OKEx to launch options trading

OKEx, the world's largest spot and futures digital asset exchange by trading volume, today announced the launch of options trading. Developed from the ground up, OKEx Options represents a complete upgrade to the platform's trading architecture, backed by a faster, more stable and robust infrastructure. Options trading will be available on OKEx starting from December 27, 2019, and simulation will begin on December 12, 2019 .

With this addition, OKEx is the first crypto exchange to offer C2C, spot, futures, perpetual swap, and options trading under the same roof. Users can select from a wide range of products to best fit their trading and hedging strategies.

Options trading is a type of derivatives trading that gives the buyer the ability to purchase or sell an underlying asset after paying a premium. OKEx Options will offer both buy and write options, which enhances trade flexibility and market transparency with trade prices that closely reflect market trends. OKEx's version is a major improvement upon other platforms that only support buy options.

OKEx Options also includes a rigorous anti-manipulation system. Designed to prevent close price manipulation, OKEx averages out the spot data from multiple platforms to obtain a fair settlement price. The options mark price is determined by OKEx in real time using the Black-scholes pricing model. Since a single transaction or quote cannot affect the options market – which only responds to estimated options volatility. (RTRS)

In this file photo, trader James MacGilvray works on the floor of the New York Stock Exchange. (AP)

Market Movements 09-12-2019

			Change	Closing pts
AUSTRALIA	-	All Ordinaries	+22.89	6,836.37
JAPAN	-	Nikkei	+76.30	23,430.70
S. KOREA	-	KRX 100	+27.05	4,505.30
INDIA	-	Sensex	+42.28	40,487.43
CHINA	-	Shanghai SE	+2.46	2,914.48

			Change	Closing pts
GERMANY	-	DAX	-60.97	13,105.61
FRANCE	-	CAC 40	-34.66	5,837.25
EUROPE	-	Euro Stoxx 50	-20.16	3,672.18
PHILIPPINES	-	PSEi	-21.92	7,779.80
PAKISTAN	-	KSE 100	-289.45	40,442.80

'Volcker is an immovable force when it comes to his beliefs and his principles'

Former Fed chief Paul Volcker, inflation tamer, dead at 92

WASHINGTON, Dec 9, (RTRS): Paul Volcker, the towering former Federal Reserve chairman who tamed US inflation in the 1980s and decades later inspired tough Wall Street reforms in the wake of the global financial crisis, died on Monday at the age of 92, according to the New York Times, which quoted his daughter.

Volcker, who media reports said had been suffering from prostate cancer, was the first to bring celebrity status to the job of US central banker, serving as chairman of the Federal Reserve from 1979 to 1987. As with the man who succeeded him, Alan Greenspan, Volcker could soothe or excite financial markets with just a vague murmur.

In 2018 he published a memoir, "Keeping at It: The Quest for Sound Money and Good Government," and expressed concern about the direction of the federal government and the loss of respect for it.

"The central issue is we're developing into a plutocracy," he told the New York Times in October 2018. "We've got an enormous number of enormously rich people that have convinced themselves that they're rich because they're smart and constructive. And they don't like government and they don't like to pay taxes."

In 2009, Volcker began serving as a key financial adviser to President Barack Obama and faced a maelstrom of financial turmoil, government bailouts and fallout from the deepest recession since the 1930s Great Depression.

In this file photo, President Barack Obama greets Paul Volcker, Chair of the President's Economic Recovery Advisory Board, after Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection financial reform bill at the Ronald Reagan Building in Washington. (AP)

In working to help the US economy recover from the 2008 crisis, he proposed what became known as the Volcker rule that restricted banks from making high-risk investments with depositors' cash. Since Donald Trump, who favors fewer regulations, became president in 2017, the rule has been under review.

Volcker stood 6-foot-8 (2.03 meters), smoked cheap cigars, wore old suits and spoke with a rumbling baritone, creating a mystique that intimidated congressmen and even presidents. Part of his aura of power was due to the Fed's unusual nature – the central bank's governors, although appointed by the president and overseen by Congress, are effectively answerable to no one.

