weakness on the concern that a slower economic growth will cap fuel demand.

Emerging markets drive demand

The demand from emerging countries, particularly China, for some commodities has been the main driver for a rise in prices. Despite the slowdown in economic growth in China, which many think was engineered to avoid a bubble, demand for raw materials, especially energy, agriculture and industrial metals, continues to be sustained.

The Chinese population is growing older and wealthier, with people moving from a grain diet to a more protein-based diet, prompting demand for grain for livestock. Infrastructure and construction in China also need to expand to support the population growth. Additionally,

China is building its gold reserves to diversify from its treasury's holdings.

"Our general view on China is that it has engineered a slowdown so they can have sustained growth going forward," said Avy Hirshman, Chief Investment Officer of Newgate Capital Management, a money management firm with \$3 billion under management including \$1.2 billion for investments in global resources. "Some areas are overheated but there's no real estate crisis or bank problems. They still need to keep infrastructure moving because the population is getting older."

He believes that China will continue to secure natural resources and more diversification into commodities, as will other emerging markets such as Brazil that are coming close to ending monetary tightening. "Emerging markets as a whole will continue to dictate demand for most commodities."

Newgate, which invests in equities of commodity-related companies, continues to be bullish on coal, iron ore, copper and other commodities needed in emerging markets but generally in tight supply.

Other commodities, including coal, are also scarce, which is driving prices up. Supply shortages have also been created by weather-related disruptions such as the tsunami in Japan, floods in Queensland, Australia, and infrastructure problems between China and Mongolia. Since the beginning of the year, there has been energy rationing in China because of the difficulty in bringing coal there fast enough. "These problems have created a perfect storm for limited supply," said Hirshman. "It's a shame, but it has put a floor on opportunities in the coal space."

There are few coal futures contracts available to purchase, but Hirshman said that mergers and acquisitions involving coal companies has been strong. Mergers and acquisitions activity between Chinese companies, between U.S. and Australian companies, and between U.S. companies has created investment opportunities in stocks of coal companies. "Coal has been a perennial investment in our portfolio for some time but it has increased recently," he said.

Supply is also slim for copper because the financial crisis of 2008 hampered liquidity available to mining companies. Although financing has now come back, some projects have been delayed and it is now impacting supply.

"Some commodities are very sensitive to the economic cycle, like energy," said Invesco's Wolle. "Agriculture doesn't have the same relation to the economic cycle but is more sensitive to weather and supply and demand. Gold is more related to monetary policy. It's difficult to see that with an index."

Indices become more customizable

There are other shortcomings with indexes, including the large amount of trading they require, a so-called roll date congestion effect or contango effect, which can impact returns, and some currency exposure for foreign investors. But these challenges are being addressed.

“By the late 1990s, after the commodities indices launched, we were already seeing problems because they require a lot of trading,” said Hepworth of Gresham. “With commodities indices, there’s a very high turnover since futures contracts need to be rolled forward to avoid delivery. As turnover rises, so does the cost of transparency. At the end of the day, an index exposure has to be hedged by whomever offers it.”

He added that within the Gresham portfolio, which has been managed by Jonathan Spencer, President of Gresham, since 1987, the firm believes it has generally demonstrated that it can roll futures in a way that’s superior to the index world. “Our business model doesn’t expose investors to counterparty risk in the over-the-counter market,” he said. “The clearing mechanism eliminates netting risk on closed positions as well.”

But an index can be the right choice to investors who want to be more passive in their exposure to commodities as the index is structured to automatically roll positions.

Contango is another major issue with futures and indices.

The contango effect refers to a situation when a futures price is greater than the expected nearer spot price, which can reduce returns. Contango generally has a negative impact on returns, as the higher longer-term futures prices converge with the lower shorter term prices. What is often referred to as a negative roll yield is realized through this convergence.

