Drobny Global Monitor

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Biases:

EQUITIES: Bearish
BONDS: Bearish; Bullish Bond Vol; Curve Steepeners
FX:

Current Exposure:

EQUITIES:
BONDS: Short 10yr US Treasury (Sept 26);
Receive ODF20 (Mar16);
Receive 2yr Japan swap (Sept 26);
FX: Long USD vs HKD (July 18);
COMD: ****Formerly Long Gold vol;***

Drobny 2016 IMF Forum Review

**** Please note latest changes to biases and/or exposure***

Regime change was the hot topic at the 2016 IMF Forum. It played a prominent role in questions addressed to Ben Bernanke in some lively interactive afternoon and evening sessions. And, it surfaced several times in favorite trade presentations earlier in the day.

One panelist suggested that the US economy had reached a turning point and suggested selling US fixed income. This idea also featured audience polls taken through the day (see Questions 1, 2 & 13 in Section 8 and '**Fixed Income**' and '**Surprises**' in Section 9). Another appealed to a potential change in the government of Venezuela as a source of optionality behind his suggestion of buying PDVSA 26's. And, the issue of policy regime change came up repeatedly in the discussions of another panelist trade of buying the equity risk premium.

Other panelist favorite trades included receiving rates in Brazil, buying a long term INR call spread vs the KRW, a relative value trade of selling AUD vs CAD and receiving CAD rates vs paying equivalent AUD rates to exploit a divergence between rate spreads and FX that had emerged in the summer, and a Risk Parity type trade based on a 25/25/50 equities/gold/bonds portfolio.

The focus during various meetings with Ben Bernanke was on policy innovations, yield curve shape, and the growing push for fiscal stimulus to augment and/or replace monetary stimulus. The IMF Forum took place at a time of growing market unease about the benefits of QE in its current form.

Regime change is most evident Japan. The shift to a 0% yield target for 10yr JGBs should not be difficult for the BoJ to sustain. Unlike elsewhere, especially in the US, the BoJ own nearly the entire market and many JGB's not owned by the BoJ are held by entities that are price inelastic and firm holders. This inelastic supply of JGB's means the BoJ should be able to achieve the target by buying far fewer JGB's than before. This in turn helps alleviate concerns that they are running out of securities to buy. And, it leaves them in a strong position to counter possible spikes in yields should recovery be sustained and inflation starts to approach and even overshoot the 2% target.

However, the second BoJ target – a steeper yield curve - has not yet been achieved. It was noted that the BoJ did not ease policy at their recent meeting and instead announced their new framework. This suggests that an ease to more negative short rates is likely, which makes 2yr Japan swaps at -.06 look like a gift to receive. The curve is unlikely to invert (10yr swaps are trading at 0.7%). But, it is likely to steepen driven by the front end (think Sweden or Switzerland).

The discussion turned to fiscal and monetary policy coordination. A poorly understood but critical element in the notion of 'helicopter money', or rather 'fiscal/monetary synergy', is the credible commitment of the central bank that it will continue to finance the fiscal spending. Otherwise, there is a danger that the private sector will retrench and hoard some of the additional income in anticipation of future taxes, or there will emerge legitimate fears about fiscal sustainability.

The 0% target on JGB yields helps alleviate both fears and should make any fiscal stimulus more powerful. Bernanke reminded us that Japanese growth has actually been pretty decent, unemployment is low and core inflation has risen to 1%. It's not near their target yet, but it tells us that the challenge for the Japanese authorities is to sustain these gains and move further towards, and through their inflation target for a while. Things are not as dire in Japan as is commonly perceived.

What about the US? Here, the problem is entirely different. In the US it's a question of when and how to tighten. Core PCE inflation seems to be moving towards the 2% target but, because it's still below that level, the FOMC are in a position to move cautiously on rates. What happens then if core PCE inflation pikes up over 2% by early next year? Bernanke suggested the FOMC might still err on the cautious side to see if the spike is transitory or not. After running below target for a considerable while, an inflation overshoot might not be a bad thing.

But, would it be better for the FED to allow an overshoot or actually raise the inflation target? The difficulty with changing the target is FED credibility; once the target has been adjusted it can be changed again. Fears of another shift could ultimately make such a shift very costly. Yet, it was also pointed out that a policy of allowing an overshoot with a given target will net net require a tighter monetary policy on average than one that shifts up the target once and for all. Once again, the outcome depends crucially on how such policies are communicated and explained, a recurring theme by Bernanke.

