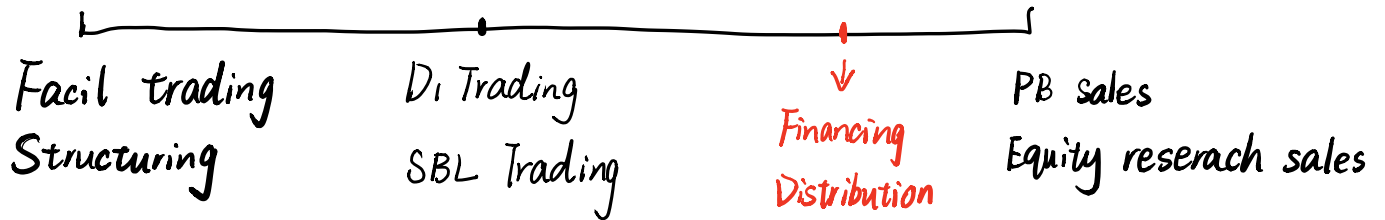


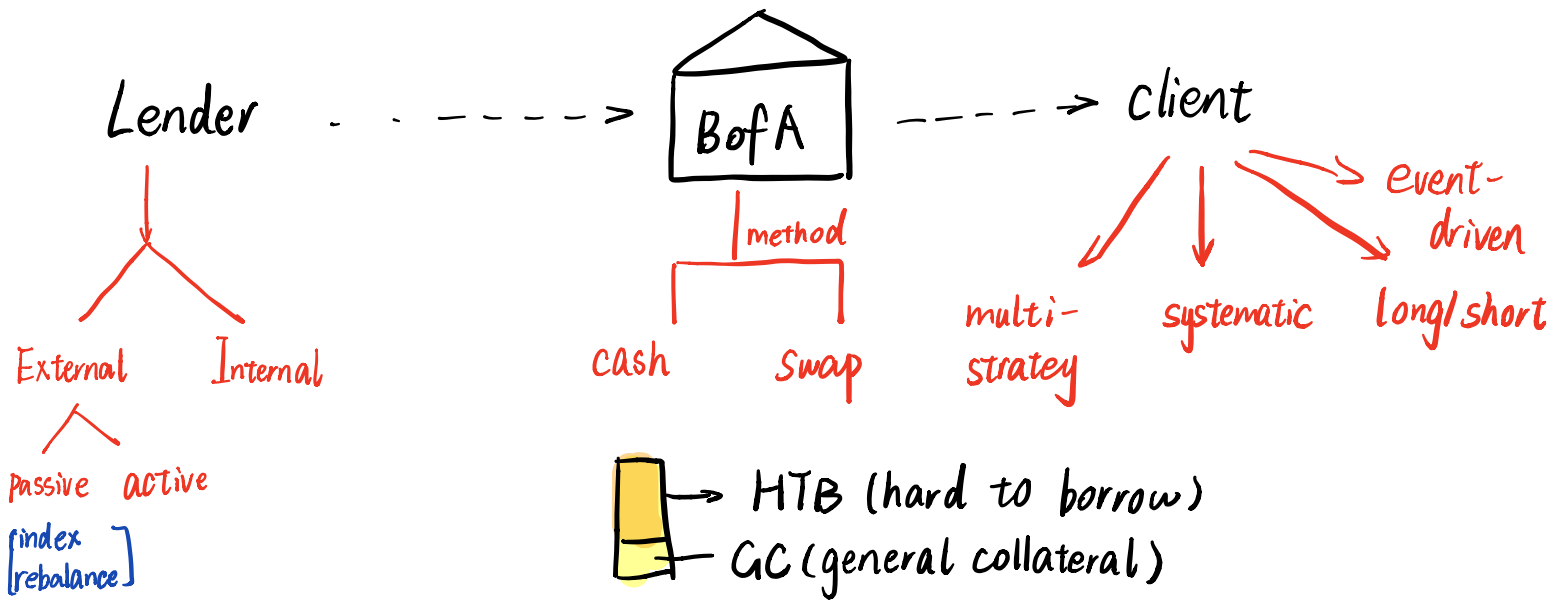
Trading

Sales



Sales: client relationship; finding a balance between client and
traders (spread decision < trading decision
relationship decision

