

Report from the Conference Circuit

GO4Europe makes case for European markets

The advantages of European markets for listing equities was a key topic at this year's **GO4Europe** conference held at the Tel Aviv Hilton in mid-November. Organized by the **Cukierman & Co. Investment House** and **Catalyst Fund**, the conference hosted more than 700 participants from both the Israeli and European business and investment communities.

"About 60 percent of trading worldwide in 2005 and 2006 occurred on European exchanges," said **Guy Ravid**, CEO at **Cukierman & Co.** "This is a great vote of confidence for the European markets. As companies can have their shares listed and traded on exchanges in countries other than the one in which they are hosted, it's interesting to note that the value of such trading on exchanges in Europe, principally London, has been much higher than on the two main US exchanges – the New York Stock Exchange and NASDAQ."

Graham Dallas, Senior Manager at the **London Stock Exchange** attributed the upsurge in European activity, in part, to "...the revolution in telecommunications and IT capacity and the huge rise in the influence of institutional funds." Dallas said, "Intermediaries are providing global services for global clients and market data are being disseminated more rapidly than ever before. The development of the wider global economy has intensified, with multinational companies seeking out capital in international capital markets. Financial regulators, faced with the globalization of markets, have been cooperating more than ever before."

"In absolute terms, over the past decade, there have been more foreign equities trading in Europe than in the US," added **James Posnett**, Managing Director for European Products – **Eurolist &**

Alternext. "Most of the investment was in European stocks. The increased turnover on exchanges outside the US demonstrates that investors have become more confident in local markets." The Sarbanes-Oxley factor and geography ranked high in Posnett's assessment: "The Sarbanes-Oxley Act 2002 cannot be ignored as part of the reason many foreign companies are choosing non-US listing venues," Posner maintained. "And Europe has the natural advantages of time zone, language – particularly northern Europe – and geography. Europe is closer than the US to large emerging economies with growing pools of capital."

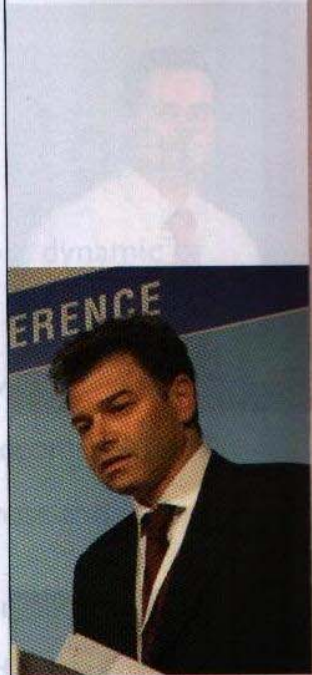
On foreign exchange matters, Guy Ravid discussed the size of the European market – the largest for foreign exchange trading. Ravid said, "Europe accounted for 55 percent of trading worldwide in the latest BIS triennial survey undertaken in April 2007. Average daily turnover rose by 75 percent to \$2,223 billion between April, 2004 and April, 2007, while US turnover was up 44 percent to \$607 billion."

Abraham Cohen, Director – **Camalia Capital Markets** in the UK, sought to explain these figures. "The sharp rise in European volumes over the last couple of years, particularly in the UK, has been due to the importance of FX as an asset class and an increase, predominately in Europe, of fund management assets (i.e. hedge and pension funds). Daily turnover here is high. We trade more US dollars in percentage terms than in the US, and up until just over a year ago, more euros on this market than in all euro area countries combined. There are many decisive factors, including the fact that Europe is situated between the US and Asian time zones, the huge increase in the fund management industry, the large number of investment banks and prime brokers located in Europe, an efficient telecommunications infrastructure and the concentration of financial institutions. Incidentally, London has more foreign banks than any other center in the world."

Speakers at the conference also included **Paul Betbeze**, Chief Economist of **Credit Agricole SA** (France) and **Peleg Amir**, CEO of **Lamina Technologies**, who made a presentation about the economic development opportunities in Western Switzerland. ■



Right to left: **Graham Dallas**, **James Posnett**, **Paul Betbeze**, **Peleg Amir**.



Guy Ravid