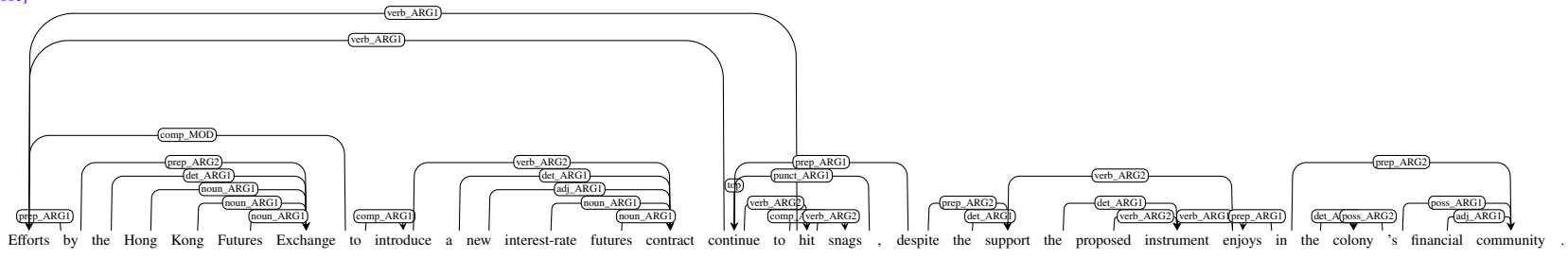
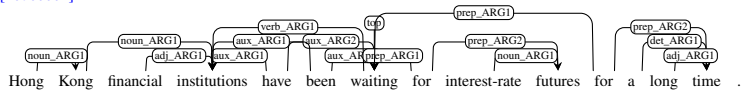