WTI crude oil is currently in steep contango. This is due to the lack of storage capacity at its delivery point, said Wolle. Meanwhile, Brent crude oil is in backwardation. “Within the agricultural complex, sugar and cotton are in backwardation, while coffee is in steep contango,” he added. “We focus on commodities that tend to be scarce and therefore are more likely to trade in backwardation.”

The inability of futures and indexes to address the contango issue has been a major criticism of these investment vehicles. But it is changing.

Dow Jones Indexes and UBS Investment Bank launched the Dow Jones-UBS Roll Select Commodity Index at the beginning of August to mitigate the negative effects of contango in index returns. For each commodity, the new index, which is a version of the Dow Jones-UBS Commodity Index, rolls from the expiring futures contract into the contract showing the least contango, selecting from those specified contracts with nine months or fewer until expiration. By contrast, the Dow Jones-UBS Commodity Index rolls on a predetermined schedule into a specified futures contract, explains Dow Jones Indexes.

To address currency exposure, Dow Jones Indexes in April also launched a version of its Dow Jones-UBS Commodity Index that’s hedged with a currency component. “Most futures are denominated in U.S. dollar and investors outside the U.S. have to account for currency exposure on top of the commodities exposure,” said Mr. Farmer. “Our goal is to measure the commodities market in all of its various iterations.”

The demand from emerging countries, particularly China, for some commodities has been the main driver for a rise in prices.

Easier than ever to invest in commodities

In general, it has become much easier for investors which track futures, physicals or indices to gain exposure to commodities in recent years. As Farmer noted, indices have become more customizable. The emergence of exchange-traded funds, which track futures or indices but trade like stocks, have also made the commodities market more accessible to investors.

And although such an exposure to commodities is slightly different, investors can also buy stocks of companies involved in commodities, as Newgate specializes in. Hirshman also noted increased activity on the plan sponsor side for searches for managers specializing in commodity-related stocks. “We’ve seen requests for proposals from corporate pension funds and public pension funds specifically designed for money managers related to commodities-linked equities,” he said. “It’s not clear yet whether these are new allocations to commodities or if they are moving away from futures for diversification. But the space is coming through and gaining momentum. That’s very positive.”

Whatever vehicles plan sponsors chose to invest in commodities and whether they opt for a passive or an active strategy, it has become primordial to expose their portfolio to the commodities world and to diversify that exposure.

“The biggest mistake people can make is pick a commodity and say that’s the better commodity,” said Gresham’s Hepworth. “Any bet on an individual commodity is largely a bet on noise. You need a diversified basket to control the noise and capture the benefits.” ●

There's no limit to the gold boom

Emerging markets drive strong demand for the precious metal



Gold has always been a sign of power and wealth. In recent years, it has also emerged as an important and coveted asset class for investors seeking shelter as uncertainty in the macroeconomic environment and in the equity markets has pushed its price to new heights.

After the summer's turmoil in the financial markets, the spot price for an ounce of gold was close to \$1,900 by Aug. 19, up from roughly \$1,230 at the same time last year and from \$405 in August 2004. Most experts reckon the upward trend will continue, at least until there's more clarity with the economy.

"The price of gold has been on the rise for more than 10 years, driven by very strong fundamentals," said Juan Carlos Artigas, Investment Research Manager at the World Gold Council. "We believe that the dynamics of demand and supply for gold remain very robust."

With the United States' struggle to increase its debt ceiling and the announcement of its loss of a AAA rating from credit ratings agency Standard & Poor's on Aug. 5, as well as sovereign debt woes in several European Union countries far from abating, investors have become skittish

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and have refrained from investing their funds in risky asset classes. Instead, they have been looking for security and gold has become the investment of choice.

"In this environment, gold is a clear 'flight to safety' for investors," said Jamie Farmer, Executive Director of Dow Jones Indexes. The Dow Jones-UBS Gold Subindex was up more than 14% year-to-date as of the end of July and one of the top performing sub-indexes. "Gold is another form of currency," added Scott Wolle, Chief Investment Officer of Global Asset Allocation at Invesco. "Gold should be in everyone's portfolio to some extent," concurred Avy Hirshman, Chief Investment Officer of Newgate Management.

