



**ETC Quarterly Report Ending February 2000
Summary**

<p align="center">Courses & Seminars Using the ETC</p> <ul style="list-style-type: none"> • MBA – Fixed Income • Mastech Quantum MBA • 4SA3 Commerce – International Business • 4FI3 Commerce – Trading in Financial Mks • 2FA3 Commerce – Intro to Finance • Commerce 1S03 – Intro. to Business • FTS Case – Simulation • General sign-up presentations <p>See page 2 for details</p>	<p align="center">ETC Advisory Board</p> <ul style="list-style-type: none"> • The ETC Advisor Board was established and is comprised of senior personalities from the Financial Services Industry • The First Meeting was held at the TSE on 2nd March, 2000 <p>See page 4 for details</p>
<p align="center">Student Activities</p> <ul style="list-style-type: none"> • Accounting / Marketing students • Research for interviews • Finance Students • International Business Students <p>See page 5 for details</p>	<p align="center">ETC Media Coverage</p> <ul style="list-style-type: none"> • Business Sense • Financial Forum • Stockdummies Web Interview <p>See page 5 for details</p>
<p align="center">Recommendations & Comments Received by ETC</p> <ul style="list-style-type: none"> • A suggestion box • A printer • Seminars on Technical Analysis • E-Mails <p>See page 6 for details</p>	<p align="center">Number of Users to Date</p> <ul style="list-style-type: none"> • Over 3300 ETC users and guests. • 1800 students and faculty attended the mini-course ETC 101 (Intro. To Financial Markets) and FTS simulations this quarter <p>See page 6 for details</p>
<p align="center">ETC Tools Available</p> <ul style="list-style-type: none"> • Reuters 2000 (Terminal, Graphics) • Reuters 3000 (Equity, Money Mkt, Fixed Inc) • Reuters manual • Options Toolbox • Financial Trading System (FTS) <p>See page 6 for details</p>	<p align="center">Bulletin Board</p> <ul style="list-style-type: none"> • Upgraded Web page/Web cam • Canadian Securities Institute Courses • Library Resource Centre • Rental of ETC • Employment Opportunity – VIP training <p>See page 9 for details</p>
<p align="center">Traders-in-Residence</p>	
<ul style="list-style-type: none"> • Brian Shaw, CIBC World Markets • Gregory Smith, Scotia Capital Markets • Earl Davis, Scotia Capital Markets • Rick Dubecki, Scotia Capital Markets 	<ul style="list-style-type: none"> • Quentin Broad, National Bank Financial • Allan Roberts, National Bank Financial • Rory Ryan, National Bank Financial <p>See page 6 for details</p>
<p align="center">Guest List</p>	
<ul style="list-style-type: none"> • Over 15 members of the Financial Services Industry have visited the ETC in the past few months • Business Advisor Board Members <p>See Page 8 for details</p>	

ETC Report February, 1999

The following report covers the Educational Trading Centre activities for the period starting December 1999 to February 2000.

In January 2000, eleven new students were hired bringing the number of students that are employed by the centre to fourteen. These students were familiar with the systems prior to employment, as they were participants in the Volunteer Internship Program. These employees are currently conducting the weekly presentations. The volunteer internship program (VIP) is available to any McMaster student interested in obtaining some practical trading room skills. The skills developed in VIP training may qualify applicants for a position as an ETC Co-ordinator. The students with VIP training will be given employment priority at the ETC. There are 48 VIP participants at present.

Courses and Seminars

The ETC has given ninety-one presentations this quarter by the ETC Supervisors and co-ordinators and a 2FA3 teaching assistant. This brings the total presentations to 139. The presentations were offered to students of all levels to acquaint them with the capabilities of the ETC and to encourage the faculty to incorporate the ETC into their courses. Furthermore, some of the presentations were customized to meet the needs of the individual courses. For example, the MBA Fixed Income students, the first year business students, second year finance students and fourth year International Business students. The response by students who attend the presentations was positive.

Commerce 4FI3 – Trading in Financial Markets – (January 2000)

The course uses a combination of lectures, presentations, supervised trading and unsupervised trading in an attempt to develop practical skills in trading securities. Securities such as fixed income, equities, futures and options will be covered. The course focuses on trading strategies based on market analysis and risks management using the Reuters products and simulated trading programs using Financial Trading System.

