



Commodity Futures Trading Commission

Office of Public Affairs

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Examples of Misconduct From Written Communications

Examples of False Reports and Attempts to Manipulate U.S. Dollar LIBOR

August 2, 2005: (emphasis added)

Email from U.S. Dollar Desk Manager to Senior Manager 1:

Subject: Tomorrow's 6mL

**If you are indifferent, can you please set tomorrow's 6mL as high as possible?
Have a large reset here in NY. Thanks...**[U.S. Dollar Desk Manager]

Reply from Senior Manager 1 to U.S. Dollar Desk Manager:

Subject: RE: Tomorrow's 6mL

Ok , leave it with us , will do our best

Thx [Senior Manager 1]

Reply from U.S. Dollar Desk Manager to Senior Manager 1:

Subject: RE: Tomorrow's 6mL

Atta boy, [Senior Manager 1]...4% it is!

August 15, 2006: (emphasis added)

U.S. Dollar Trader 2:

**IF THE AMBASS DOESN[']T HV ANY PREFERENCES, CAN I
HAVE LOW 1S AND 3S THE NEXT FEW DAYS PLS MATEY...
CHEERS HOPE U R GOOD, [U.S. Dollar Trader 2]**

U.S. Dollar Trader-Submitter 1: His exact word's are .."i don't give a f*ck" ..

November 29, 2006: (emphasis added)

U.S. Dollar Trader:

**HI MATE, LOW 1S HIGH 3S LIBOR PLS !!! DONT TELL THE AMBASS
HAA HAAAAAAA. SOLD THE MARKET TODAY DOOOOOOHHHH!**

Senior Manager 1:

OK MATE , WILL DO MY BEST ...SPEAK LATER

U.S. Dollar Trader:

CHEERS GEEZ, BANG ON THE MONEY!

Senior Manager 1:

NO WORRIES , I HAD TO WORK MY WAY OUT OF AN AMBASS
HEADLOCK TO GET THOSE IN !

August 13, 2007: (emphasis added)

U.S. Dollar Trader:

**WE'VE DEALT ... GONNA NEED A FRICKIN HIGH 6 MTH FIX
TOMORROW IF OK WITH U... 5.42?**

U.S. Dollar Trader-Submitter 1: send me an e mail matey for tomorrow ..my brain can't cope !!

U.S. Dollar Trader:

**TELL ME ABOUT IT... CANT BELIEVE HOW THIS MARKET IS MOVING
... I'LL SEND A MAIL , WRITE A POST IT NOT AS WELL, ITS 750 MIO
6MTH FIX! COULD BE RISKY!**

U.S. Dollar Trader-Submitter 1: good luck mate

September 26, 2007: (emphasis added)

Email from U.S. Dollar Trader to U.S. Dollar Trader-Submitter 2, a senior Yen LIBOR trader-submitter, and Senior Manager 1:

Subject: **High 3s tomorrow pls gents**

Subsequent email from U.S. Dollar Trader to U.S. Dollar Trader-Submitter 2:

Subject: RE: High 3s tomorrow pls gents

25 (or higher) would be great..... CHEERS[...]

Reply from U.S. Dollar Trader-Submitter 2 to U.S. Dollar Trader:

U do realise the ambass wants the opposite ,ill do my best mate

Reply from U.S. Dollar Trader to U.S. Dollar Trader-Submitter 2:

Subject: RE: High 3s tomorrow pls gents

Bugger.. We fixed at 24, anything higher is a bonus!

September 18, 2008: (emphasis added) (redacted)

Email from Senior U.S. Dollar Trader to U.S. Dollar Trader-Submitter 2:

Subject: **I don't want to have a row about it [U.S. Dollar Trader-Submitter 2] but can't understand why you were such an arse this morning? [. . .] I, and you, know that if you were short of 1 month fixing you'd have put in a mid '60's LIBOR. [. . .]**

U.S. Dollar Trader-Submitter 2 reply to Senior U.S. Dollar Trader:

Mate I had no intention to be or desire to be, **I have no upside upsetting you or setting the libor too high [. . .]**

Senior U.S. Dollar Trader reply to U.S. Dollar Trader-Submitter 2:

You were above the average when I was looking for a low settlement...[Panel Bank A] + [Panel Bank B] 2.65, [Panel Bank C], 2.63, even [Panel Bank D] 2.70. you wanted to go 2.95%. I'll move on but still can't get my head around you sometimes. [. . .]