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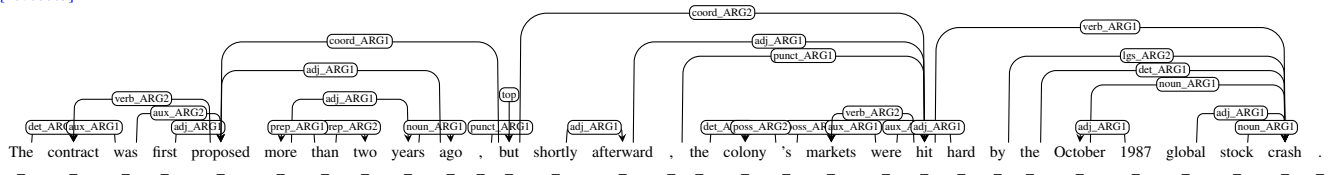
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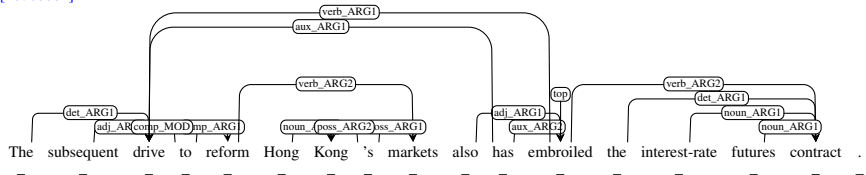
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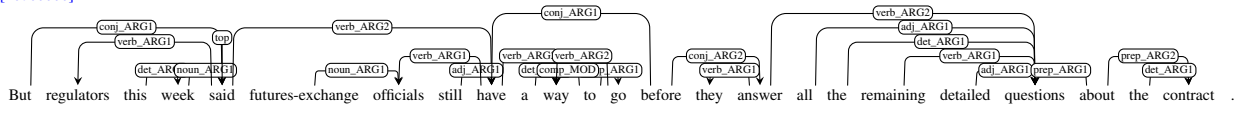
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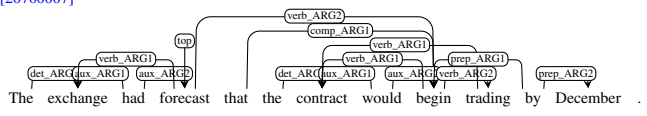
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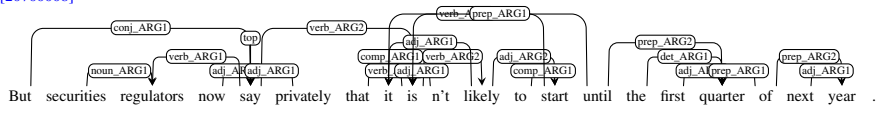
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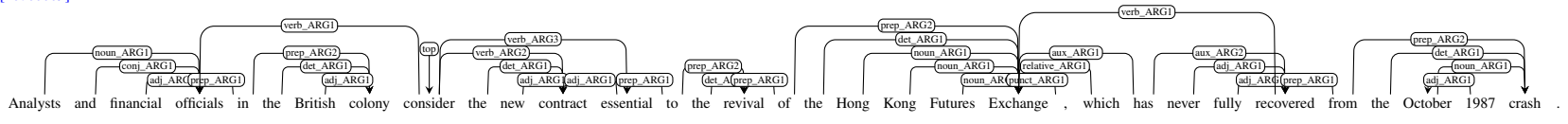
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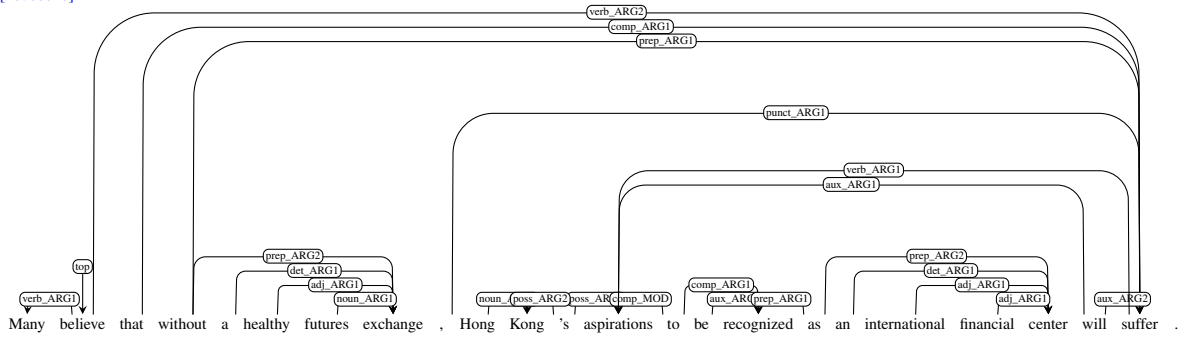
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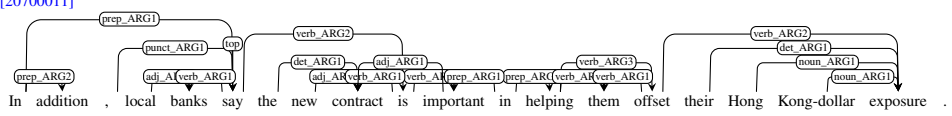
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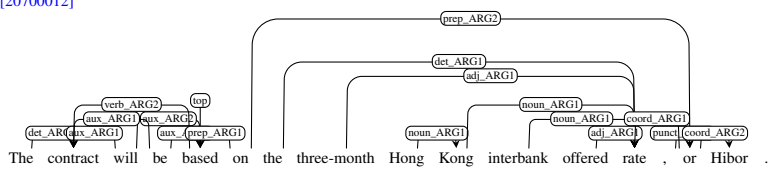