Students visit Bay Street

Student of the Commerce 4FI3 had the opportunity to visit the trading floors of Scotiabank, National Bank Financial, First Marathon, CIBC World Markets and Merrill Lynch on 11th and 18th February, 2000. Students sat and observed traders on various desks such as Precious Metals, Equities, Derivatives, Institutional Equity Trading and Sales, FX, T-Bills and Bonds. Students will have the opportunity to visit another trading floor at another firm on 24th March, 2000.

The following is the list of ETC presentations given so far:

Customised Presentations

MBA – Fixed Income (Dr. Deaves)

Two presentations were given to about 60 students, and were customised to cover topics such as Yield Curves, Bond payments, market conventions and price/yield history. Reuters 2000 Terminal, 3000 Fixed Income and Excel applications were covered.

4SA3 Commerce- International Business (Professor Stockton)

Two presentations have been given to approximately 60 students. The presentations were customised to cover topics such as currencies, news stories, economic indicators from Reuters 2000 and 3000 Equity and Excel applications.

ETC 101 Presentation

2FA3 Commerce – Introduction to Managerial Finance (Dr. Deaves)

Thirty-four ETC 101 presentations were given to about 600 students. The presentation included topics such as finding news and quotes of various firms, and graphing its historical performance using the Reuters 2000 Terminal and Graphics.

1S03 Commerce – Introduction to Business (Professor Cossa)

Six ETC 101 presentations have been given to about 120 first-year students, during the week of November 15, 1999. The presentations included topics such as currency, news quotes and equity analysis using the Reuters 2000, Reuters Graphics and Equity 3000. The students enjoyed the presentations and the feedback was positive.

Mastech Quantum – MBA

About 20 students of the Mastech Quantum MBA program attend an ETC 101 presentation. The presentations included topics such as currency, news quotes and equity analysis using the Reuters 2000, Reuters Graphics and Equity 3000.

FTS Simulations

The trading cases are exercises designed to introduce students to the Financial Trading System (FTS) and the concept of market efficiency. By the end of the trading sessions, students would have experienced the mechanics of bidding and offering of securities, buying and selling (i.e., market making and market taking) in a simulated market environment. In particular, students would have experienced the dynamics associated with price formation in a simple stock market economy. The cases also measure students' trading performance for each session, relative to other traders in the market. Twenty-eight of these simulations were given to about 560 2FA3 students.

ETC Weekly Seminars – ETC 101

Every week the centre offers general presentations on the use of Reuters 2000, and Reuters Graphics and Excel. The weekly seminars are offered to anyone interested in acquiring basic ETC operating knowledge. Sign up sheets are placed outside the door of the ETC at the beginning of every week. Three of these presentations have already been given thus far.

The Educational Trading Centre Advisory Board

The ETC Advisory Council will comprise of a panel of ten volunteers from the business community, who will provide advice and suggest ways in which the Educational Trading Centre can deliver services pertinent to the students, the public and the industry. The advisors are those who can bring specific skills and market intelligence to the Educational Trading Centre and provide useful outside input for specific decisions and to assist the Educational Trading Centre with fund-raising initiatives.

Role of the Educational Trading Centre Advisory Board

It will take the co-ordinated efforts of faculty, staff, alumni and the business community to achieve the objectives of the ETC. The role of the ETC Advisory Board is to help achieve these objectives in several ways:

1. Serve as ambassadors for the ETC promoting it to business partners, community leaders, donors, and potential users.
2. Provide advice to dean, director, faculty and staff on current business needs/trends and suggest ways in which the Centre can deliver services pertinent to the community it serves.
3. Act as a sounding board and provide expertise/instructions.
4. Occasionally interact with faculty and students offering direction and inspiration.
5. Assist with fund-raising initiatives.

