

SM223 | 3.26.2025 Special Episode | Scenes from FIA Boca 2025

We present a special mid-week episode of SmarterMarkets™, bringing you exclusive interviews from FIA's BOCA50 – the International Futures Industry Conference.

SmarterMarkets™ returned to FIA Boca to be a part of BOCA50, the 50th anniversary of the International Futures Industry Conference. We partnered with the FIA to interview a wide-range of futures industry participants. We asked them how long they've been coming to Boca, how the conference has evolved, and what keeps them coming back. We also asked them to share with us the big topics and issues they were at Boca this year to discuss with others and what new derivatives products and financial technology they were most excited about. We've compiled a selection of those 9 interviews into this Special Episode of SmarterMarkets™.

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Announcer (19s):

Welcome to SmarterMarkets, a weekly podcast featuring the icons and entrepreneurs of technology, commodities, and finance ranting on the inadequacies of our systems and riffing on ideas for how to solve them. Together we examine the questions: are we facing a crisis of information or a crisis of trust, and will building smarter markets be the antidote?

This episode is brought to you in part by Abaxx Exchange, where trading in centrally cleared, physically deliverable LNG and carbon futures contracts is now underway. Ready for Smarter Markets.

David Greely (01m 02s):

Welcome to Scenes from the FIA's Boca 50, the International Futures Industry Conference. I am Dave Greely, Chief Economist at Abaxx Technologies. SmarterMarkets returned to the FIA's Boca Conference to be a part of Boca 50, the 50th anniversary of the International Futures Industry Conference. We partnered with the FIA to interview a wide range of futures industry participants. We asked them how long they have been coming to Boca, how the conference has evolved and what keeps them coming back. We also asked them to share with us the big topics and issues they were at Boca to address this year and discuss with others and what new derivatives, products and financial technology they were most excited about. We have compiled a selection of those nine interviews into this special episode of Smarter Markets. If you would like to listen to the full interviews, they are available on our website, smarter Markets Media on the Smarter Markets Presents Media Page.

David Greely (02m 03s):

They are also available on our second podcast channel, SmarterMarkets Presents, available on all major podcast platforms. Our guests in order of appearance in this episode are Walt Lukken, President & CEO, FIA; Alun Green, Executive Vice President, Managing Director, Futures & Options, Trading Technologies; Stuart Connolly, CEO at CloudMargin; Thomas Texier, Head of Clearing at Marex; Travis Schwab, CEO, Eventus; Ryan Moroney, CEO, CQG; Anthony Crudele, SVP, NinjaTrader; Alan Guarino, Vice Chairman, Korn Ferry; and Joe Raia, Chief Commercial Officer, Abaxx Exchange & Clearinghouse.

We hope you enjoy these scenes from the FIA's Boca 50, celebrating 50 years of the International Futures Industry Conference.

SmarterMarkets is back here at Boca 50 with the FIA and we are honored to be joined by Walt Lukken, President & CEO of the FIA. Thanks for making time for us, Walt.

Walt Lukken (03m 15s):

Dave, great seeing you as always.

David Greely (03m 17s):

I loved your opening address when you said that we needed to step back and let the magic happen here. So I just wanted to get a sense from you, like 50 years of Boca, what are you thinking about the whole event?

Walt Lukken (03m 28s):

Well, as I talked about in my opening remarks, Boca is evolved, like our industry has evolved. You know, I think our industry, which much more US centric, back in the days when Boca started, a lot of this was a reward for floor traders coming down to the event in this Florida sunshine. But I think as you've seen its evolution, it's now about really trying to bring together a community to find solutions to problems and so over this week people find this incredibly efficient, 'cause the whole global ecosystem of our industries here together, even beyond our industry. You know, I saw folks from Oracle, from Microsoft, you know, this convergence of our industry with technology all happens here and that's where new thoughts, new ideas come. Creativity comes from those combinations that happen here. You know, I talked about in my opening address to let the magic happen, sometimes you got to give a little space to things to allow these things to come together, to ideas, to form. It's hopefully that's the environment we've created here at Boca.

David Greely (04m 27s):

Curious in terms of the topics that are on the agenda and the conversations happening, what are the big ones this year?

