



EUROPEAN CENTRAL BANK

EUROSYSTEM

7 November 2006

Foreign Exchange Contact Group

Frankfurt, Wednesday 29 November 2006, 13:00 C.E.T

Venue: Eurotheum Plinth building,
Neue Mainzerstrasse 66-68, room CP11, first floor

A G E N D A

1. Review of recent market developments

The members of the Group will exchange views on recent financial market developments and their outlook, introduced by Peter Frank, Senior Economist, ABN Amro.

2. Is FX Volatility Dead?

Monica Fan, RBC, will address the decline in FX volatility since the 1990's that caught option traders by surprise. The extreme low FX volatility has been conspicuous in recent months as the FX markets have shrugged off: a military coup in Thailand; protests against the Hungarian government; the high profile collapse of hedge funds such as Amaranth. She will come through some of the main reasons of the volatility decline before opening the discussion.

3. How important is prime brokerage?

Roger Hawes, RBS will present an update on the Prime Brokerage business in the industry. He will shed some light on the robustness of the operational infrastructure surrounding prime brokerage and raise some issues related to prime brokers' activities such as technology enhancement, the risk management, anonymous trading, reputational risks, etc...

4. Other Business

- Report on the meeting of the FX committees in NY on 26 October.
- Discussion on the work programme for 2007
- Feedback on the contingency exercise on 31 October 2006
- Debriefing from the Operations Managers Group (OMG), global conference in 2007.
- Next meeting agenda: 6 February 2007 at the ECB premises