ETC AB First Meeting

On Thursday 2nd March 2000, the Advisory Board had its first meeting, which was hosted by the TSE. Richard Carlton, Vice President Index and Market Data Services, represents the TSE on the Advisory Board. An agenda was set where the members shall meet periodically every two months. Mr. Peter Jarvis was selected as the chair to the Advisor Board for a six-month period. The first item on the ETC agenda is the mission and objective of the ETC. The meeting was attended by Mr. John Siam, Director of the ETC, Dr. Vishwanath Baba, Dean of the Michael G. DeGroote School of Business and Mr. Bob Hodgson, Manager, Development Alumni & Communications, School of Business.

The members of the Advisory Board are:

Brian Shaw
Managing Director Global Equity
CIBC World Markets

Richard Carleton
Vice President Index and Market Data Services
Toronto Stock Exchange

Leo De Bever
VP, Research and Economics
Teachers' Pension Plan Board
Key Troy
President
Reuters Canada
Nadyk Paul
Institutional Equity Trader
Toronto-Dominion Securities Inc.
Peter Jarvis Chair, ETC AB
VP, Fixed Income
OMERS

Quentin Broad
Banks and Insurance Analyst
National Bank Financial
Don Kemp
Managing Director and Head of Global
Learning Network
CIBC
John Durfey
Senior Legal Counsel
Cadillac Fairview Corp
Gregory Smith
Managing Director
Scotia Capital Markets
Paul Allison
Managing Director/Equity Capital Market
Nesbitt Burns Inc.

Student Activities

The traffic at the Educational Trading Centre has been continuously increasing to over 3320 people since September. Students use the room for research purposes, such as - to check their portfolios, aid in assignments like International Business, New Venture Capital, Accounting and Mergers and Acquisitions courses and to research companies prior to interviews. Engineering and Management students, as well as Commerce students use the room.

Increase in the level of activity has also been due to the Trading course, encouraging students to come into the room to trade and track their stocks, options and futures on a daily basis.

Media Coverage

Article about the ETC in the January issue of the Business Sense magazine.

Financial Forum

The Financial Forum was a four-day consumer show where visitors learn about various investment products. It is the largest gathering of investment companies and high profile, knowledgeable speakers ever held at the Metro Toronto Convention Centre from January 27 – 30, 2000. The Financial Forum also hosted a wide range of seminar topics and showcased many investing experts. McMaster was the only university to attend the 14th annual show and promoted the ETC over these four days.

StockDummies.com

A new web site created by three students from three different universities one of them is from McMaster University. The Director of the ETC, John Siam was interviewed by Amelia Lau. The interview is posted on their site www.StockDummies.com.

Recommendations & Comments received by ETC

Students have also inquired about having a printer in the centre, so they could print off news stories, graphs and other data. As well, a fax machine to receive market summaries from brokerage firms.

Offering a course/seminar in technical analysis by someone from the industry, would be well attended by students, and is recommended for the future.

Number of Users

The ETC has approximately eight students at any time trading and doing research. To date the centre has had approximately 3320 visitors.

ETC Tools Available

The centre currently has Reuters 2000 and 3000 products, access to Reuters' intranet, Microsoft office and Options Toolbox on all 21 workstations. The students of the Trading Course frequently use these programs.

The ETC recently installed the Financial Trading System program on all 21 terminals. The Financial Trading System (FTS) brings the excitement of a trading floor to the classroom. It exploits advances in technology to integrate classroom instruction with real-time market participation, to create a unique environment for financial education.

Information:

The ETC developed a manual on understanding the Reuters Terminal, Graphics and its interface with Excel to develop quote lists, tick data and intra-day graphs to assist the students in understanding the Reuters on their own time.

A manual explaining technical analysis and trend lines was developed and is readily available for use by students interested in this type of analysis.

Trader-in-Residence

The Program

The trader-in-residence program is unique to McMaster University. The program is designed to add "market reality", "street insights" and professional "trading experience" to the Educational Trading Centre. The trader-in-residence position is a weekly revolving position, where individuals from different firms and products visit Educational Trading Centre. The students, faculty and ETC members can spend a total of two hours with the trader-in-residence discussing a variety of subjects related to the financial services industry.