Walt Lukken (04m 34s):

Well, it's almost as if we're exiting a supercycle of regulation in my view. I mean I think certainly the elections and the Trump administration is a big topic and what does that mean? Tariffs maybe a more friendly regulatory environment, maybe less access to foreign markets and we are very much an open access trade association. So I think people are struggling with those cross policies. But the truth is that, you know, post financial crisis has had a long arc. You are not only seeing the talks of deregulation, I shouldn't say deregulation, but rationalizing regulation in the United States, but also a lot in EU as well, that EU has gone too far with some of its regulations and they have found themselves in a place where businesses are not interested in doing business in the EU. They are not as productive as they'd like to be. So the draggy report, the letter report in Europe is saying a lot of the talking points that you are hearing here in the United States. So I think we're exiting this very regulatory environment to more of a smart regulation environment. Regulation is important for our industry, but it has to be the right balance of regulation to allow innovation to occur while protecting the markets. So hopefully we are entering that and that's a big part of the topic speaking discussed.

David Greely (05m 47s):

And I wanted to ask you about the going forward piece because as we are marking and celebrating 50 years of Boca, how are you thinking about shaping it for the next decade?

Walt Lukken (05m 55s):

It's about making sure that we're picking up on the right themes to make it attractive for the next generation and we are always trying to look around the corner of who are the right market participants to be down here. Certainly we have traditional finance and those people are a part of our industry but we are starting to see, you know, more from the digital asset world, digital world, we're starting to see more from the technology world that is servicing our industry. I mean, when you think about what exchanges are nowadays, they are not trading floors anymore, they are technology companies, multifaceted technology companies. Yes. The important part of that is bringing these platforms together, buyers and sellers. But importantly, they are also servicing, you know, the information that flows from that. How do people communicate around those trades? All the things that they do, the indexes that they build out of the information they get. So we try to now service and see who are the new players, who are the startups. So as you look around Boca, there is not only the traditional finance people, but you see the upcoming exchanges, the new ideas, the prediction markets a big one. So those are the people we're trying to curate to nurture because who knows what they're gonna be in five to 10 years and Boca has to be there for them as well.

Alun Green (07m 09s):

My name is Alun Green, I am the EVP and Managing Director of the Futures and Options business at Trading Technologies.

David Greely (07m 16s):

And what brings you back to Boca every year?

Alun Green (07m 19s):

I mean every year it's really the people. So one of the things that I love about this business, the futures and options business in particular, is even though it's a global business, it's still a business that is based on relationships. So being able to come here and meet all of those people from all over the world every year is just a massive pull for me.

David Greely (07m 41s):

Have you seen the conference over those 10, 15 years change in terms of the people who come? I imagine there is a lot more technology people coming each year?

Alun Green (07m 49s):

I think it has changed, but you know, maybe not to the extent that you might imagine. You know, this is still a business led conference. So I think that technology has always been present. Well, I can't say always, but, but since I have been coming it has always been present. But it's always been technology with a business focus. So you know, I don't think this is a technology conference. This is a futures and options conference and when we have got technology people coming here, it is with a very direct correlation to how they can improve this particular ecosystem.

David Greely (08m 25s):

That's great. I am curious, you know, from your vantage point at Trading Technologies, where are you seeing the spaces for technology to improve the markets?

Alun Green (08m 35s):

It's hard to know where to start. I think we are on a journey. I think it's a journey that we're going on in different asset classes at Trading Technologies. We think that one of the key points is to be able to have a true global network that is a SAAS platform and I will just go into a little bit as to why I think that's important. Technology is not really useful if you are spending all of your time integrating different technologies, multiple places and having to do that across the globe, across your different, you know, vendors. If you can go to a single platform that does all of that integration for you, I think it just makes everything a lot quicker. So we have pretty much all of the futures venues connected up to our platform. You can hop onto us anywhere around the world and we have got a wide variety of execution and order management and clearing tools available.

David Greely (09m 33s):

And it seems that many of the topics of conversation at the conference point to an increasing demand on the technology and things like the platform being more and more important. A lot of the conversations are around 24x7 or 24x5 trading, integrating artificial intelligence into trading platforms. How are you seeing a lot of these developments impacting what you are focused on a TT?

