



Commodity Futures Trading Commission

Office of Public Affairs

Three Lafayette Centre

1155 21st Street, NW

Washington, DC

20581

www.cftc.gov

May 20, 2015

Foreign Exchange Benchmark Case: *In re Barclays Bank PLC*

Examples of Misconduct in Private Chat Rooms

Traders Discussing Whether to Invite a Barclays Trader Into a Private Chat Room (Citibank, JPMorgan, UBS)

Bank Z Trader:	7:49:55	are we ok with keeping this as is
	7:50:27	ie the info lvls & risk sharing?
Bank X Trader:	7:50:27	well...
Bank Z Trader:	7:50:30	that is the qu[estion]
Bank X Trader:	7:50:32	you know him best obv...
	7:50:39	if you think we need to adjust it
	7:50:43	then he shouldn't be[] in chat
Bank Y Trader:	7:50:54	yeah that is key
	7:51:00	simple question [Bank Z trader]
	7:51:08	I trust you implicitly [Bank Z trader]
	7:51:13	and your judgement
	7:51:16	you know him
	7:51:21	will he tell rest of desk stuff
	7:51:26	or god forbin his nyk...
Bank X Trader:	7:51:46	yes
	7:51:51	that's really imp[ortant] q[uestion]
	7:52:01	dont want other numpty's in mkt to know
	7:52:17	but not only that
	7:52:21	is he gonna protect us
	7:52:33	like we protect each other against our own branches
	7:52:46	ie if you guys are rhs ¹ .. and my nyk is lhs..ill say my nyk lhs in few
Bank Z Trader:	7:53:52	what concerns me is that i know he'll never tell us when at risk...

¹ If an FX trader has orders to sell of the first currency listed in any currency pair, it is often referred to as being on the left-hand side, or "lhs." If an FX trader references right hand side, or "rhs," it indicates that the FX trader is a buyer of the first currency listed in a currency pair.

Traders from Two Banks “Double Team” to Attempt to Manipulate Fix (Barclays, JPMorgan)

At 3:43:50, a trader from Bank W asked a trader from Bank Y whether he needed to buy Euros in the market in the forthcoming fix. The Bank Y trader responded that he had a net buy order for the fix, which he subsequently confirmed as totaling EUR105 million. At 3:44:04, the Bank Y trader offered to transfer that net buy order to the Bank W trader. The Bank W trader replied “maybe” and then stated that he had a net buy order for EUR 150 million.

The traders had the following exchange:

Bank W Trader:	3:46:53	i’d prefer we join forces
Bank Y Trader:	3:46:56	Perfick
	3:46:59	lets do this...
Bank Y Trader:	3:47:11	lets double team them
Bank W Trader:	3:47:12	YESsssssssssss

Immediately after the fixing window, the traders congratulated themselves:

Bank W Trader:	4:03:25	sml rumour we haven’t lost it
Bank Y Trader:	4:03:45	we
	4:03:46	do
	4:03:48	dollarr

Traders Share Their “Scores” (Barclays, UBS)

In another chat, traders for Bank W and three other Banks exchanged positions leading into the WM/R 4 p.m. fix. The Bank Y trader said “it cant be a good day to be [right hand side].” Once the four traders determined they were all the same direction, the Bank W trader asked if “we gonna be able to get it to 05” to which the Bank Y trader responded “is that the troyal fkn we.” After the fixing window closed the Bank X trader said “nice call” and the chat room members gave their “scores” or profits from the fix. The chat room members each claimed they made between \$60,000 and \$220,000.

Traders Attempt to Manipulate Fix by False Submissions (Barclays)

In one chat a RUB/USD trader suggested “we should all lower fix by several kopecks” to which another trader replied “yes.”² A third trader agreed that “it is a right idea to lower the fix by a few kopecks.” The Bank W trader responded “so what, 5 kopecks and all/everyone is splendid.” After that conversation, the Bank W trader submitted an artificially low indicative bid and offer to the CME, consistent with his conversation with the other traders, that was used by the CME to calculate the final CME/EMTA Rate.

² RUB/USD chatroom language is in Russian and quotations come from an unofficial translation.