



EUROPEAN CENTRAL BANK

EUROSYSTEM

11 May 2007

**Foreign Exchange Contact Group**

Frankfurt, Wednesday 23 May 2007

**AGENDA**

**1. Review of recent market developments**

The members of the Group will exchange views on recent financial market developments and the outlook, introduced by John Noyce, Citigroup.

**2. Algorithmic / black box / high frequency trading**

Three presentations on the topic Algorithmic / black box / high frequency trading will be made each with a different focus.

- Execution, trading and broad implication for market liquidity.

Jean-Marc Orlando, Head of E-commerce trading at BNP Paribas, will present the execution aspects of high frequency trading as enabled by technology developments. The impact on market liquidity will be particularly looked at.

- Comparison with equity markets and lessons that FX, as a product can learn.

Jeremy Smart, Global Head of FX E-sales at Morgan Stanley will focus on the similarities with equity markets which went through the same process of high frequency trading already some time ago. There might be interesting lessons for FX markets.

- Business model, possible scenarios for the FX markets future

Toby Cole (FXCG, Credit Suisse) will present possible scenarios for new business models in FX markets. Technology, new trading platforms and on-going innovations are driving the future and market participants may be re-visiting business models in FX markets.

**3. Other Business**

- Debriefing from the Operations Managers Group and Global Conference 23-24 April 2007.
- Update on the work programme
- Next meeting agenda: 4 September 2007 at the ECB premises