Another question that arose was, given how flat yield curves are, wouldn't it make sense for the FED to start unwinding QE and lower the size of its balance sheet rather than raise short term rates much further? Bernanke noted that FED policy on this has always been clear. They will push up short rates first and once they are at around 1%, they will consider commencing a run down in the balance sheet. However, unwinding QE in the US is full of uncertainties and may prove tricky to manage. As the 2013 taper tantrum shows, there is considerable uncertainty about the effects that QE unwind might have so the FED will likely have to move cautiously.

Finally, what about fiscal stimulus in the US? The consensus in the room seemed to welcome this prospect. Inflation is still low, suggesting there is still slack in the economy. And, even if the economy started to run too hot, more fiscal support would allow for a much needed rebalancing of the fiscal/monetary mix.

Then there's the Eurozone, which these days is looking better. QE is widely believed to have been constructive and is likely to continue in its current form and size. And, fiscal policy has become less restrictive, in part due to the spending around the refugee problem. Yet, unlike Japan where some progress has been made, inflation is still running far below target. That makes QE tapering unlikely. However, the ECB do face a problem of potential shortages so we should look for them to make rule changes to the mechanics of QE by expanding the things they can buy, changing the capital key, and possibly lifting the self-imposed ban on buying bonds with negative yields.

What happens if that doesn't work? Well then they might consider a change to a Japanese style of regime and yield targeting. There was considerable discussion about which yields the ECB would target in that instance. The other problem unique to the ECB is political: if markets are ever willing to bet on Euro breakup, then none of these measures are likely to work.

The overall sense in the room was that things in the global economy had improved, and that innovations in monetary policy seemed sensible. There were dissenters of course. It was, however, almost unanimous that more from fiscal policy would be welcomed, and there was a sense that this is coming in 2017. This also seemed to fit in with the audience poll results though, as the '**Surprises**' part of Section 8 shows, the real danger out there is political, as the unfolding Brexit saga shows.

Two last little points. One SG noted in the bar at the afterparty that we should look at Korea if we think yield curves are too flat. Apparently the Korean curve is at a historical low in 2s/10s. And, although the UK and Brexit played only a small role in the proceedings, the flash crash in occurred when a few participants were having an intimate dinner conversation with Ben Bernanke. One of them suddenly ran out of the room. The conversation quickly turned to the dangers surrounding these increasingly frequent moments of illiquidity which seemed to capture the attention of Ben Bernanke. It was fun to share a financial market event in real time with him.

Below is a review of the 7 presentations and subsequent discussions (bios of the speakers are at the end of this piece). The occasional comments in brackets […….] represent my own post-conference comments. ***Please remember that this piece represents a personal view of the proceedings.*** Comments, critiques, additional trade ideas, guest pieces, etc, are welcomed. The more diverse the dialogue, the better!

Thanks to everyone for making the IMF Forum a fun and fascinating exercise. And, special thanks to our friends and partners at BNP Paribas for their continued support.

1) Michael Dooley of Cabezon Investment Group and Drobny Global also captured the idea of regime change by suggesting selling US fixed income. Dooley appealed to a 'labor market distributions spider chart' created by the Atlanta FED to suggest that, in terms of the business cycle, we have reached a turning point which will require the Fed to react and start a genuine normalization process. This circular chart shows various labour market indicators and reveals the main anomaly in that data. Initial claims and job openings have now reached long term highs are running very hot. But wage inflation is still muted even after the recent acceleration.

With labour demand running hot, the question Dooley posed is will this demand be met by more supply (participation rates) or with an acceleration in wage inflation? Are we about to see an acceleration in employment and growth or faster wage inflation? This depends on the shape of the Phillips Curve. Dooley's emphasized that, although it is currently popular to think in secular terms these days, the labour market data suggest a cyclical juncture has finally been reached that will require a policy response.

But how do we get paid with this idea? Where on the curve should we be short? Why not buy the USD to express this idea? These questions raised by the audience seem to turn on the FED's reaction function and, as we learned from the FED pivot in February/March, whether they hike as fast as inflation rises. Will US real rates rise much during this process, or will hot labour demand translate more into an increase in break even inflation. One conclusion that emerged from the discussion was that if Dooley is right that we have reached a turning point, fixed income vol is likely to move higher.