There are various reasons for the interest in gold beyond the global financial crisis. There's been a stronger demand from emerging markets, especially China and India, and a desire from investors to hedge against inflation, to achieve true diversification in their portfolios, and to simply manage risk in their portfolios more effectively. Industrial demand for gold, often hidden in technologies, is also a significant factor driving prices.

Global gold demand on the rise

Global gold demand in the second quarter measured 919.8 tons, worth a near-record \$44.5 billion, according to the World Gold Council. India and China accounted for 52% of global bar and coin investment and 55% of global jewelry demand. Despite the increasing price of gold, Indian and Chinese demand grew 38% and 25% respectively during the second quarter, compared to the same period in 2010. Gold imports by India, the world's biggest consumer, may reach a record this year and imports could be between 950 and 1,000 tons in 2011, according to the Bombay Bullion Association.

Although India and China are significant sources of demand for gold, they aren't the only ones. For example, Mexico led demand in the second quarter with a 100-ton increase to its reserves.

"A major structural shift has occurred on the supply side, as central banks that had been net sellers of gold for nearly two decades have now become net buyers," said

Artigas. "Driving this structural shift are emerging market central banks, including India and China, but also Russia and Mexico among others. They have increased their gold reserves for diversification purposes." He added that at the same time, there has been a virtual halt in sales by European central banks.

In the second quarter of 2009, central banks became slight net buyers for the first time in two decades. Last year marked the first full year when central banks became net buyers and so far this year central banks, in aggregate, have purchased more than they did in all of last year, indicating a strong demand trend.

"Asian central banks will continue to purchase and hoard gold to diversify their risk and take the dollar risk off the table," said Hirshman.

This is not to say that supply is lacking. Gold supply was 1,058.7 tons in the second quarter of 2011, and mine production rose by 7% to 708.8 tons in that quarter, up from 659.4 tons in that same quarter a year ago.

Gold as a true diversifier

Demand for gold has also been coming from institutional and retail investors wanting to benefit from the upward trend but also to protect portfolios from both inflationary and deflationary scenarios.

"Consumers around the world are using gold to hedge risk, including potential higher inflation," said Artigas. "In general, studies show that risk decreases for investors who hold gold in a portfolio. These are important uses of gold to consider because the global environment we face is uncertain and fraught with a great deal of risk."

Because of gold's lack of correlation with other asset classes, it is an efficient portfolio diversifier and has a useful part to play in stabilizing the value of a long-term portfolio, even when a modest negative real annual return is assumed.

"Gold is a true diversifier," said Artigas. "Many 'so-called' diversified portfolios turned out to be diversified only in good economic times. Gold maintains its ability to provide diversification in both good times as well as under more challenging circumstances."

Demand for gold has also been coming from institutional and retail investors wanting to benefit from the upward trend but also to protect portfolios from both inflationary and deflationary scenarios.

The rise of exchange-traded funds, which are funds tracking futures or indices that are traded like stocks, has made it easier to meet this growing demand for gold, especially for more retail-oriented investors who may not know how to invest in the futures market. State Street Global Advisors, the investment management arm of State Street Corp., launched the first gold ETF in November 2004 in partnership with the World Gold Council. SPDR Gold, which was the first commodities ETF introduced on the market, is physically backed by gold and is listed on the New York Stock Exchange.

ETFs had net inflows of almost 51.7 tons in the second quarter of 2011, according to the World Gold Council. This compares well with the previous 12 quarters, when ETF inflows averaged 41.4 tons.

“Gold-backed ETFs, which are traded on regulated exchanges around the world, provide an efficient way for many investors to access gold,” said Artigas. “Yet, ETFs as a whole only represent about 10% of global demand and are just one of many vehicles to access the gold market.”