Alun Green (09m 58s):

So I think from the pure technology place, data is the key. AI is only as good as the data that you feed it. So having a curated set of data is really critical. We have been using that kind of thing for our Algo development for many, many years. You know, as we now move into perhaps less of an emphasis on individuals and more using AI tools, they still need to have the same kind of data. So that's a really important part as we move forward. Going to your point though, on 24x5, 24x7, there are two elements to that. Having always on platforms is part of it. You know, having the flexibility to do your maintenance upgrades on different components at different times, that's something that we have, right you know, that's something that along with providers that, you know, we use on the cloud, it makes it very, very easy for us to do and then there's the people piece. Have you got the right team you know, who are able to work around whatever that correct life cycle is? These are things that most firms are addressing. To be clear, we have been 24x5.5, you know, for a long period of time. 24x7 is already beginning to happen.

Stuart Connolly (11m 15s):

Stuart Connolly, I am the CEO of CloudMargin. In our world, it's no more than data, right? It's just, you know, all these organizations, whether you are trading derivatives, you are trading futures, you are trading, whatever it is, it's about how you are consuming that data and how you then ingest that data and how you then receive that data back to do all of the other processes, right? So the complicated and difficult thing is you create a whole bunch of legacy processes that tell you I have to manage my data in this box and that's the only way I can manage my data, right and so that becomes a restriction, that becomes a parameter, that becomes a challenge for people to deal with solving that data challenge. Like whether you are solving it for, you know, client onboarding reasons, for collateral

management reasons, whether for trading reasons, it's about just solving that data component and you know, the good successful software companies are the ones that are helping clients solve that data challenge, right? So that's what we are trying to do.

David Greely (12m 16s):

Well, let's turn back to what you're doing when you're at the office really curious. You know, we are very interested on smarter markets about understanding what new markets, what new tools, what new technology are needed to move the futures, the derivatives industry forward. So I was curious your perspective on where do you see the biggest need for improved technology to make the derivatives industry work better?

Stuart Connolly (12m 40s):

I guess one of the challenges with a lot of technology, right, is it ages quite quickly, right and so, you know, with that a very complex market like the derivatives market, there is a general kind of lack of efficiency in a lot of the processes from kind of, you know, and when I really think about it, it's like trade execution. So the kind of the execution venues and the automation of execution that really kind of took off in kind of the early 2000s and there was a lot of electrification of a lot of markets. By the way there is still a lot of markets that are not on the electronic execution pathway and need to be, right because they are so inefficient, which means the cost of running those businesses is so high, which means the margin that you have to print when you are trading these products has to be so high, therefore the end price of the client is quite high, right?

Stuart Connolly (13m 30s):

And so the access to those markets is difficult and challenging for people. So that kind of top level trade execution really got addressed very early on. But then what you found was the further down the foods chain you went, the less investment there was in kind of technology to really solve some of the gooey, sticky, difficult bits of the process, right and that's where certainly we came along post financial crisis. So loads of volatility, loads of challenging markets, you know, lots of ugly defaults in the markets. 2008 crash, 2009, 2010 loads of regulation. Okay, there is a great idea. We think we can come along with a modern tech platform and if you are going to do that and you want to do that in an efficient way, you have got to think about, okay, what's the best technology available to us now to do that and 10 years ago, right, we are celebrating our 10 year anniversary.

Stuart Connolly (14m 24s):

So 10 years ago that was cloud computing, right? That was the big thing then, right. It was like cloud computing. So a cloud native software as a service product because ultimately it democratizes the access to a product you know, if you think about legacy technology platforms, they tend to be cumbersome, difficult, you have to install them in your own environments, in your own servers, in your own organizations, then you have to maintain them and it's difficult and it's clunky and then when you want to do an upgrade because there's some new regulation or there is some new products you need to cover, it's difficult again, it's expensive, it's challenging, it's slow. Whereas, you know, cloud, you know, being cloud native, being a SAAS platform, all of that stuff, you take that pain away from clients and they kind of put that burden onto us. We have got to stay modern, we have got to stay ahead of the curve, we have got to make sure that we're regulatory compliant in all the jurisdictions we operate.

Stuart Connolly (15m 25s):

Today our clients access is in 52 different countries around the world, right. So it's that kind of the modern technology and like we are one of many, right which is fantastic. There is a fantastic ecosystem out here today and you will see a lot of it around the FIA conference of young innovative companies that have, you know, decided to approach a problem that exists in the financial markets and come and solve it with a, with a modern technology approach and so ultimately we end up being almost the disruptors, right? We are the disruptors of the legacy technology that existed before and we give them the challenge that they then need to try and catch up.