2) Eric Lonergan of M&G Investment Management pursued a similar theme to Dooley but his trade was different: he made a case for buying the equity risk premium which remains elevated. This reflects to a large extent the exceptionally low level of long term real yields, which have diverged from real growth in an unprecedented manner. This collapse in real yields, he argued, is likely due to an overshoot as the rates market - and the FED dots - seem to extrapolate from recent trends. As a result, real yields on bonds are low and real yields on equities are high. ***His preferred***

way to express this trade is to buy the MSCI world equity index and/or Japanese banks and sell German 30s or Japanese 20s/30s.

Eric certainly captured the bearish bond/bullish equity bias – and positioning - in the room (see Section 9 & Questions 1, 2,12 in Section 8). And, the sense that the policy regime may be changing. Fears of an interest rate shock were prominent for many in the audience (Question 13, Section 8).

Could equities appreciate if global yields are rising in earnest, Eric was asked? Does he expect earnings will rise in such an environment? And, if something goes wrong and there's an equity crash, isn't he likely to lose on both legs of the trade? One solution offered by a participant was to sell credits rather than sovereign bonds, exploiting very low long term credit spreads [and a very flat credit curve].

And, why sell Japanese 20yrs given the new rate cap framework? A fascinating and instructive discussion ensued. It led to an alternative suggestion of buying Japanese banks and other financials and selling interest rate sensitive stocks such as US utilities. The likely downside vol may be lowered substantially by pairing equities with other equities rather than with bonds, it was argued.

3) Beny Parnes of SPX Capital made a surprisingly simple yet compelling argument for playing for lower Brazilian rates. There is virtually no opposition to the new government after the political upheaval that just took place in Brasil, which means there is thus a high probability that fiscal reforms will get done. Combine this with the rebound in the currency and there is the potential for a material decline in real rates. And, cyclically, inflation is now set to fall sharply and, amidst fiscal tightening, an expected rebound in growth is unlikely to emerge next year.

If you add together a 5% inflation rate with a sub 5% real rate, then it is clear that nominal rates could fall to below 10% over the next several years. Yet, there seems to be little exposure, though it did feature in Audience favorite trades (compare the answer in Qn 3, Section 8 with the results in Section 9). And, this hesitancy seems is for good reason. It's so hard to get involved as these puppies have rallied as much as 600bps this year, from over 17% early this year to almost 11% in the back months. And, the curve has shifted from building in rate hikes earlier this year to now building in substantial cuts. Yet, Beny argued this is the cleanest trade in Brasil.

4) Ani Banerjee suggested one of his typically neat option trades of buying a 14.25 - 19.00 3yr INR call spread vs the KRW (spot ref at 16.5) for 5.25% (a 2yr version costs 6.9%). This ITM call spread exploits a spot rate that is down 10% this year, and is down over 30% since 2010, yet the weak currency country has reformed and has the healthier economy and the strong currency country has weak growth and a government now actively pushing their currency down.

The structure earns a return of almost 16% if spot is unchanged simply due to the static carry and has a potential 6-1 reward-to-risk ratio. It starts long vol but over time it becomes shorter vol as the call you own is ITM and creeps towards spot over time. So, here's a trade where there's fundamental directional macro asymmetry, benefits from positive carry, is long vol to begin with and monetizes the steep topside skew, which is why selling the OTM call has good value. It is extremely rare, Ani argued, that all stars line up like this.

One participant noted that EM carry has done well this year. Doesn't that leave this trade exposed to a global rate shock? Not really; Ani argued that a DM rate shock might actually help the trade. The Korean economy relies much more on global growth than does India and the KRW is more sensitive to global growth spillovers than the INR. In fact, USD strength has typically been more supportive of the INR vs the KRW. He also warned that a stronger USD might also reinforce a potential feedback loop with the RMB which could also help push the KRW lower.

5) Patrick Esteruelas of EMSO Capital Management made the tough but interesting case for buying PDVSA 26's. These long-end low priced bonds are trading at around 40c, which is well below usual restructuring/recovery values, and have lagged the rebound that has been seen in short dated PDVSA bonds which are now trading at over 80c.

The idea may appear as a tough sell, Patrick admitted. The fiscal and debt dynamics have deteriorated considerably, especially after the collapse in oil prices and domestic oil production. Reserves are down, hyperinflation has emerged and public sector external debt service is heavy. However, the financing gap looks manageable this year, but looks more onerous in 2017. That's why the front end has outperformed and the longer end has lagged.

However, things could change going forward which, combined with such low starting values, makes these longer dated bonds offer option-like potential. It's not just the recent stabilization in the currency amidst a rebound in oil prices. Rather, it's the potential for a change of regime, and a change in the policy mix in the next year or two, which underlines the potential for these bonds. The popularity of the government has plummeted and, one way or the other, regime change is coming.