Examples of False Reports and Attempts to Manipulate Yen LIBOR

May 10, 2006: (emphasis added)

Senior Yen Trader: ...where do you think 3m libor is going to be tdy?

Senior Yen Trader-Submitter:**for info [Yen Desk Manager 1] asked to set a low 6m..so to make a smoother curve I will prob look low in 3m too...**

Senior Yen Trader: ...where r u going to put for 3mth libor?

Senior Yen Trader-Submitter: ...well with [Yen Desk Manager 1's] request of a 0.26 in 6m – I think I can go no higher than 18...

Senior Yen Trader: ...libor is not as high as expected...

Senior Yen Trader-Submitter: no but with 3 banks setting 11+12 its not surprising...once they see how out they are it should correct upwards mate

Senior Yen Trader: are they just trying to manipulate the libor? or they just forgot to change? what do u think?

Senior Yen Trader-Submitter: i think they are just stupid....**it must be pretty embarrassing to set such a low libor (i was very embarrassed to sey [set] my 6 mth - but wanted to help [Yen Desk Manager 1]).tomorrow it will be more like 33 from me**

July 27, 2006: (emphasis added)

Senior Yen Trader: ...today if possible,,,, **i wud like higher 1m libor.**

Senior Yen Trader-Submitter: ok mate – what lvl u want set?...i actually meant what lvl do u want me to set for the 1m libor fix...i will set anything you need
Senior Yen Trader: if u can be the same at yday or a bit higher than yesterday, im fine mate
Senior Yen Trader-Submitter: i'll set 37 ;)
Senior Yen Trader: ok mate cheers

November 8 – 9, 2006: (emphasis added)

Yen Desk Manager 1 email to Senior Yen Trader-Submitter:

Subject: mng skip

Hi mate

Got a few big 3mth fixings in next 2 days, any chance you cud bump it up a couple?

Senior Yen Trader-Submitter:

Subject: RE: mng skip

will set them high and dry skip!

Yen Desk Manager 1:

Subject: RE: mng skip

Thx skip, 1 more today – only has to be 3mths, others do as you pls, then im relatively square for a while..

Cheers

Senior Yen Trader-Submitter:

Subject: RE: mng skip

no prob mate will set it high again...is 46 lvl ok or higher?

August 21, 2007: (emphasis added)

Senior Yen Trader: Hi mate If you can make 1 month LIBOR higher today, that would be a help mate.

Yen Trader-Submitter 1: Ok what level you looking at ?

Senior Yen Trader: If possible, woud prefer it to be 0.82%

Yen Trader-Submitter 1: Ok mate will do...

Senior Yen Trader: ... **Where are you setting 3mth and 6mth libor today?**

Yen Trader-Submitter 1: **You tell me what you want mate he has no fixing at mom**

Senior Yen Trader: Hi mate 1m 0.82 2m 0.92 3m 1.00 6m 1.06 **If you can put those rates ,,,, would be nice mate**

Yen Trader-Submitter 1: Great will do **if you want to give me them each day ill input whatever you want mate ok cheers**

March 18, 2008: (emphasis added)

Yen Desk Manager 2: **Because there will be 1650 fixings today please make the LIBOR as high as possible**

Senior Yen Trader: Understood... [Senior Yen Trader-Submitter] set it on 1.02 yesterday, so I request to put it on 1.10. This change will have an impact of +0.1 bp

Yen Desk Manager 2: Splendid

March 19, 2008: (emphasis added)

Senior Yen Trader: **We have loads of 6mth fixings today. If possible, could you set 6m libor to 1.10% please? We don't have particular interest in other libors.**

Senior Yen Trader-Submitter: Sry just to confirm 6m you want at 1.10???. **Ok will do that but I will prob get a phone call at I set 02 yesterday and brokers reckon everything a little lower today...**

Senior Yen Trader: Actually,,, [Yen Desk Manager 2] would like 6m to be higher today.... If it is not appropriate, it is fine mate, I will explain the situation to him. He will understand the situation...