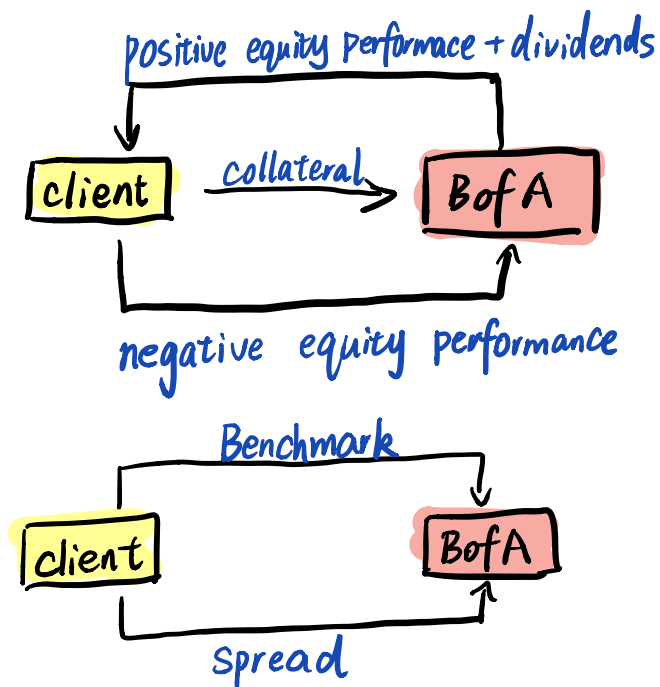
Trading: PnL



Swap structure

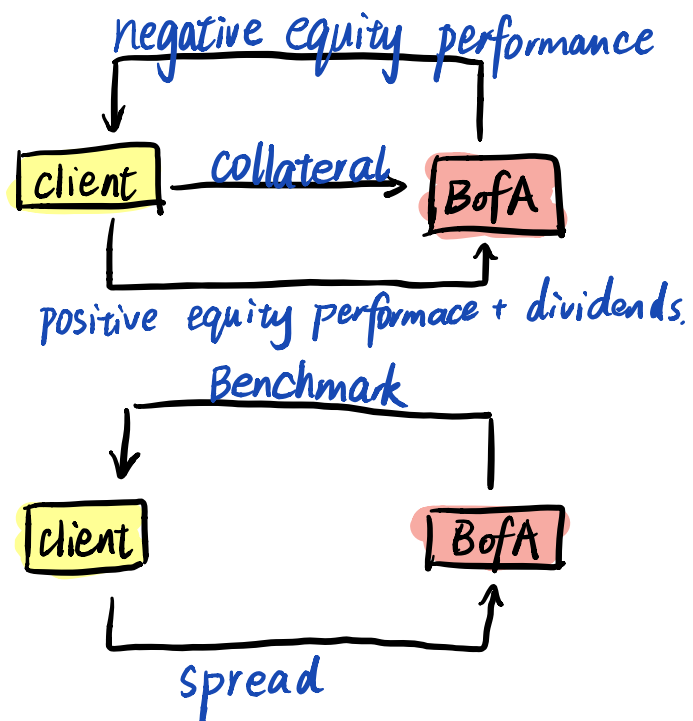
Long swap

[client has synthetic long exposure
swap desk has synthetic short exposure]



Short swap

[client has synthetic short exposure
swap desk has synthetic long exposure]



Emerging markets

Developed markets

Asean



India

Thailand

Malaysia

Philippines

△ liquidity (due to market size) ↓

△ lenders ↓

China

A-Share

only internal lenders

① RBA: risk-based availability (client long)

② index desk inventory

③ out-performance

Korea

△ pre-borrow system

△ lots of retail investors

Taiwan

△ short-selling quota

△ revenue a lot from dividend

Singapore

New Zealand

HK



upticker rule

Aus

Japan

- △ More developed market, more depend on external lenders, more liquidity, more lenders
- △ Less developed market, lower liquidity, less lenders

Revenue generation

Δ spread

Δ margin interest

②