In 2018 when President Donald Trump regularly attacked the Fed as "crazy" for raising interest rates, Volcker advised Chairman Jerome Powell to simply ignore the criticism.

Volcker, who slammed the economy's brakes like no other Fed chair, also absorbed his share of barbs from lawmakers in the 1980s. But he faced down both that criticism and, ultimately, inflation that had spiked higher than any point since the 1940s.

"Without Paul Volcker's toughness and guts, we may never have broken the grip of rising inflation and declining productivity that plagued the United States during the 1970s," former SEC chairman Arthur Levitt wrote in the foreword of a Joseph Treaster's 2004 biography "Paul Volcker: The Making of a Financial Legend."

Many have credited that effort for setting the stage for steady economic growth and a long bull market that since the early 1990s brought prosperity to millions of Americans. Yet critics say he also pushed the United States into an unnecessarily severe recession in 1981-82.

Volcker was appointed Fed chairman by a Democratic president, Jimmy Carter, and then reappointed by a Republican, Ronald Reagan. He was only a few months into the job when on Oct 6, 1979, he announced a 1-point rise in the discount interest rate to an all-time high of 12 percent.

Other borrowing costs followed and the prime rate climbed to a record 20.5 percent by May 1981. Unemployment rose to 11 percent and the country was steeped in economic malaise. Yet between 1980 and 1983, inflation fell from nearly 15 percent to less than 3 percent.

Volcker's inflation-slaying action spurred massive protests, with farmers blockading the Fed's headquarters with tractors, and builders famously mailing him a wooden 2x4 to show their lumber was no longer needed. One US senator demanded that he take his "boot off the neck of the economy."

Volcker, however, later conceded he had made a mistake by ordering such a major squeeze on credit, telling Reuters in 1987 that if he could, "I would have played it different."

After leaving the Fed, Volcker led a series of blue-ribbon panels, including one that investigated the UN oil-for-food program that had been designed to provide humanitarian relief to Saddam Hussein's Iraq while it was under international sanctions.

He found that some 2,200 companies in 66 countries diverted $1.8 billion to Saddam's government, and that Saddam earned another $8 billion selling oil outside the program.

In 1999, he led a committee of Jewish groups and Swiss banks to resolve questions over unclaimed bank accounts of Holocaust victims, eventually brokering a $1.25 billion agreement.

In 2002, Volcker headed an independent oversight committee looking into the Arthur Anderson accounting firm following its role in the Enron scandal. Enron had filed for what was then the biggest bankruptcy in US history under questions about its finances and accounting practices, and Anderson had signed off on its books.

Although the panel's work was upstaged by criminal indictments, some of Volcker's recommendations were incorporated into the Sarbanes-Oxley Act passed by Congress in 2002.

Years later under Obama, Volcker headed the Economic Recovery Advisory Board from 2009-2011 where he was a sharp critic of modern banking, musing that the only useful recent banking innovation was the automated teller machine.

He gained new notoriety after Obama asked Congress in 2010 to tuck the Volcker rule into the landmark Dodd-Frank financial reform law, which was meant to avoid a repetition of the 2007-2009 financial crisis.

In September 2012, he told Reuters the Volcker rule's "surgical swipe" at speculative proprietary trading is a better approach to reining in huge financial institutions than the more extreme calls to break them up.

Beginning in his years at the Fed, when he railed against the huge US trade and budget deficits and battled inflation at every opportunity, investors idolized the man. Since publishing his book in 2018, Volcker has even criticized the Fed's overly precise devotion to a 2-percent inflation target.

"Paul Volcker is an immovable force when it comes to his beliefs and his principles," friend and former US commerce secretary Peter Peterson said in May 2013, when the Economic Club of New York presented Volcker a leadership award.