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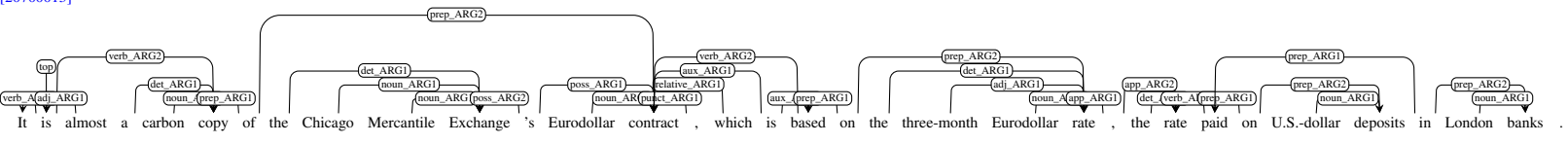
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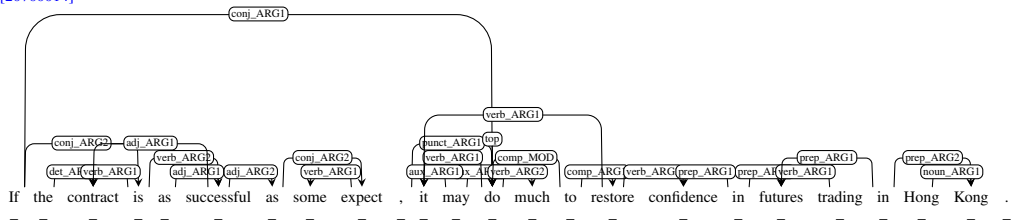
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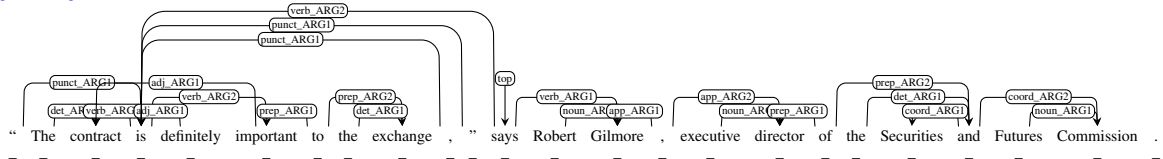
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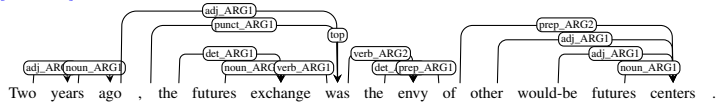
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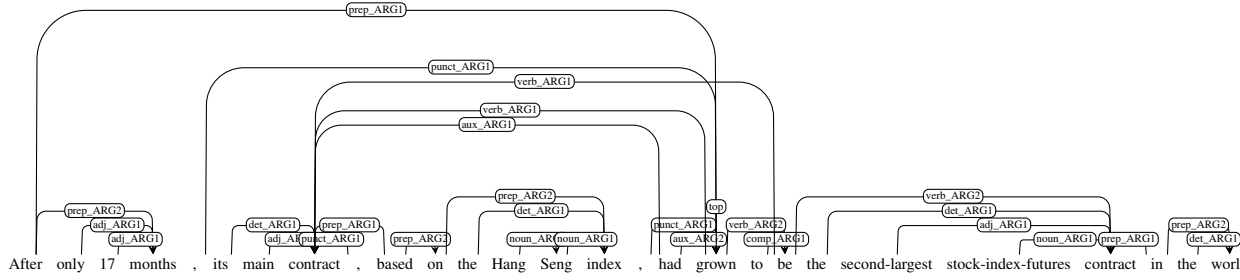
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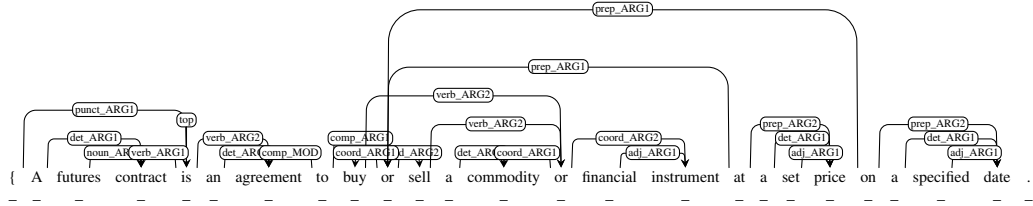
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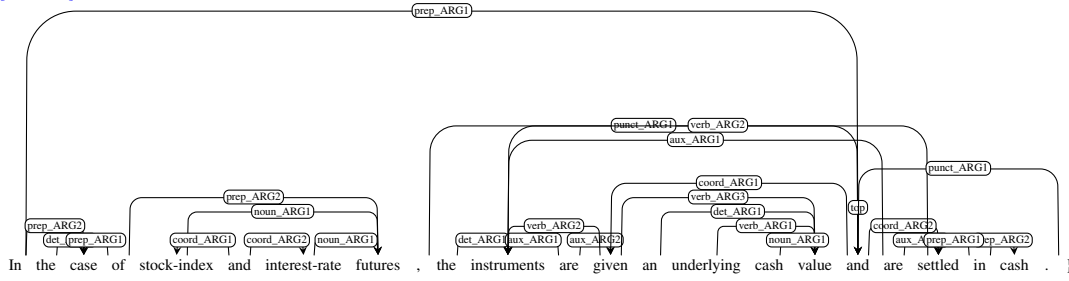
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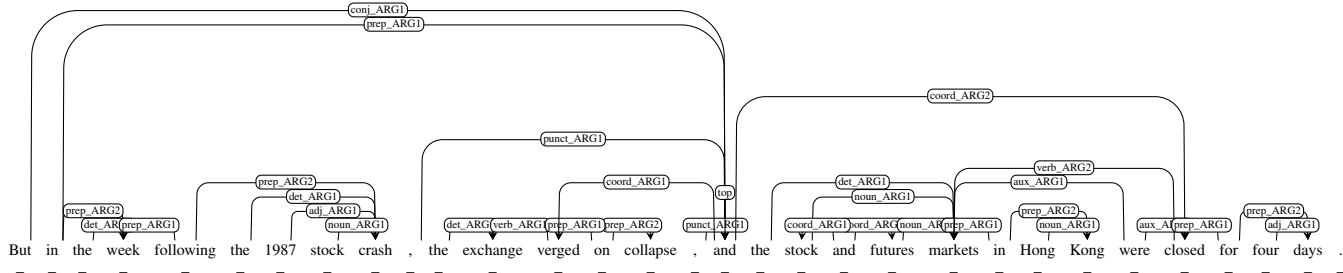
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[20700019]