Thomas Texier (16m 06s):

Hi, I am Thomas Texier, I am the Head of Clearing for Marex. So I don't think you will believe me, but I have been in the futures market and in clearing for probably over 20 years and this is my first time in Boca.

David Greely (16m 18s):

And for listeners who may not understand the role of clearing in the markets, could you give us the elevator pitch on your role and what you do at Marex?

Thomas Texier (16m 26s):

Someone described this quite nicely. Clearing is everything that happens after a trade is done. That's essentially the settlement of the trades and for us to sell, we settle the cash flows with the clearing house and we settle the same cash flows with our clients. Clearing is a business of risk management because we guarantee all the transactions to the market, therefore we are at risk for all the margin the margin payments from our customers. So my job is to run the clearing business at Marex, which means to grow it and to make sure it's running in the safest way possible. So risk management is a cornerstone of what we do. I am an ex-risk manager myself and so that's sort of my marrying the business growth with a safe and conservative approach to our business.

David Greely (17m 09s):

And some of the other topics. I am curious about your opinion about both in your current role and as a former risk manager yourself. When you hear about things like, you know, a lot of the interest is bringing more retail into the markets or some of like the zero date options in crypto, how do you think about that from the, the risk manager hat? Does that require extra efforts on your part in clearing?

Thomas Texier (17m 32s):

That's a great question. That's one of my favorite topics. So I think the futures market have proven to be a very, very resilient business model with, you know, the margins, the clearing, the reduction of counterparty risks. So I think these are perfect tools to bring new markets to the public. We have seen it in the Bitcoin futures. The market is being you know, is working extremely well. It's quite efficient as a future tool and we see more and more institutional money going into crypto futures that are clear than listed. The zero DT options is a bit more risky. So we need to be mindful of the potential risks. So this is, you know, we're quite conservative in our approach to options, but bringing the retail market to these products is better if you bring them into a futures and a clearer space and if you do it OTC or in an unregulated world, right? So that has to be a better option.

David Greely (18m 17s):

And I am curious, given that you said clearings everything that happens after the trade, imagine much of your business is driven by what people want to trade, and are there certain markets or products that you are seeing a strong demand for?

Thomas Texier (18m 29s):

Yeah, absolutely as a non-bank, Marex has a, you know, a unique offering. So we are sometimes able to go into markets that where maybe some of the other players might be a little behind or a little slower in getting into, so we were the first clearing member for FMX, for example. We trade, we clear the first trades, but what we are seeing is obviously a lot of demand for crypto. Crypto futures is a, is a big product for us. The other area where we are quite excited and we see a lot of demand is in the power and energy space. That energy transition, you know, carbon power and gas are particularly interesting sort of triangle of trading opportunities between all these products and it's also helping, you know, the, the world moving to a more greener source of energy in having and helping clients to risk manage and to manage their price risk around this instrument is particularly helpful.

Travis Schwab (19m 16s):

Travis Schwab, CEO of Eventus.

David Greely (19m 19s):

You were kind enough to sit down with us on day one morning of the conference. So I will ask you more about what you are looking forward to than what you have experienced. Curious, are there any conversations you're looking forward to having with people this year or things you want to hear?

Travis Schwab (19m 33s):

Yeah, so conversation wise, this is a great opportunity to take a temperature on where the market is, where we are viewing against our competitors. Obviously we talk to our clients constantly, right? We have 120 clients globally. They are always giving us feedback, but this is all together. And so I think you have the opportunity for more substantive conversations that can dovetail nicely because you're hearing tidbits all over the place. And so I think that's really important for how we then kind of think about the year ahead. I mean Boca really is kind of a temperature setter for or tone setter for the remainder of the year. As far as things I kind of want to hear, we are in a unique spot, you know, with the elections being there, you don't have commissioners and either of the big US regulators. For us regulatory clarity is really important to our business and our clients. And so I'm really excited to see hopefully fairly quickly in general the environment for instance for cryptos is better, at least at a high level. But we need some kind of substantive kind of work to say,

okay, what are the rules of the road? And some real clarity because then that unleashes our clients to be innovative as well, like Abaxx and so I am looking for that clarity and hopefully we can get it fairly soon.

David Greely (20m 49s):

And curious, since we last talked on the podcast, what are you working on? What's the focus at Eventus right now?