Born Sept 5, 1927, in Cape May, New Jersey, Volcker was educated at Princeton, Harvard and the London School of Economics. He was an undersecretary at the Treasury Department during the Nixon administration and president of the Federal Reserve of New York before taking over the Fed chairmanship.

His wife of 44 years, Barbara, died in 1998 after many years of suffering from rheumatoid arthritis. They had two children.

Latest move to boost economy

Turkey's CB adjusts reserve rules to spur lending growth

ISTANBUL, Dec 9, (RTRS): Turkey's central bank on Monday effectively raised the ceiling on loan growth targets needed for banks to qualify for lower required reserve ratios, while introducing regulations aiming to channel loans to production-oriented sectors.

The measures are the latest move by the bank to adjust banks' reserve requirements to boost Turkey's economy after a recession triggered by last year's currency crisis and a surge in inflation and interest rates.

Banks with a "real" loan growth rate of between 5% and 15%, after inflation, will have only 2% required reserve ratio on most lira deposits – compared with an earlier band of 10%-20% which did not factor in Turkey's double-digit annual inflation.

The bank has also cut its policy rate by 10 percentage points this year to 14%, and is expected to announce a further cut on Thursday.

On Monday it said that under the new required reserve regulations, banks' real cash loan value will be calculated by dividing the nominal loan amount by the consumer price index in the relevant period.

The real annual loan growth rate, which will only take into account lira loans, will be calculated based on the most recent three-month average of the real cash loan stock values, excluding loans extended to financial institutions.

The new reference values and guidelines for loan growth calculations will also help to preserve the benefits for state banks, which the government has relied on to drive lending. Two banks had risked running over the previous top limit of 20%, Reuters reported last month.

The changes also include the removal of some housing and consumer loans from banks' loan growth calculations, which the bank said aimed to channel loans to production-oriented sectors, such as manufacturing, rather than consumption-oriented ones.

"Long-term commercial loans that have a strong relation with production and investment, and long-term housing loans that have a weak relation with imports will be encouraged," the bank said.

"They are trying to alleviate some investor concerns that credit will be driven mainly towards consumption (which) will suck in more and more imports," said Jason Tuvey, senior emerging markets economist at Capital Economics, adding that recent loan growth had been mainly driven by consumer loans rather than commercial loans.

There have been concerns that boosting consumer lending could lead to new imbalances, rising inflation, and a widening current account deficit, all of which would ultimately lead to the central bank hiking rates again, he said.

At the new top limit of 15% real loan growth, housing loans with a maturity of five years or more, as well as commercial loans with a two-year and longer maturity, will be subtracted from the total loan growth.

Banks will need to remain at or above 5% growth after 50% of the real change in retail loans, excluding housing loans with a five-year and longer maturity, is subtracted from the total growth rate.

Business economists see US owing but avoiding recession

American economy likely to remain resilient this year and next

In this file photo, work continues on an outdoor observation deck on the 30 Hudson Yards office building in New York. Business economists expect US economic growth to slow this year and next, but they say the economy will avoid recession. (AP)

WASHINGTON, Dec 9, (AP): The nation's business economists expect US economic growth to decelerate this year and next but for the economy to avoid stumbling into recession, extending a record-breaking expansion already in its 11th year.

The latest survey by 53 forecasters with the National Association for Business Economics shows that they expect economic growth to slow from 2.9% last year to 2.3% in 2019 and 1.8% in 2020. The forecasts are unchanged from the association's previous survey in October.

The economists put the odds of a recession starting at 5% this year, 21% in the first half of 2020 and 43% by the end of next year.

However, they peg the odds of a recession by mid-2021 at 66%.

The American economy is likely to remain resilient this year and next, they say, despite risks arising from President Donald Trump's trade war with China and skirmishes with other US trading partners: Half the respondents call trade tensions the No. 1 downside economic risk through the end of next year.

The Trump administration has slapped tariffs on $360 billion in Chinese imports and is scheduled to hit another $160 billion Dec 15. China has retaliated by targeting $120 billion worth of American products.

