

The Financial Engineering Team Report

January 2005

www.business.kent.edu/msfe

Current Program Issues

Welcome Chris DiSpiena

We have hired a new MSFE Technician for the Olga A. Mural Financial Engineering Trading Floor through Ambiron. Chris began employment on December 01, 2004. We sent Chris to Chicago for two days to become familiar with our platforms. In addition to the introduction to his company, he spent half a day with Trading Technologies and a few hours with Patsystems. Chris has already begun to improve the effectiveness of the Trading Floor and is very excited to begin the Spring semester working with the MSFE students.

Congratulations to Ryan Kozak

Ryan Kozak, class of 2003, was granted a promotion in less than one year at Key Bank in Cleveland. He was initially hired in September of 2003 as a senior analyst. Ryan supported several people who worked on the interest rate derivatives sales desk. His day to day responsibilities included: analysis of the interest rate environment; preparing pitchbooks for sales people; and providing back up support for sales people who were on the road.

In Ryan's new position as an associate he is in charge of four Key Bank territories; Buffalo, Columbus, Syracuse, and Rochester. Ryan is the derivatives marketer for those four regions and he services nearly 45 corporate bankers and 500 clients. An average week consists of two days of travel to one of the territories to meet with key bankers and the CFO's of his client based companies. During these meetings he works with the management of the company to assess their interest rate risk and provide solutions through interest rate swaps, caps, and exotic structures including barriers. His client base consists of corporations, utilities, hospitals, universities, and high net worth individuals. "Having a background in financial engineering has provided me with great tools to develop highly customized products that meet the unique needs of my clients," comments Ryan. "Business has been going well. With the flattening of the yield curve that has occurred over the last 6 months, spreads on fixed rates are at very low levels and clients are taking advantage of this opportunity."

The faculty and staff of the Financial Engineering program are very happy for Ryan and wish him continued success in his career.

Congratulations to Sophie Zhang

Sophie was offer a position over the holiday break at Murex. She was to begin immediately and after some consideration decided to accept the position. Although Sophie will have to leave the program, she does hope to finish sometime in the future if possible. We wish her good luck in her new position.

Alumni Comments

The Financial Engineering Team Report
January 2005
www.business.kent.edu/msfe

The alumni have been asked "What aspect of the MSFE program has benefited you the most". Here is some of what they had to say:

"The aspect of the program that has benefited me the most is the involvement of KeyBank, Prebon Yamane, and other program advisors. Their involvement in the program ensured that we had challenging summer projects and a couple of avenues for employment."

"The analytical skills developed in the MSFE program help to overcome many obstacles faced during the day. After tearing through the Black-Scholes model, the daily quantitative issues of the job don't seem too bad."

"The contacts with industry."

"It is hard to narrow this one down outside of the fixed income class and trading exercises. I really believe that being able to meet with the professionals during trips to Chicago, New York, and Cleveland (Key) really gave me an edge in terms of learning what I wanted to do and seeing where I might fit in the industry."

"The recognition and respect the program receives among companies in the Northeast Ohio area. When my boss and coworkers were told that I graduated from the MSFE program from Kent, they automatically assume that I'm more than capable of doing the work and will lead the next generation of young employees here at FirstEnergy."

Marketing & Recruiting

Below is an image of our newly created advertisement. Look for it in the January issue of FENEWS. This issue will also be given out at the FIA BOCA 05 event in March.



The Financial Engineering Team Report
January 2005
www.business.kent.edu/msfe

Recruiting continues with emails being sent to potential students in the Chicago and New York area as provided through a GMASS and GRE search. An additional search will be conducted for other possible candidates.

The Class of 2005 Resume Book has been completed. Hard copies were mailed to a list of 30 potential internship sponsors or employers. In addition a soft copy will be sent to 50 potential interested parties. You can request copies from Rebecca at evansr@kent.edu.

Additional Financial Engineering Program Tasks in Progress

Applications are currently being received by the Graduate School of Management and the International Office for the MSFE program. The expected number of applications is expected to increase for the Class of 2006. The application review process is currently being redesigned. A white paper will be submitted by Rebecca Evans at the next MSFE Program Committee meeting for review and acceptance.