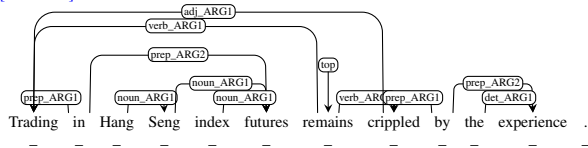
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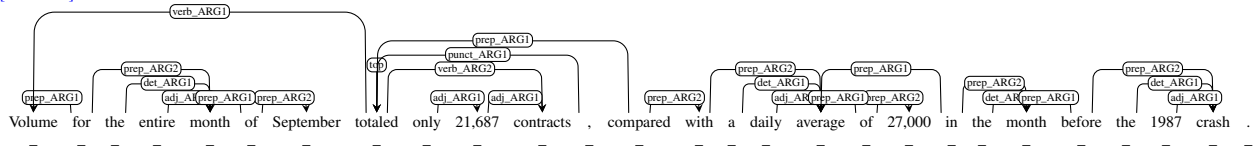
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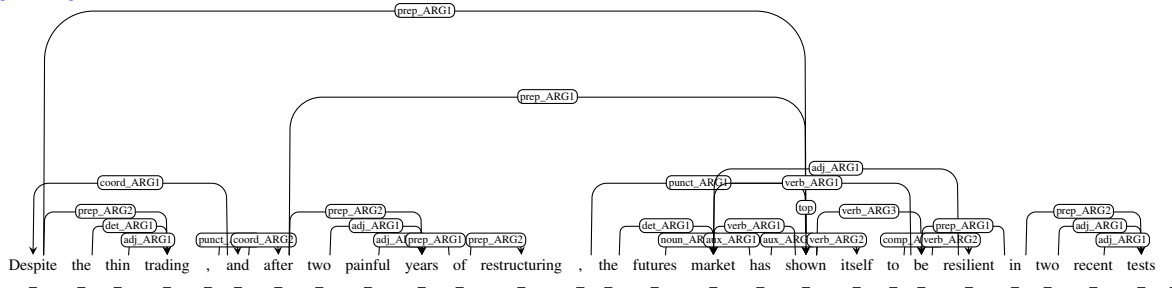
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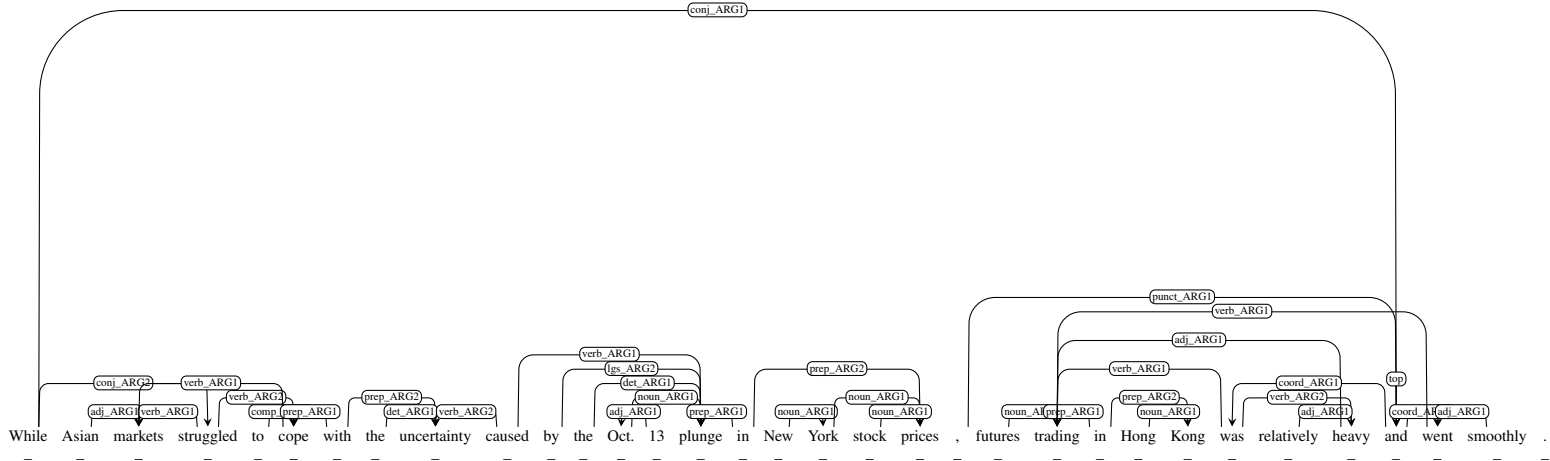
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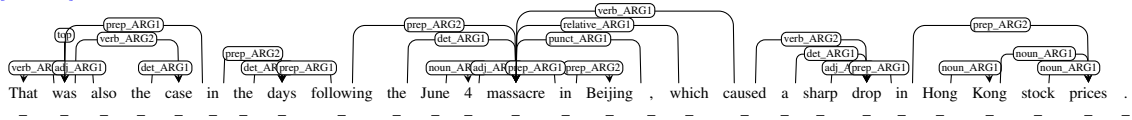
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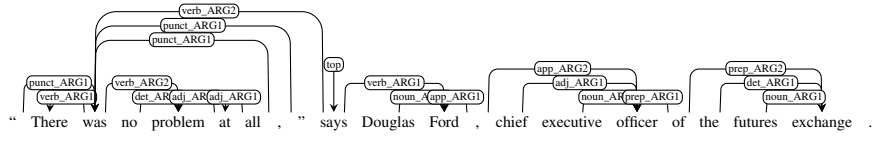
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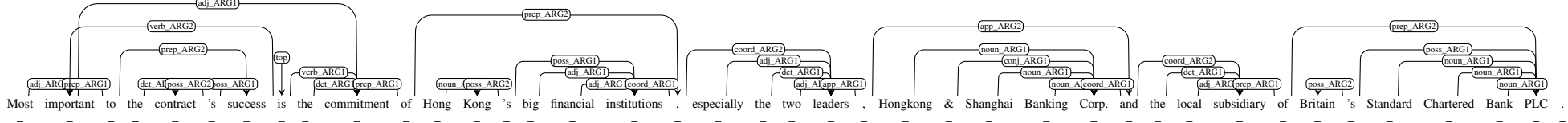