Although stocks of gold miners were beaten up in recent years, they are now becoming attractive investments too. Newgate holds a couple of miners, but current exposure to gold is 4% to 5%, below its historical exposure of between 7% and 10%. In the past few years, several gold mining companies outperformed but there’s now an opportunity, said Hirshman. He cited Centamin Egypt Ltd., Newmont Mining Corp. and Great Basin Gold Ltd. as good picks.

Gold hidden in many technologies

The use of gold in various new technologies has also driven demand. For example, at the end of June, a Silicon Valley company called Nanostellar Inc. announced it completed the commercialization of a gold-based catalyst with the goal to reduce cars’ gas emissions by as much as 30%. The technology is currently in production with a large European diesel car manufacturer.

Gold is also in use in electronic devices, medicine and chemistry. Gold nanoparticles can help in diagnostics of a range of illnesses and diseases including cancer,

HIV/AIDS and Alzheimer’s. Gold catalysts and nanoparticles are also key to cleaning up contaminated water supplies, reducing mercury emissions and producing common chemicals more efficiently. Gold is also a viable catalyst in a variety of industrial processes including vinyl acetate monomer, a key ingredient in emulsion polymers, resins and intermediates used in paints and adhesives.

“Gold is a hidden element in many technologies, especially consumer electronics,” said Artigas. “For example, many people don’t know that the mobile devices they carry, such as iPhones and iPads, contain gold.” He added that in general, technology as a percentage of global demand is usually about 10%.

As a result of this strong diversified demand for gold and its low volatility of 13.4% as of the second quarter, gold has outperformed most other assets. “In the second quarter, gold had positive returns over the quarter unlike most commodities,” said Artigas. “There’s a lack of correlation between gold and other asset classes which makes gold unique. It also exhibits lower volatility than most asset classes which at times of high volatility in the equity markets is a source of portfolio stabilization for investors.”

Although most experts agree that the price of gold will continue to rise, it’s often challenging to predict returns.

“The key is to look at monetary policy,” according to Invesco’s Wolle, adding that Federal Reserve Chairman Ben Bernanke said monetary policy will remain loose and this will provide a tailwind for precious metals.

“Many people have talked about a gold bubble, but it’s difficult to form a meaningful target price for gold,” he said. “If you look at the price of gold in relation to inflation, it’s very expensive. But if you look at the price of gold in relation to the money supply, in that measure, gold looks really cheap.” He concluded that neither measure is predictive of returns over the next twelve months, which is why his team focuses more on interest rates and the price behavior of gold.

“As long as short term interest rates remain low, it’s a good strong support for gold and futures prices to rise,” Wolle said. ●

Regulatory Watch



Financial reform is slow to come

Three years after the bankruptcy of Lehman Brothers and more than a year after the Dodd-Frank Act was enacted to reform the financial industry, market participants are still awaiting concrete rules.

One of the main areas of the reform pertains to derivatives, including futures, as well as speculation in commodities markets, and the Commodity Futures Trading Commission, which has gained oversight of the roughly \$600 trillion over-the-counter derivatives market, has taken a central role in the new regulations.

But for the sake of completeness, the CFTC is making sure it hears all industry comments before enacting final rules. As of August, it had enacted fewer than approximately 10 final derivatives rules and was still working on roughly 40. Some much-needed definitions of swap dealers and end users, for instance, had yet to be enacted in mid-summer and will need to be written in concert with the Securities and Exchange Commission. As a result of this careful but slow work by the CFTC, commodities market participants continue to be patiently waiting.

"We're still in the formative process of regulatory reform," said Scott Wolle, Chief Investment Officer of Global Asset Allocation at Invesco. "The CFTC is also taking time to talk to people in the industry."

"We have been waiting for clarity in the futures regulatory world for three years and the various deadlines have come and gone," said Douglas Hepworth, Director of Research at Gresham Investment Management. "The CFTC has to read thousands of letters and this is not

their only concern, but the delay is not helpful to the markets."