Senior Yen Trader-Submitter: Well its no prob mate - **I can set it that high....it will be quite funny to see the reaction!...**

February 22, 2010: (emphasis added)

Yen Trader-Submitter 2: **same libors?**

Senior Yen Trader: **yes pls mate**

...

Senior Yen Trader: **if possible. pls but 6m libor at 0.42 pls?**

Yen Trader-Submitter 2: will do

Yen Trader-Submitter 2: **is adjusted cheers**

Senior Yen Trader: thank you

August 4, 2010:

Senior Yen Trader email to Yen Trader-Submitter 3:

Subject: yen libors

Hi

Could you put libors like below today, please?

s/n 0.10

1w 0.11

2w 0.11

1m 0.12

2m 0.16

3m 0.21

4m 0.30

5m 0.35

6m 0.40

Thank you

Yen Trader-Submitter 3 reply to Senior Yen Trader:

Subject: Re: yen libors

Hi [Senior Yen Trader]-san,

Will do sir!

Cheers

October 18, 2010: (emphasis added)

Senior Yen Trader email to Yen Trader-Submitter 3:

Subject: question

WHY DID YOU PUT ALL THE YEN LIBORS HIGHER FOR TODAY WITHOUT TELLING ME?

WHERE IS THE TEAM PLAY?

YOU KNOW MY POSITION IS? I CANT BELIEVE YOU DID THIS WITHOUT TELLING ME.

IF YOU HAD TO PUT THEM HIGHER FOR SOME REASON BUT AT LEAST YOU COULD HAVE TOLD

ME IN BEFORE HAND.

IM REALLY FUKKED.

[Senior Yen Trader]

Senior Yen Trader Bloomberg chat with Yen Trader-Submitter 3 later the same day:

Senior Yen Trader: **hey mate why did you put libors all higher?**

Yen Trader-Submitter 3: Hi made I just saw your email and replied.. I fukked up.. you gave [Yen Trader-Submitter 4] new libors last week.. didn't save the sheet and today I used my own computer for libors.. **I fukked up, my mistake.. not on perpose mate ...I am really sorry...And I would never change libors without consulting you.**

Senior Yen Trader: **i got so surprised when i saw rabos nubmer. you know my position then put libors higher.**

Yen Trader-Submitter 3: I understand,

Senior Yen Trader: some ppl react in this way so i worried as well if you were this kind of a guy **hope this rabo move doesnt affect to other banks LIBOR numbers for tomorrwo onward [. . .]**

Yen Trader-Submitter 3: No problem mate, I fukked up so I understand. **Lets just hope that , like you said, others banks will not be influenced tom.** Hope trust is still there between us. Will be carefull next time

Senior Yen Trader: yes still there mate.. i just felt that i was used.. yep trust is there. thank you and sorry. **u owe me a nice beer !**

Yen Trader-Submitter 3: **1 beer? More like 564 beers!... [. . .]**

Examples of Collusion with Other Banks to Manipulate Yen LIBOR

June 27, 2006: (emphasis added)

Senior Yen Trader-Submitter: just for your info skip...**i need a high 1mth today - so i will be setting an obseently high 1 mth (6)**

Panel Bank C Yen Submitter: sure mate no worries...give us an idea where and I'll try n oblige...;)

[. . .]

