

## AERIAL VIEW BITES

# WHAT ARE THE IMPLICATIONS OF IMPLEMENTING CENTRAL CLEARING IN A SHORT AMOUNT OF TIME?

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There's a lot going on in the Treasury market today, we've seen a real rise in long term interest rates, there's been quite a bit of volatility and I think that those are conditions when you really need to rely on the Treasury market for its safety and its liquidity. Adding to that is the central clearing mandate, and I think it will make the system more resilient over time, especially in times of stress. But the change is really quite profound. It causes market participants to access clearing, they have to risk manage and margin their trades and ultimately implementing that in a very short period of time, I think could amplify what we're already seeing in the volatility of the market.

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