Additionally, in light of the thousands of comment letters the CFTC received, the Commission will need to re-propose some rules, which it hasn't started doing yet. That will further delay the process.

CFTC Commissioner Scott O'Malia has requested several times that the Commission be more transparent with its final regulation schedule and implementation plan for the sake of market participants who remain in the dark on many final rules.

"I believe firms are sincerely interested in fully complying with the final regulations, if only the Commission would inform them when they should be prepared to comply," he said in his July 7 opening statement at the public hearing related to a vote on several final rules.

"Market participants are preparing to implement the final regulations, but have no idea if they should be ready in eight or 18 months. By providing the market with a plan, it will improve compliance with our regulations." He asked CFTC Chairman Gary Gensler to provide market participants with a rulemaking schedule and a detailed implementation plan so the market can prepare by making the necessary investments, reorganizing their business and hiring staff in order to comply with the rules.

Some final rules have emerged

The CFTC's most recent milestone was the enactment

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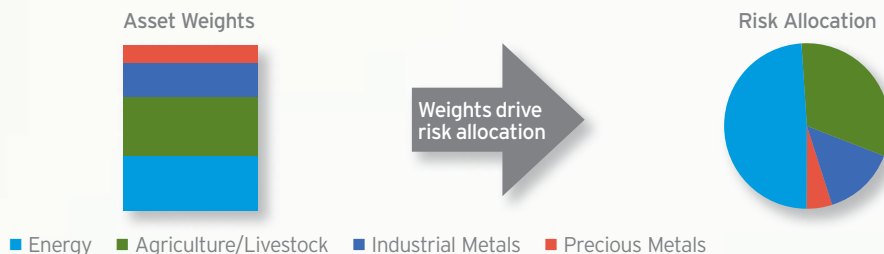
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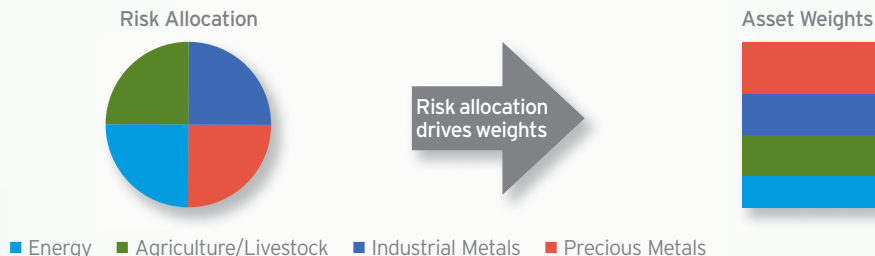
When investing in commodities, many investors may think their dollars are well-balanced – but they may be surprised to find out that just one type of commodity could account for half of an index's risk. The Invesco Global Asset Allocation team's active approach seeks to balance risk across the four major commodity complexes – energy, agriculture, precious metals and industrial metals – to improve on structural inefficiencies of traditional commodity indexes, while considering additional sources of beta-driven return. The balanced-risk approach seeks to outperform over a full market cycle, with smaller drawdowns than the benchmark. The intention is to be prepared for any economic scenario.

Portfolio Construction

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of several final rules in the middle of summer. In one rule, the CFTC authorized agricultural swap transactions and subjected them to the same regulations applicable to all other swap transactions. This was necessary because the Dodd-Frank Act, also called the Dodd-Frank Wall Street Reform and Consumer Protection Act, prohibits such transactions unless the CFTC specifically authorizes them.

There was little controversy on this topic as public comments overwhelmingly supported treating agricultural swaps in the same manner as other swaps under the Act. As a result of the final rule, agricultural producers, processors, merchants and handlers will benefit from the ability to use agricultural swaps to hedge their risk and will also benefit from the transparency promoted by the Dodd-Frank Act.

The CFTC is working on other, more challenging and controversial rules, especially ones that relate to speculation in commodities markets.