Travis Schwab (20m 54s):

For us, you know, we always have kind of this three-part approach is one, what a client's telling us based off what the regulators are telling them and so we are always kind of doing that responsive and that's really one of the reasons why you would go with Eventus is you get that power of that community and that community is across asset class, across the geography, across the globe and so we are always just trying to tighten the loop between, you know, someone saying, hey, it would be great if the product did this and we can put it into the product and so that's, that loop tightening is, has been a focus of ours. The second area is we have been really focused and made a ton of investments on our scaling capabilities and so as exchanges, as the business continues to grow, as volatility has been around volume records happening all over the place, that puts stress on the, the tech stack.

Travis Schwab (21m 45s):

And so anything we can do to really help alleviate those points of pressure we have been doing. And so that's been a exciting effort for us and we are getting to the, let's call it the end of the first set of innings on getting that out the door. And then the other area, like every other conversation in this room is about AI. You know, for us, we have been in that space, the product has supported machine learning for years we have been using machine learning, but now we're gonna take that next step and to provide interface, a chat level interface to the product that gives deterministic results and so we think that's pretty unique in the fact that if you ask Chad GPT the same question three times, you could get a different answer every single time that doesn't work in the compliance trade surveillance area and so we really have changed that model to give a interface that allows for deterministic results every single time and allows for that data security. Your data cannot, Abaxx data cannot leave the confines of your environment and go to wherever for training. And so we make sure that the data's safe, its security, you keep context, but then you have that deterministic response. And so we are super excited to have kind of the culmination of those kind of efforts happen this year.

David Greely (23m 05s):

And before I let you go, you mentioned AI, you mentioned you have been using machine learning for a long time. So I was curious if you have any advice from that experience for people who are new to the, the artificial intelligence space, just in terms of what they might reasonably expect or where it might work well in what they're doing?

Travis Schwab (23m 24s):

Yeah, that's a great question to start, we have been very deliberate on how we have rolled out these technologies because A, we cannot put our clients in a bad position and they have to have a perfect audit trail going backwards in time and have to be able to answer very clearly why things happened within the platform and if you apply or use AI where it shouldn't be used or you don't give explainability or you don't give the same result every time you really put your clients in a bad spot. So we have been very deliberate on how we and looked at very specific use cases about how to apply these texts because they don't apply to everything. And I think that would be my first set of guidance is don't start with AI, start with the business problem that you're trying to solve first and then look at the best set of tools. Because if you need a specific result every single time, AI is not a good example to do that or you know, the way we, you kind of, you have to shape it differently than a normal kind of probabilistic large language model. You think about the business problem that you are trying to solve first and then you apply the right set of tech on top of it.

Ryan Moroney (24m 31s):

Ryan Moroney, I am the CEO of CQG.

David Greely (24m 34s):

I know often people spend more time in the meetings than in the conference proper. Any certain topics of discussion that you found have been really interesting and engaging this year?

Ryan Moroney (24m 44s):

I haven't been in any of the presentations, it's just been meetings with clients but you know, it's very much like partnership focused and I think it's kind of emblematic of our industry in Boca 50 years and all that. It's, you know, if you rewind back 20, 30 years, most of the

people are in our industry, were in the room together. Like that's where they did business and so you did business through some level of cooperation and trust and that that kind of, that value still exists in our industry and I found that for whatever reason when people come down to Boca that like comes back and it's all like how do we work together? What are the ways we could partner together? And so I think that's the common theme is it's just kind of very exploratory but then real things do come out of this, that's great.

David Greely (25m 25s):

And of course CQG is very involved in the technology end of the markets. Curious what you are seeing clients asking you for as the markets move forward.

Ryan Moroney (25m 37s):

We're a 45-year-old tech company. I don't know how many 45-year-old tech companies are out there. But yeah, we are a 45-year-old technology company. We've gone through a lot of kind of iterations along that time. What I hear the most from people over that time, CQG has kind of changed from a company that built trading software and we were known for charting and analytics and data. I think we have changed in terms of who we are as a company and I think the thing that people are asking us for and they expect from us and I think it's an honor actually for us to play this role, but we've kind of been put in a situation where we are this kind of central hub where most market participants come to interact with each other. So whether you are an FCM and a broker, the exchanges, other ISVs, trading firms, oftentimes they're coming to us not just 'cause they want to use our software but because it's a way to get to the other participants in that ecosystem. And so it seems like most of my conversations are around that. How do we work with CKG and the other firms that CKG works with to create kind of more healthy ecosystem

David Greely (26m 38s):

As you look forward the next couple years, what's the fun stuff or the really meaty projects that you're looking forward to working on?