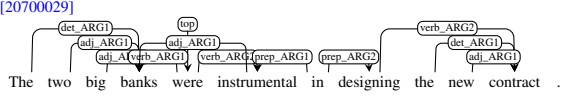
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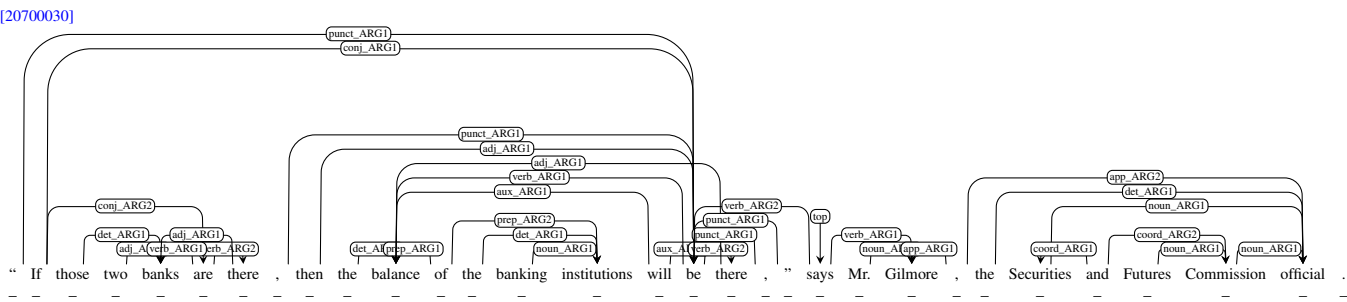