6) Mark Spindel of Potomac River Capital suggested a relative value trade of selling AUD vs CAD and buying the Canadian front end vs selling the Aussie equivalent. This trade exploits an unusual divergence that emerged in early June between Aussie/Can 2yr rate spreads and Aussie/CAD FX. And, it has the advantage of avoiding some of the more binary big-market policy potholes.

The opportunity emerges because the Aussie rallied against the CAD over the summer, even though Australian rates fell in the period. That is, the Aussie lost rate support after RBA rate cuts this year, yet the currency rallied against the CAD. It could be that the China recovery played a role, and that the CAD was undermined by a weakening in oil prices in early summer as well as maybe being infected by US election risk. Mark argued that the CAD/AUD rate spreads and the cross typically moved nicely together and the recent divergence created an opportunity to play for an unwind. Essentially the suggested trade idea is to mimic buying the CAD forward outright against the AUD.

The subsequent discussion centered on risk management. How do you weight the components? Mark's answer was that this is more art than science, and depends on what you are comfortable with, but vol weighting is a decent starting point. Hence his weight using BA and IR futures is approx 9-1 rates vs FX in this one. How do you stop yourself out on a trade like this? It has to be managed as a package, so if the P&L becomes too severe, the entire structure is unwound simultaneously.

7) Bill Prophet of Koch Asset Management explored the advantages of a 25/25/50 gold/stock/bond portfolio. It is perhaps surprising that this portfolio has outperformed other more traditional 40/60 equity/bond or sole equity portfolios even since the early 1970s. Less surprising, though, is how the addition of gold to traditional portfolios means this 25/25/50 portfolio greatly outperformed since 2008. The reason, Bill argued, is that once rates fell to zero, bonds served as less of a hedge against equity drawdowns than in the past; they passed their peak effectiveness. Gold helps provide that hedge, especially in an environment of zero rates.

This simplistic version of a risk parity portfolio has limitations, however. Bill noted that his 25/25/50 portfolio seems to underperform in periods of USD strength and/or high inflation. So there is still work to do. Perhaps add TIPs to the mix. Or, maybe switch the gold portion to buying gold against a basket of currencies.

A bigger potential headache for this approach, noted a participant, is if inflation is genuinely on a rising trend. In this case, traditional correlations which underpin this framework might break down. That's an environment where bonds go down and, depending on what real yields do, equities and gold may not rally much to cover. It's the same problem that generally faces long only RP type portfolios.

Andres Drobny

****Past reports can be accessed at www.drobny.com***

8) Audience Poll Results

1) What is your current view on US 10yr bonds?

Extremely bullish	2	3%
Moderately bullish	10	17%
Neutral	17	29%
Moderately bearish	19	32%
Very bearish	11	19%
	Total Votes --59	

2) What is your current positioning in US 10yr bonds?

Very long	4	8%
Moderately long	4	8%
No position	20	39%
Moderately short	20	39%
Very short	3	6%
	Total Votes --51	

3) What is your current positioning in Brazilian rates markets?

Very long	11	19%
Moderately long	9	16%
No position	34	59%
Moderately short	2	4%
Very short	1	2%
	Total Votes --57	

4) What is your current positioning in the Brazilian currency?

Very long	3	6%
Moderately long	13	24%
No position	29	53%
Moderately short	6	11%
Very short	3	6%
	Total Votes --54	

5) What is your current view on USDJPY?

Extremely bullish	7	13%
Moderately bullish	18	33%
Neutral	16	30%
Moderately bearish	12	22%
Very bearish	1	2%
	Total Votes --54	

6) What is your current positioning in USDJPY?

Very long	4	8%
Moderately long	10	21%
No position	27	57%
Moderately short	5	10%
Very short	2	4%
	Total Votes --48	

7) What is your current view on British Pound?

Extremely bullish	4	8%
Moderately bullish	4	8%
Neutral	14	28%
Moderately bearish	15	30%
Very bearish	13	26%
	Total Votes --50	

8) What is your current positioning in British Pound?

Very long	2	5%
Moderately long	4	9%
No position	19	44%
Moderately short	12	28%
Very short	6	14%
	Total Votes --43	

9) What is your current positioning in Gold?

Very long	1	2%
Moderately long	9	20%
No position	30	67%
Moderately short	4	9%
Very short	1	2%
	Total Votes --44	

10) What is your current positioning in Oil?