The world's two biggest economies are locked in a dispute over US allegations that China deploys predatory tactics, including the outright theft of trade secrets, in an aggressive push to challenge US technological dominance.

The Federal Reserve has lowered the short-term interest rate it controls three times this year. The cuts are meant in part to offset economic damage from Trump's trade wars, which have raised uncertainty for businesses and contributed to a drop in business investment in the April-June and July-September quarters.

The vast majority of business – 94% – do not expect the Fed to cut interest rates again this year. But they are divided over what the central bank will do next year.

The economists expect American consumers to continue driving the economy. Consumer spending, which accounted for almost all US economic growth from July through September, is expected to grow a healthy 2.6% this year and 2.4% in 2020.

Investors brace for risk-packed week

German bond yields edge lower

LONDON, Dec 9, (RTRS): German benchmark bond yields were lower on Monday, shrugging off unexpectedly strong trade data from Germany, before a week that includes US Federal Reserve and European Central Bank meetings and a UK election.

Yields on German 10-year yields held around -0.30%, down from around 0.24% at the end of 2018, as major central banks resumed policy stimulus this year.

Caution before this week's central bank meetings and trade war uncertainty lifted sentiment towards safe-haven bonds at the start of the week. Ten-year bond yields in higher-rated eurozone states were down 1 to 2 basis points .

Fund managers expect yields in Europe to edge lower next year. Mark Holman, a partner at TwentyFour Asset Management, expects 10 bps rate cut from the ECB next year, pushing German 10-year yields to -0.40% amid reluctance by eurozone banks to pass on negative rates to end-users.

"We do think this reluctance will be questioned more and more the longer rates are below zero, but until negative rates are widely passed on, the ECB's effectiveness to deal with future downturns is materially weakened," Holman said.

Markets took some unexpectedly strong German trade data in stride. Disappointing data last week, including weak industrial production, painted a mixed picture of the economy.

"Markets are broadly in wait-and-watch mode before the events this week," said Daniel Lenz, a rates strategist at DZ Bank.

New European Central Bank boss Christine Lagarde holds her first policy meeting on Thursday. She is expected to signal a commitment to the ECB's recent stimulus package, with no major policy changes.

The Fed is also expected to hold fire on Wednesday. Futures markets foresee no change in policy interest rates.

Germany's exports rose unexpectedly in October, a morale boost for Europe's largest economy. It has been on the brink of recession in recent quarters, but industrial output and PMI survey data last week showed an economy trying to gain traction. and

Elsewhere, US Treasury yields shed some of Friday's rise after data showed job growth increased by the most in 10 months in November.

Benchmark US Treasury yields dipped 2 basis points to around 1.82% after rising to 1.8640% on Friday, its highest level in nearly a month.

Top White House economic adviser Larry Kudlow said on Friday that a Dec 15 deadline is still in place to impose a new round of US tariffs on Chinese consumer goods, but President Donald Trump likes where trade talks with China are going.

Japan economy marks fourth straight quarter of expansion

TOKYO, Dec 9, (AP): Japan's economy expanded at a faster than earlier estimated annual rate of 1.8% in July-September, powered by stronger consumer purchases and corporate investment ahead of an Oct 1 tax hike.

However that tax increase is expected to hurt growth in coming months.

The data issued Monday were a revision of the earlier reported 0.2% growth in the last quarter. The quarterly rate of expansion was 0.4%.

The world's third largest economy has marked four straight quarters of expansion. The better results reported by the Cabinet Office also reflect a less severe drop in exports than preliminary reports suggested. However economists are forecasting much weaker growth in the October-December quarter.

A Bank of Japan measure of 7.4% drop in October following the increase in the sales tax to 10% from 8%. That "points to a sharp fall in private consumption in the fourth quarter," Marcel Thieliant of Capital Economics said in a commentary.

"We are more pessimistic about the outlook for global GDP growth than most analysts and therefore think that external demand will remain weak," he said. "The upshot is that we expect GDP growth to shrink by 0.2% next year."