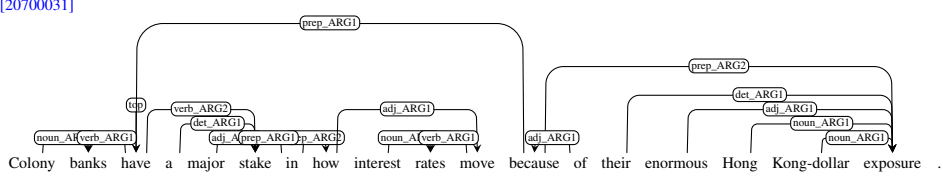
[20700027]

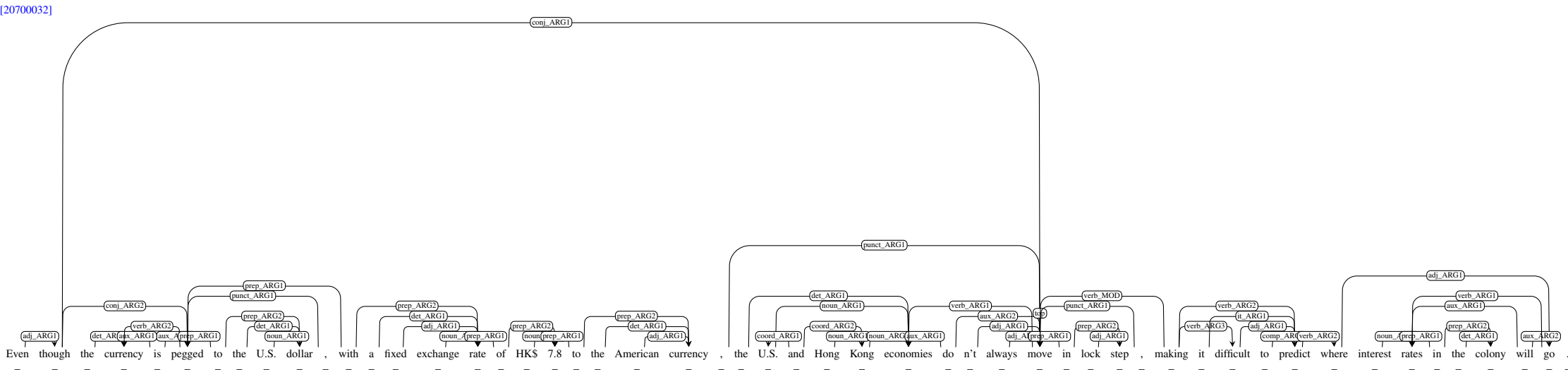

 " There was no problem at all , " says Douglas Ford , chief executive officer of the futures exchange .

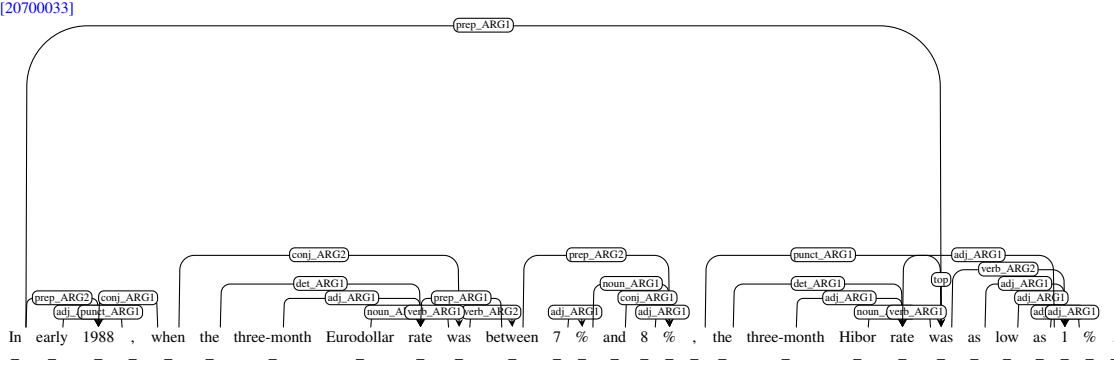
[20700028]

 Most important to the contract 's success is the commitment of Hong Kong 's big financial institutions , especially the two leaders , Hongkong & Shanghai Banking Corp. and the local subsidiary of Britain 's Standard Chartered Bank PLC .