The Individual

The trader-in-residence is:

- An individual with extensive industry expertise (a senior trader, senior manager or senior analyst).
- An individual who adds realism and bring the excitement of a trading environment to the Educational Trading Centre.
- An individual who makes academic theory come to life by dissecting the trading process, introduce trading terminology, discusses current trading issues and career opportunities in the financial services industry.
- An individual who answers fundamental trading/investment questions.
- An individual who explains trading decisions using economic justifications, technical or fundamental analysis.
- An individual who is able to discuss the use of a variety of financial instruments and who is able to evaluate students' trading strategies and make trading recommendations.

Time

The Centre is normally booked on Thursday from 4:30 PM to 6:30 PM every week for the trader(s)-in-residence. Access to the trader-in-residence is restricted to students, faculty and member of the ETC.

The Traders-in-Residence

A number of senior officials from major Canadian Financial Institutions have already served as traders-in-residence.

- Brian Shaw, Managing Director/Co-Head Global Equities, CIBC World Markets is the first trader-in-residence.
- Gregory Smith, MBA, Managing Director Money Market, Scotia Capital Markets
- Earl Davis, CFA, Associate Director, Senior T-Bill Trader, Scotia Capital Markets
- Rick Dubecki, CFA, Associate Director Money Market Trading, Scotia Capital Markets
- Quentin Broad, MBA, Banks and Insurance Analyst, National Bank Financial
- Allan Roberts, VP Manager Pro Trading, National Bank Financial
- Rory Ryan, Manager Option Traders, National Bank Financial

Guest List

During the November-March period, the ETC has received numerous distinguished visitors and recruiters from the industry.

Monday 29 th November 1999:	William Gair, Manager, Corporate Communications, Dofasco.
Wednesday 1 st , December 1999:	Chris Peacock, Executive Director, Canadian Management Centre.
Tuesday 16 th November 1999:	Paul Rowan, Investment Advisor, Dundee Securities Corporation
Tuesday 23 rd November 1999:	Gary Siskos, CA, Chief Financial Officer, MacGregor Communications
Friday 17 th December 1999:	Stuart Holbrook, Director Open Systems, Reuters Information Services
Tuesday 21 st December, 1999:	John Johnston, Senior Economist, RBC Dominion Securities
Wednesday 12 th January 2000	Charles Tallard, CFA, Vice President, Factset
Thursday 13 th January 2000:	John Durfy – Senior Legal Counsel, Cadillac Fairview Corp.
Tuesday 1 st February 2000:	Allan Roberts, VP Manager Pro Trading, National Bank Financial Rory Ryan, Manager Option Traders, National Bank Financial
Thursday 10 th February, 2000:	Brian Shaw, Managing Director/Co-Head Global Equities, CIBC World Markets
Thursday 17 th February 2000:	Gregory Smith, MBA, Managing Director Money Market, Scotia Capital Markets Rick Dubecki, CFA, Associate Director Money Market Trading, Scotia Capital Markets
Monday 28 th February 2000:	National Bank Tour

The ETC also held tours to students considering McMaster University for their undergraduate and MBA endeavours.

Bulletin Board:

The ETC's web page has been completed and will be posted shortly. It will feature all the activities of the centre. In addition there are plans to install two web cams to allow for video conferencing with other trading floors on Bay Street.

MBA F722 - Market Trading and Risk Management (September 2000)

The course attempts to develop practical skills in trading financial securities with a focus on risk management and return enhancement. The course deals comprehensively with the increased importance played by risk and uncertainty in today's financial markets. Classes and trading sessions will be conducted at the Educational Trading Centre.

There are also plans to incorporate the ETC into various external courses. The ETC is currently having discussions with the Canadian Securities Institute to offer the Canadian Securities Course in five weeks instead of three months. The plan is to have lecturers come in to teach the course in a five-week period instead of students doing it via correspondence in three months.

A Library Resource Centre will be constructed soon, which will allow students access to various financial books and analysis reports.

The ETC is also being offered to investment firms for training purposes and to host guest speakers for a fee.

The ETC will be advertising job opportunities for the co-ordinator positions, beginning September 2000 term soon. Students in the VIP continue to come into the centre and learn the software.

For further information:

John J. Siam
ETC Director

<http://etc.mcmaster.ca>

e-mail: etc@mcmaster.ca

Phone: (905) 525-9140 EXT 27760