Ryan Moroney (26m 45s):

The artificial intelligence stuff's interesting. So CQG is kind of like the godfather of charting, right and charting was really taking historical data and using it to try to say what do we think is going to happen next? What's the trend in the market? Whatever that might be and so I think taking that idea, we've started working on some really cool predictive analytics but on a much shorter timeframe. So not, you know, what's the data over the last hour or year but what is it over the last like very short period of time and can you use that in the same way to predict like what's gonna happen next and so we have been investing in some things around artificial intelligence for predictive analytics and what's going to happen next in the market trying to then use those things to enrich our tools just to kind of make our customers again a little bit more successful.

Ryan Moroney (27m 27s):

So that is definitely for our industry. I think everybody's trying to figure out what is their AI strategy. I feel like we believe if we really are gonna be this kind of central party that everybody's pushing us to be where they all want to come together and do business, I think our approach is going to be solve a couple use cases like this, like the predictive analytics, like what's going to happen next in the market use case to test this underlying kind of functionality that we want to build. Like almost like a layer that people can build their own AI strategies on top of. Because there is a lot of really hard work on the technology side just to make artificial intelligence work for our industry. The reason for that is all the tooling that's out there I will give you an example, George Washington's president and that's as true today as it was yesterday, as it was 10 years ago, right?

Ryan Moroney (28m 09s):

Data does, like the relevancy of data doesn't decay except our industry. It does because a trade that happened an hour ago means much less than a trade that happened a second ago. So there is this like decaying value of data over time that makes all of the AI tooling that exists out there in the overall world a little bit harder to use and so to take that and adapt it for the financial world and then give people ways they can build on that so they don't have to do that first hard work. I think that's an area where we can kind of add value to the ecosystem without necessarily building a product for people. So that's where we're spending our time right now.

Anthony Crudele (28m 40s):

Anthony Crudele, Senior Vice President, Ninja Trader live

David Greely (28m 45s):

And a big focus of lots of the sessions have been on the retail traders and how they are kind of transforming the futures markets. How do you see it from your seat?

Anthony Crudele (28m 55s):

I hosted a panel on that this year, the retail revolution and the question I posted the audience was, is this just happening now or has this been happening for over 20 years? So when I first started in the space in the mid-90s, the mini SNP was launched in 1997 and initially that was like, oh okay, are we going to retail now right, because you, you took a contract, the s and p 500 pit contract, you didn't turn it into an electronic contract, but it was created alongside the pit and then fast forward you have micros, you have prediction markets, event contracts, and so more and more things are feeding towards the retail trader. So I would say that this revolution is more of an evolution. It's happened over time. I mean the one thing that you know with me joining forces with Ninja Trader is Ninja Trader has been ahead of the game pretty much above everybody when it comes to retail trading because again, futures only focus on the retail trader.

Anthony Crudele (29m 50s):

And you can go back 10 years ago as Ninja Trader was, you know, a small little company, obviously much larger now and you hear the exchanges say, well we don't even really focus on retail, right? FIA was never brought up here. You talked about when I was here, 2010 is roughly, or 2014 I believe is when I started here or first came here and if you go back and look then there was no retail trading discussions. That has changed because volumes speak for themselves. The retail trader is here to stay and the retail trader is a lot more sophisticated than I think people give them credit for.

David Greely (30m 22s):

And it may be too soon to tell, but obviously, you know, new administration, a lot of volatility in the markets, some pretty big moves the past week. Curious how you are seeing the retail traders reacting in this environment if you are able to gauge that.

Anthony Crudele (30m 37s):

Well, I'll tell you this, I put a tweet out about this, can we call it a tweet still? You know, we can call it a post, we got it's hard to go from a tweet to a post. It's just not natural. But I put a tweet about this and I said, right now the undisciplined are going to get punished and will fail and the disciplined and the patient will thrive and I think that's one of the defining characteristics between a retail trader and like I said, retail trader I think is pretty great now because I think it could be a trader who just started yesterday where a trader's been trading for 20 years who's got, you know, several hundred thousand in their account. They both might be classified as retail, they are very different. But when you look at, I think a defining characteristic that's different is that a retail trader comes into a market like this, has never seen it before, no experience.