Very long	2	5%
Moderately long	9	21%
No position	23	55%
Moderately short	7	17%
Very short	1	2%
	Total Votes --42	

11) What is your current positioning in Mexican Peso?

Very long	7	14%
Moderately long	17	34%
No position	19	38%
Moderately short	3	6%
Very short	4	8%
	Total Votes –50	

12) What is your current positioning in Global Equities?

Very long	4	8%
Moderately long	21	42%
No position	14	28%
Moderately short	9	18%
Very short	2	4%
	Total Votes --50	

13) Looking forward, what do you think is the biggest risk facing global markets?

US Election	14	28%
China	1	2%
Interest rate shock	17	34%
European crisis issues	14	28%
Geopolitical issues	4	8%
	Total Votes --50	

9) *Summary of Audience Favorite Trades*

FX (25)

Long USDCAD	
Long USDNZD	
Long USDJPY	II
Long USDCNH	
Long DXY	
Short USDBRL	III
Long EURUSD	
Short EURGBP	
Long MXN	IIII
Long MXNCAD	II
Long MXNBRL	
Short GBP	
Short GBPNOK	
Long INRKRW	
Long INRTWD	
Short ARS	
Long IDR v basket (USD, KRW, SGD)	
Long RUB	

Fixed Income (21)

Short bunds	
Short US treasuries (steepeners)	
Short US 30y	III

Short EDZ6
Long US 30y
Long front end inflation swaps
Receive 30y Tips
Long 5y25y payor swaptions
Receive 2y2y PLN IRS
Receive Brazilian local bonds IIII
Receive ARS local bonds
Steepeners in AUD
Short BTPs
Steepeners in EM local sovereign debt
Long 2y spreads in GBP v short 10y spreads in BTPs
Receive FOMC OIS Nov (approx. 0.43) v Pay FOMC OIS Dec (approx. 0.54)

Equities (8)

Long SP500 III
Long TOPIX
Long SP500 v short financial stocks
Long US large cap banks
Long European bank stocks
Short equity income closed end funds

Miscellaneous (7)

Long Gold and Long USDJPY
Sell Equity Vol
Long vol into election
Buy EFA vol v sell vol in other DMs
Pay RUB cross currency v short USDRUB
Receive GBP cross currency vs short GBPUSD
Sell EU Dividend puts

Commodities (0)

Surprises for 2017

LaPen wins in France	III
Trump wins the election and turns out not to be crazy	
President Trump is impeached	
Trump passes immigration reform	
European crisis	II
Merkel voted out	II
Inflation surprise	IIIIII
Global growth slowdown/recession	II
Global growth stronger than expected	II
More than 1 Fed hike	III
Fed starts selling bonds	
Fed eases	
Negative rates in US	
Chinese large devaluation	
China slowdown	
Central banks double down on stimulus	II
ECB expands QE	
ECB tapering	
Deutsche Bank is a non-event	
Major bank failure	
BREXIT fallout worse than expected	
ISDA declares US in default (technical but enough)	
SP500 up 10%	
US 10y goes to 2.5%	
US 10y does to 0.5%	
EURUSD over 1.30	

(The answers below seem to assume the question was for 2016!)

Trump wins election	IIII
Democrats take the house	

PANEL BIOGRAPHIES: Drobny IMF Forum, Washington DC, Oct 2016

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Ani Banerjee

Ani Banerjee is a discretionary macro portfolio manager focused on the intersection between thematic macro driven ideas and the efficient, asymmetric use of options. He also focuses on event-driven macro trading and convexity strategies. Banerjee has 11 years of experience in the financial markets in portfolio management, portfolio construction, multi-asset derivatives trading, economic research and analysis. Prior to his recent role at BlackRock, Banerjee was a macro portfolio manager for Cheyne Capital Management in London where he was the team's youngest partner. Prior to Cheyne Capital, Banerjee was a proprietary trader at Citigroup. Banerjee holds a Master's degree from a grande ecole in Rouen, France as well as receiving advanced training in macroeconomics and behavioral economics from the London School of Economics and the University of Oxford.

Dr. Mike Dooley ~ Cabezon/Drobny

Michael Dooley is a partner at Drobny, a Partner at Cabezon Investment Group, and a Professor of Economics at the University of California, Santa Cruz. He is also a Research Associate of the National Bureau of Economic Research and is a Managing Editor of the International Journal of Finance and Economics. He previously held positions at the Federal Reserve Board's International Division, the Research Department of the International Monetary Fund, and Deutsche Bank. His published research covers a wide range of issues in open economy macroeconomics including work on global imbalances, crises in emerging markets, debt restructuring, and capital flight. Professor Dooley received his PhD from Penn State University.