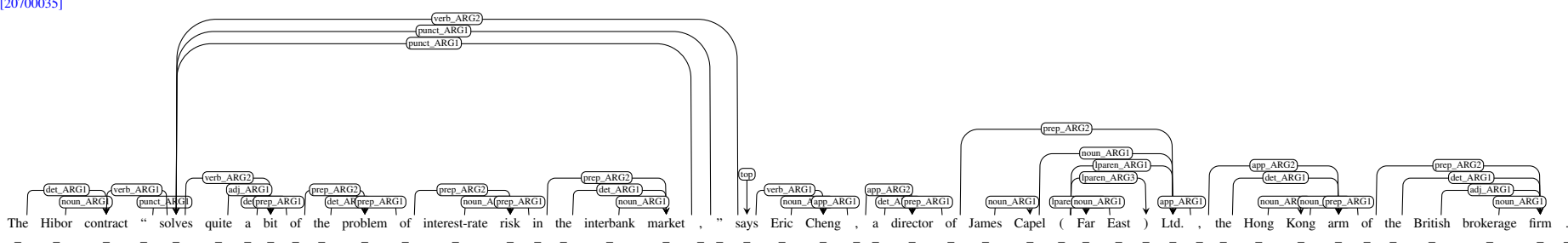
[20700029]

 The two big banks were instrumental in designing the new contract .

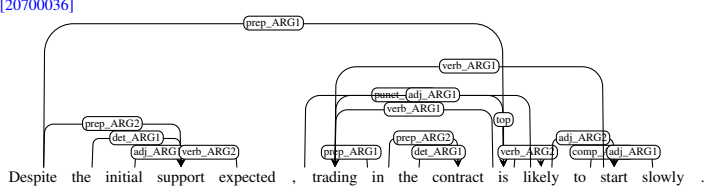
[20700030]

 " If those two banks are there , then the balance of the banking institutions will be there , " says Mr. Gilmore , the Securities and Futures Commission official .

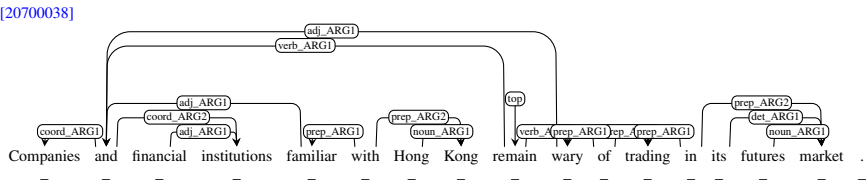
[20700031]

 Colony banks have a major stake in how interest rates move because of their enormous Hong Kong-dollar exposure .

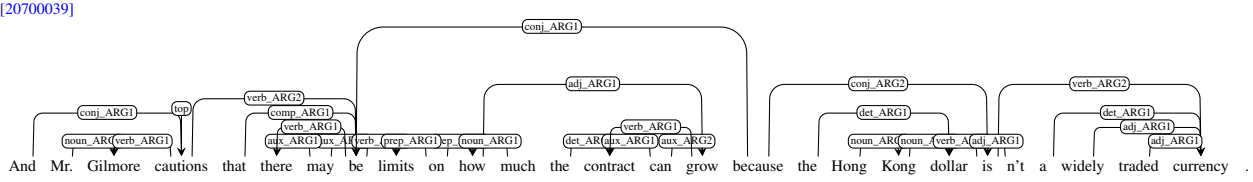
[20700032]

 Even though the currency is pegged to the U.S. dollar , with a fixed exchange rate of HK\$ 7.8 to the American currency , the U.S. and Hong Kong economies do n't always move in lock step , making it difficult to predict where interest rates in the colony will go .