Anthony Crudele (31m 20s):

And they are gonna struggle because the volatility's going to get the best of them. They are gonna have FOMO, they are going to overtrade and they are just going to be click happy and be unsuccessful. It's likely what we are seeing a lot of right now, and I think that that's a problem that I am hoping with Ninja Trader Live and just other things we are doing at Ninja Trader, trader development, trader engagement to help traders make better decisions in the moment because remember trading is an in the moment business. And when you get moments like this, a lot of traders blow up because they just mentally aren't prepared for these types of markets. Again, I think that it's funny as far as we have come, it's still kind of archaic in the sense of, and we say archaic, it's still electronic. Trading's still really new, right? If you think about a timeline of life, but everyone's still point and click, right?

Anthony Crudele (32m 03s):

Automation, the big boys do it. There is a lot of people on trader are doing it, but I think a lot of retail traders are going to start moving into that world, some form of automation. It could be a hybrid model, you know, tell me when I should be buying or selling based upon these parameters or it's buying and selling for me. And they can go into their AI tool that we have at Ninja and build it. So I, to me that's something I think changes the game and it helps the traders that are really committed get to the levels that they want to get to.

Alan Guarino (32m 29s):

Alan Guarino, Vice Chairman of Korn Ferry. I think I have been coming to Boca since 2009 or 10, so 13 or 14 years.

David Greely (32m 38s):

And what brings you back?

Alan Guarino (32m 40s):

Every year it's actually the only conference I go to. You know, in my industry I could probably go to a conference a week, but to be honest, Boca is the epicenter of financial markets leaders who come together every year from around the world. So it's hugely efficient, it's run incredibly well. It's content rich, and I get the opportunity to meet people that would have taken me an entire year to travel the world to meet with if I had to go the old fashioned way.

David Greely (33m 05s):

And I wanted to get into the people part with you because a lot of the guests that we have on are either, you know, providing technologies to markets or they are focused on new products, you're focused on the people. So I was hoping you could tell us a little bit about your practice at Korn Ferry?

Alan Guarino (33m 21s):

Korn Ferry were 11,000 people in 60 countries and that covers the whole world of jobs, from middle level management all the way to top executive CEOs and that's not just recruitment, but nearly a billion of our revenue is leadership development and advisory. So think about things like top team effectiveness and so on, coaching, assessment, you name it. With that, if you're an exchange platform, if you are a large FinTech, there's probably nothing on the talent supply chain that you will need that Korn Ferry doesn't have except for the tech itself. So if you want HRIS technology, you can buy that from people that we partner with. But if you need content and intellectual property that helps you drive a more powerful human resources function, that's the stuff that we do.

David Greely (34m 06s):

And I'm curious, have you seen the demands placed on executives or the demands for certain types of skill sets changing over the years?

Alan Guarino (34m 16s):

The answer is yes, for sure. You know, I started in this business in the mid to late 90s in terms of markets, and I tell people there were two people on a phone trading stocks and they were charging \$0.06 a share per side of the trade, right? Fast forward with some regulatory changes and some technology enhancements and 90% or more now of all stock trades happen without human intervention, right, they are matched electronically. So with that, a lot changed. I clearly, you know, this work fits inside Korn Ferry's FinTech practice. There is a reason that stock exchanges, major clearing platforms, and certainly all the technology businesses that support markets sit in our FinTech practice because exchanges are actually tech companies. They happen to do things that have financial instruments involved, but they are technology companies. And so years ago when we would do recruiting, we might think about taking people from major investment banks and getting them to join an exchange just like now with the major investment banks, we're thinking about people coming from big tech companies tech to come and take top leadership jobs at exchanges and at the big banks as opposed to looking to cross pollinate from square peg to square hole bank to bank.

Alan Guarino (35m 35s):

So it's been fascinating to see.

David Greely (35m 38s):

No, it's a fascinating transition. I am curious when you, you look at the folks who, and many of our listeners are in the technology space, so folks that are working more on the, the pure technology side of the world, if they are interested in moving over into finance and these types of roles, like what's the challenge and what's the opportunity?