Patrick Esteruelas~ EMSO

Patrick Esteruelas is the senior analyst, sovereign credit at Emso, focusing on political risk analysis. Patrick started his career in 2000 at the Inter-American Development Bank, where he served in various consulting capacities. He then joined Eurasia Group as director for Latin America where he actively supported the Latin American investment strategies of multiple hedge funds, mutual funds and money managers. Prior to joining Emso, he was a Vice President at Moody's Sovereign Risk Group, where he covered multiple countries across the ratings space. His deep knowledge and experience in political risk analysis complements the portfolio management team's market experience in Emso's investment process. Patrick earned an MA in International Relations and Economics from Johns Hopkins School of Advanced International Studies (SAIS) and a BA in European Studies from the London School of Economics.

Eric Lonergan ~ MG Episode

Eric Lonergan is a macro hedge fund manager, economist, and writer. His most recent book is Money (2nd ed) published by Routledge. He has written for Foreign Affairs, The Financial Times, and The Economist. He also advises governments and policymakers. He first advocated expanding the tools of central banks to including cash transfers to households in the Financial Times in 2002. In December 2008, he advocated the policy as the most efficient way out of recession post-financial crisis, contributing to a growing debate over the need for 'helicopter money'. Prior to joining M&G, he was a managing director and head of macro research at JP Morgan Cazenove in London. Eric has a degree in PPE from Oxford and a M.Sc. in Economics and Philosophy from the LSE.

Beny Parnes ~ SPX Capital
Joined SPX as a partner in 2013. Worked for Banco BBM from 1991 to 2001 and from 2004 to 2012. Board member of the Central Bank of Brazil, Director for International Affairs, 2002 - 2003. Board member of Banco do Brasil, 2015 - present. Completed the credits for the PhD program of economics at the University of Pennsylvania (without concluding his thesis). Graduated in economics from the Catholic University of Rio de Janeiro (PUC -RJ). Associate professor of this University's Department of Economics.

William (Bill) Prophet ~ Koch Asset Management
Bill's career in finance began in 1999 as a fixed income strategist with UBS and he eventually became head of the U.S. rate strategy team in 2004. He relocated to Tokyo in 2006 to become head of USD rates product management for the Asia Pacific region, and then to Singapore to become head of Asia EM rates strategy. He then moved back to New York in 2009 to become Deutsche Bank's head of USD desk rate strategy. Bill moved to the buy side in 2012 as an assistant portfolio manager at Graham Capital, and in 2014 he began his current role at Koch Asset Management as a portfolio strategist. Bill has an M.S. in Mathematics and an M.A. in Social Sciences from University of California, Irvine.

Mark Spindel ~ Potomac River Capital
Mr. Spindel is the Chief Investment Officer for Potomac River Capital, LLC. Prior to launching the firm, Mr. Spindel spent nearly ten years at the World Bank where he was Deputy Treasurer and Chief Investment Officer of the International Finance Corporation managing $15bn in fixed income reserves. Mr. Spindel was also a member of the Board of Trustees of the World Bank's $14bn pension fund where he oversaw strategic asset allocation across investment classes including equities, bonds and alternative investments (hedge funds, private equity and real estate). Prior to joining the World Bank, Mr. Spindel helped establish ABN AMRO's UK Asset Management company where he had direct responsibility for all investment and risk management including the leveraged fixed income portfolios. Mr. Spindel began his career at Salomon Brothers where he was a Senior Portfolio Manager in their asset management subsidiary. Mr. Spindel received his BS degree in Operations Research and Industrial Engineering from Cornell University (1987).

Andres Drobny ~ Drobny Global Advisors
Andres Drobny is the founder of Drobny Global Advisors, a financial markets research boutique that advises a select group of hedge funds, proprietary traders, and global money managers on world markets. Before starting Drobny Global Advisors, he served as Strategist & Proprietary Trader at Credit Suisse First Boston in London and NY, and was on the Global Foreign Exchange Management Committee. Drobny also served as Chief Economist & Head of Research for Bankers Trust Company, London. Prior to entering the financial markets, Drobny was an academic economist at the Universities of Cambridge & London and holds a PhD in Economics from King's College, Cambridge.

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