Scheduling for the Spring Semester guest speakers and trainers is underway with invitations to CQG, Patsystems, Trading Technologies, John DiClemente (FDIC), Paul Johnson (Cabot Trading), Fred Langrher (Mock Interviews), and the OCC.

15th Asia Pacific Futures Research Symposium

The 15th Annual APFRS Organizing Committee is currently in the process of securing the keynote speaker and the speakers for the opening and closing comments.

The 34 submitted research papers have passed through their initial review. All scores and comments were sent to Dr. William Fung of London Business School. Dr. Fung has selected the papers and set up a tentative schedule for the symposium's 10 papers. Rebecca has notified the authors, discussants, and sent out invitations for the symposium. If you would like an invitation or know of someone who would be interested in attending this symposium, please email APFRS@kent.edu with the subject line: Invitations.

The subject of the panel discussion is still to be decided. Any suggestions will be appreciated and can be made to APFRS@kent.edu with a subject line: Panel Session. A draft schedule will be placed on the Symposium Web site in the next two weeks. The web address is www.business.kent.edu/erf.

Consideration is still being given to holding an Information Session for the Financial Engineering program in Singapore. The previsit for the 16th APFRS has been narrowed down to Melbourne or Tokyo. A final decision will be made this week.

Flight reservations will be made by Travel Center Tours and Joe Sweeney, retired CBOT, will take the lead on this task.

The Financial Engineering Team Report
January 2005
www.business.kent.edu/msfe

Review of Futures Market News

As of Monday, December 20, 2004:

CHOICES, CHOICES, CHOICES

The “Font” menu under the “Tools” section of any word-processing program provides dozens of choices. Create a brochure in *Lucida Handwriting*. Type a letter in *Magneto*. Submit a paper in **Impact** and do your headings in **BOLD ALGERIAN** or **BOLD ITALIC BRADLEY HAND ITC**.

A friend of mine once visited a restaurant in San Francisco that served steaks with a peanut butter sauce. Like some foods, some typefaces should not be combined, and other fonts should be used sparingly, if at all.

Some considerations for choosing the fonts for the new *Review of Futures Markets*:

- Is the typeface easy to read?
- Is the typeface aesthetically appealing?
- Will it stand the test of time? (Some fonts do lose their appeal.)
- Should the same typeface be used for the text and the headings? If two different typefaces are used, do they complement each other?
- To serif or not to serif?*

*From “The Crabby Office Lady” column provided by Microsoft:

Serifs are the funny little "tails" at the end of the stems of some letters in a particular font. Sans serif fonts don't have the tails. . .



1. Serif
2. Sans serif

Studies show . . . a serif font is easier to read in print, while a sans serif font is better when reading something on the computer. The theory is that serifs form a visual guide or train that helps the reader's eye follow the type and read groups of words rather than single words one at a time. And while this works great for print, it doesn't work as well for the screen. So, to sum up:

- Use a serif font for printed materials such as books, reports, and catalogs.
- Use a sans serif font for documents or other things you'll be popping up onto the Web.

COMPOSING/PAGINATING

The Financial Engineering Team Report
January 2005
www.business.kent.edu/msfe

You are reading a newspaper story on the front page and when you reach the bottom of the column, you are instructed to “See Page 8.” You turn dutifully to page 8 to finish reading the story, but alas, the rest of it is nowhere to be found. Often, the end of the story has found its way onto another page, but sometimes, it is just gone.

Composing pages – whether for a newspaper or a journal – requires that the text flows smoothly (and in its entirety) through the publication.

Everything must be located where the reader expects it to be: In newspapers, the reader looks for the classifieds in the last section; in journals, the reader expects tables and figures to be located near to the text where they are discussed.

These are the projects I have been working on:

- helping to create a look for RFM
- preparing to paginate the journal using the publishing program, *InDesign*.

ONGOING RFM-RELATED PROJECTS

- The **papers** for the first issue of RFM are scheduled to be ready for copyediting by early January.
- A **brochure** will be sent to prospective subscribers, both individual and institutional.
- The **content** needed for the RFM website has been compiled.
- Lisa Williams continues the work to compile a **mailing list** of university libraries to which complimentary copies of RFM will be sent.

Mary Aaby, assistant editor