Alan Guarino (35m 58s):

Well, you know, when you think about the various tech roles, there is different challenges. So if you are a mid to senior level engineer, I think the transition is relatively simple because your engineering brilliance is what you are bringing and whether you are writing algorithms for optimization of a supply chain technology or you are writing algorithms to optimize trading technology, your genius is in

your ability to engineer those Algos. So I think that's a fairly easy move when you're talking about leadership roles. Like let's say a chief technology officer, not quite as easy to come into this without some domain experience in either a regulated industry or even better coming from some experience within a financial services company to then go over to a tech company that is selling back to your former, former world bank brokerage buy-side institution, something like that.

Joe Raia (36m 53s):

Joe Raia, I am Chief Commercial Officer at Abaxx Exchange.

David Greely (36m 57s):

And because you are a potential 30 year veteran of the conference, I am curious how has it changed and evolved over the years?

Joe Raia (37m 04s):

I have certainly gotten bigger. It's the topics have changed over the years. We, we only started here back in, when we were here in 2002, it was right after Enron default, it was right after nine 11. It was a lot of different things happening in the marketplace. We saw the need for credit mitigation in OTC energy products for the domestic markets and we launched Clear Port for what was turned into Clear Port in May of 2002. So it was right around the time right after Boca that we launched Clear Port and became a necessary platform both on NYMEX and on ICE for credit mitigation in global markets and I think that led to the use of financial futures in markets that a lot of the exchanges are now pivoted to versus what we're looking at in physical markets where they kind of turned away from.

David Greely (37m 54s):

What makes the meetings here different though?

Joe Raia (37m 57s):

You know, it is the decision makers, you know, it's the heads of strategy, the heads of, of their markets, the CEOs of firms and so that is really one of the most important parts. I mean, you go to a lot of conferences like the FIA expo in Chicago is really the mid office people, the operations people this year is all the, all the decision makers, the real heads of the exchanges. I mean, there is an exchange leadership panel, there's international exchange leadership panels, these are the folks that, there is regulators and we just left a meeting with the CFTC commissioner, we will be meeting with several other senior decision makers in, in, in our various markets over the next day and a half.

David Greely (38m 34s):

Yeah. Not to dig too, in deeply into any trade secrets, but what sort of things have you been wanting to talk to people about this year?

Joe Raia (38m 41s):

I think it's just the awareness of our products that we're live now. Last year at this time we weren't live. And so everybody's, you know, following us for sure they see our activity on social media, the announcement, that's the announcements that we make on the new products. Go live last June on our trades of lithium carbonate last Friday. That's an important thing both from, and we see our competitors very aware of us, but also the clearing members and the trading firms that are here are very aware of what we are doing and following us pretty closely.

David Greely (39m 14s):

And you mentioned when we were here last year together, the exchange hadn't launched yet. Now it's launched now nine futures contracts are out up in trading. Where do you think or where do you want to be next year this time?

Joe Raia (39m 26s):

Good question. You know, I think having the control of our own clearing house, right? The first clearing house that's been launched in over two decades gives us that runway to be creative, to be innovative, to listen to our customers, to launch products that they want and will trade. I would think that next year, if we have nine now, if we don't have maybe 20 or 30 I would be disappointed. I think that there, we have that runway to do that and we have those products in our pipeline that we will be rolling out. I think some have been public made public already, some have not and I think the market will be generally pleased with what we're launching. We have met with cling members here that are not yet cling members of Abaxx, but in talking about some of the products that we're going to launch that brings interest to them. And so some of the big banks in precious metals, some of the, the non-banks that are involved in battery

metals, and so yeah, there's a lot of interest in the products. By launching new products, we create more surface area, both with trading firms who are the customers of clearing firms and will be customers of ours, but also clearing firms themselves.

David Greely (40m 28s):

Thanks again to all of our guests and to the FIA for partnering with us at Boca 50. We hope you enjoyed the episode. If you would like to listen to the full interviews, they are available on our website, smartermarkets.media on the Smarter Markets Presents Media page. They are also available on our second podcast channel, Smarter Markets Presents available on all major podcast platforms. We will be back this Saturday morning with our regularly scheduled podcast. We hope you will join us.

Announcer (40m 58s):

This episode was brought to you in part by Abaxx Exchange, where trading in centrally cleared physically deliverable LNG and carbon futures contracts is now underway. Ready for Smarter Markets. Contact us at onboarding@abaxx.exchange.

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