[20700033]

 In early 1988 , when the three-month Eurodollar rate was between 7 % and 8 % , the three-month Hibor rate was as low as 1 % .

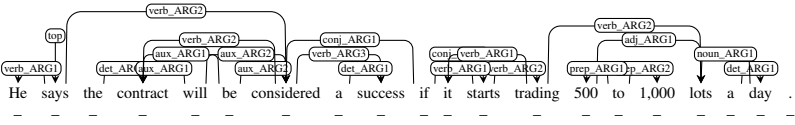
[20700035]

 The Hibor contract " solves quite a bit of the problem of interest-rate risk in the interbank market , " says Eric Cheng , a director of James Capel (Far East) Ltd. , the Hong Kong arm of the British brokerage firm .

[20700036]

 Despite the initial support expected , trading in the contract is likely to start slowly .

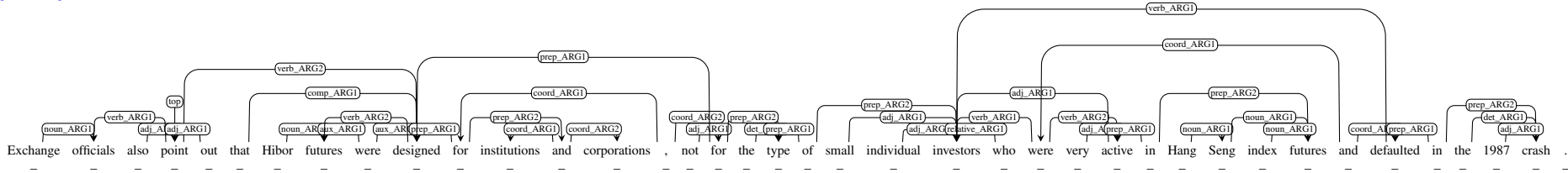
[20700038]

 Companies and financial institutions familiar with Hong Kong remain vary of trading in its futures market .

[20700039]

 And Mr. Gilmore cautions that there may be limits on how much the contract can grow because the Hong Kong dollar is n't a widely traded currency .

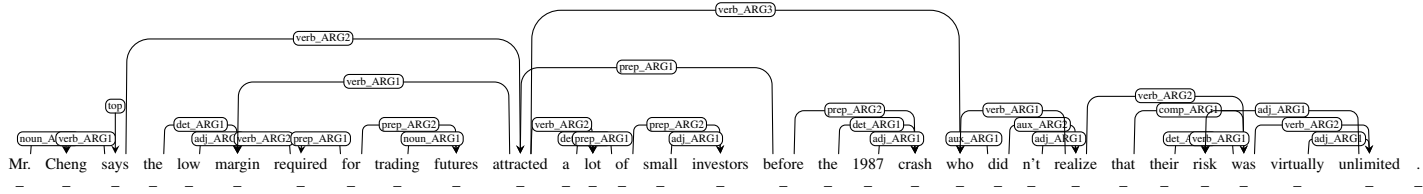
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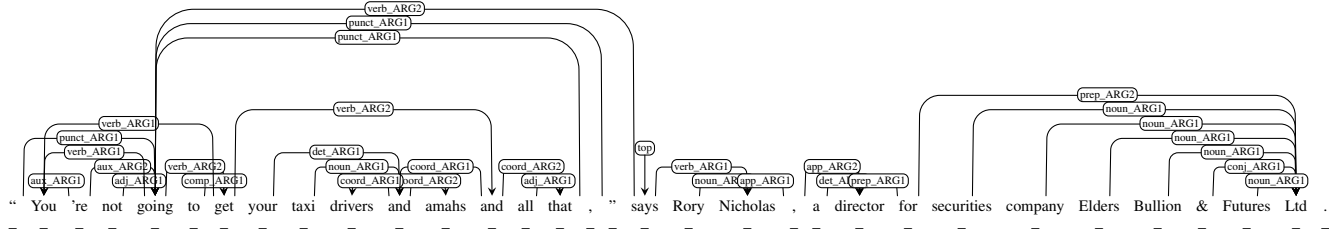
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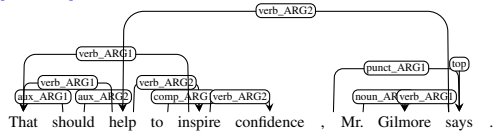
[20700042]



[20700043]



[20700044]



[20700045]

