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FTADVISER, AUGUST 2016

Why Aren't They Shouting? by Kevin Rodgers

Reviewed by Joe Bunting

Headlined as a story about “change, computers and perpetual crisis”, the title of this book does not prepare you very well for what is actually a rip-roaring ride through the dealing floors of the world’s financial markets in the decades since deregulation in the 1980s.

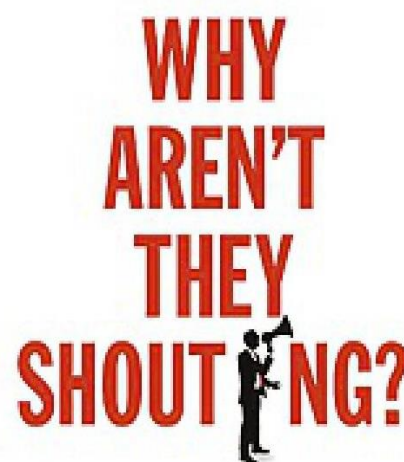
It is a timely publication from the unquestionably authoritative vantage point of someone who built and ran global businesses for Deutsche Bank over the past 20 years, retiring on the eve of when so many banks became engulfed in the ongoing scandals of Libor fixing and FX rigging.

Having come up through the ranks of the sweat and bustle of the foreign exchange markets, Mr Rodgers’ tale starts with the old-style visceral human challenges, camaraderie, opportunity and success, where the rise of raw computational power progressively and overwhelmingly morph into one of mind-boggling complexity, innovation, profit and scale – a spiralling vortex of systemic vulnerability. He cites Ben

Bernanke’s account of the 2008/09 crisis, that this complexity enabled unprecedented leverage and “bigness” of interconnectivity and interdependence, which engulfed the entire financial system. Maybe it is less about “no one shouting” than no one listening, as Mr Rodgers questions whether the regulatory response in these key metrics has fundamentally changed anything to avert the next crisis.

The storyline is eloquent, entertaining and accessible, right up there with the calibre of the master of the genre, Michael Lewis. At times, obscure financial definitions and formulae of currency pairs, forward rates or quadratic equations – “secondary school maths” – can threaten to lose the reader in some arcane and incomprehensible jargon, but the pace of the plot carries you on and before long the story trundles back on track.

The track leads always in the same clear direction, which is this: it is the rise of computers, their raw speed of processing power and algorithms, and those that understand them that have created unprecedented opportunity, competitive advantage, profit, growth, scale and complexity that have transformed the world of finance. Whether for better or worse, the judgement is out.



A BANKER'S TALE OF
CHANGE, COMPUTERS AND
PERPETUAL CRISIS

KEVIN RODGERS

The public utility of banking has become indistinguishable from a breakneck technology race, leaving us to trust only the algorithms to run the zoo. The reader is left to beg the question: if the chief executive of one of our systemic financial institutions believes they are running a technology firm, perhaps they might explain why that company should be guaranteed by a government on behalf of the taxpayer?

**Published by Random House
Business Books.**

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