Speculation as the hot issue

In August, Sen. Bernie Sanders of Vermont released a list of oil traders he believes responsible for the 2008 oil prices spike. Sanders said that the report shows that in the summer of 2008, when gas prices spiked to more than \$4 a gallon, Goldman Sachs, Morgan Stanley and other Wall Street players dominated the crude oil futures market, causing tremendous damage to the entire economy.

"The American people have a right to know exactly who caused gas prices to skyrocket in 2008 and who is causing them to spike today," said the senator, an Independent who, with eight co-sponsors, introduced in June a bill "The End of Excessive Oil Speculation Now Act of 2011." The bill aims to force Gensler to impose strict limits on the amount of oil speculators can trade in the commodity and futures markets.

The CFTC already sets position limits in certain agricultural markets and proposed to set a similar open interest formula for energy position limits on commodities including natural gas and WTI crude oil. The goal is to limit concentration of positions and promote fair and orderly markets. The CFTC would grant an exemption for those wanting to hedge commercial risks. For instance, airlines typically purchase futures contracts to hedge the cost of fuel.

But many market participants don't think speculation is a problem in the commodities markets. "It's tempting to blame speculators for volatility and price increases but the evidence provides little support for the idea," said Wollé. "Supply and demand still drive prices."

According to Gresham's Hepworth, the debate over position limits was chopped off from the beginning. "Why have position limits, was never addressed," he said. "We jumped right to 'how to implement limits.'" He also thinks the way the CFTC calculates aggregate limits set by formula based on open interest doesn't make sense.

"They've come up with a position limit formula based on aggregate open interest, which works out to approximately 2.5% of open interest," said Hepworth. "But open interest is a muddy number because of broker netting;

moreover, it is hard to find the question for which open interest is the answer - it is not a proxy for liquidity or market capitalization."

Some record keeping rules are also prompting heated comments from market participants. At the beginning of August, the National Grain and Feed Association called on the CFTC to clarify and narrow an onerous record-keeping rule that could require many grain elevators, feed mills, grain processors to record all communications, including phone conversations, with farmers and other commercial firms that ultimately result in cash and cash-forward contract transactions.

The CFTC proposal would obligate futures commission merchants, brokers and members of commodities futures exchanges and swap execution facilities to maintain records for five years of all written and oral communications that lead to the execution of transactions in a commodity interest, including swaps, or cash commodity. Many commercial firms are members of these exchanges and would be subject to these rules.

The NGFA said the proposal would create a highly undesirable bifurcated regulatory system in which companies that are members of a futures exchange are subject to burdensome recording and record-keeping requirements of their communications with customers, while other firms that aren't are exempt. Additionally, the costs of complying with the proposal would be significant.

To be sure, not all participants in the commodities markets see a negative impact from the final rules.

"We're in favor of any new regulations that deal with speculation and volatility," said Avy Hirshman, Chief Investment Officer at Newgate Capital Management. He agrees that changes in margins on futures and on resets, intended to limit risk in the derivatives market, make it more difficult for the average investor to get involved. But he added that as an alternative to futures, investors can get exposure to commodities through commodity-related equities.

Jamie Farmer, Executive Director of Dow Jones Indexes, reckons many of the reforms could potentially impact the commodities' ecosystem. "For instance, there's uncertainty as to what degree intermediaries will be inhibited from conducting business," he said. "A lot of participants are waiting to see what these rules will look like." But he added that as opposed to many market participants, Dow Jones Indexes isn't in a wait-and-see mode, "because it may create an opportunity for new indexes depending on how the regulatory regimes evolve."

Such views remain in the minority at this point as most seek more clarity in the rulemaking process and in the CFTC's schedule. But considering the Dodd-Frank Act and the CFTC are trying to prevent future crisis and to build the sound cornerstone of a new system for derivatives, this is no small task that should be rushed.

"We're still in the formative process of regulatory reform," said Invesco's Wollé. "The CFTC is also taking time to talk to people in the industry. There is the potential for unintended consequences if the changes aren't planned very carefully." ●



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