Panel Bank C Yen Submitter: mrng mate...**my turn today...what u going 3s libor...hoping for a higher one....0.35 or u think that is pushing it a bit?**

Senior Yen Trader-Submitter: nope - **fine with me mate - will set 35 for you (b)**

Panel Bank C Yen Submitter: (K) cheers dude

Senior Yen Trader-Submitter: no prob at all mate;)

July 27, 2006: (emphasis added)

Senior Yen Trader-Submitter: morning skip....**my little ...[racial epithet redacted] friend in tokyo wants a high 1m fix from me today....am going to set .37**
- just for your info sir

Panel Bank C Yen Submitter: **that suits mate as got some month end fixings so happy to ablige..rubbery jubbery...-O**

Senior Yen Trader-Submitter: 'ansome cheers skip

March 28, 2008: (emphasis added)

Senior Yen Trader-Submitter: morning skip – **[Senior Yen Trader] has asked me to set high libors today – gave me levels of 1m 82 , 3m 94....6m 1.02**

Panel Bank C Yen Submitter: **sry mate cant oblige today...i need em lowe!!!**

Senior Yen Trader-Submitter: yes was told by [Derivatives Broker A1]...**just thought i'd let you know why mine will be higher ...and you don't get cross with me**

July 18, 2008: (via telephone) (emphasis added)

Derivatives Broker A1:
Senior Yen Trader-Submitter:
Derivatives Broker A1:
Senior Yen Trader-Submitter:

Derivatives Broker A1:
Senior Yen Trader-Submitter:
Derivatives Broker A1:

Senior Yen Trader-Submitter:
Derivatives Broker A1:
Senior Yen Trader-Submitter:
Derivatives Broker A1:
Senior Yen Trader-Submitter:
Derivatives Broker A1:
Senior Yen Trader-Submitter:
Derivatives Broker A1:

[. . .]**What you going to set your 1 month LIBOR today?**
I don't know, what do you reckon?
65?
Er...I don't know. I ain't got a clue, 65. **He wants me to set 98 in the 6s**
That low, yeah? **What does he want you setting 1's then?**
Nothing, he hasn't told me.
65, then. That's good. **Got someone asking here...**If you can?
Do you want me to set 65?
Yeah, or as low as possible basically...
... **Who's that?**
It's a geezer at UBS, [UBS Senior Yen Trader]
Alright well make sure he knows.
Yeah, he will now mate. Definitely, definitely, definitely.
You know, scratch my back, yeah, and all
Yeah oh definitely, yeah, play the rules

September 22, 2008: (emphasis added)

Derivatives Broker A1:
Senior Yen Trader-Submitter:
Derivatives Broker A1:
Senior Yen Trader-Submitter:

LIBORS?
I was gonna ask you...
...**Low 1s 3s and 6s if possible...**76, 89 and 88. 98 rather 6s.
Yeah alright – I'll see what I can do...**If you want me to set them I'll set them...** [Senior Yen Trader] wants them low...

December 1, 2010: (emphasis added)

Senior Yen Trader:
ICAP Cash Broker:
Senior Yen Trader:
ICAP Cash Broker:
Senior Yen Trader:
ICAP Cash Broker:

Senior Yen Trader:

ICAP Cash Broker:
Senior Yen Trader:
ICAP Cash Broker:
Senior Yen Trader:
ICAP Cash Broker:
Senior Yen Trader:

Hope this will push libors down
ok we need lower libors tomorrow yes?
Yeah...
ok ill work some magic for tomorrow:-)
I want 3. And 6m libor a lot lower... ? How?
we wait and see, tomorrow lower friday a little bit more but ill do my best
Yeah... I think yen libors shud be lower but ppl tend to keep them higher whereas usd libors ppl looks like manipulately put them higher
ill work some magic tomorrow hopefully, 3m 19 6m 35
Mate... 3mth is already below 19
mistype 18
That will be nice.
ok i am on the case for u
Thank u mate

Examples of False Reports and Attempts to Manipulate Sterling

October 2, 2008: (emphasis added)

Senior Sterling Trader-Submitter 1 email to Sterling Trader-Submitter 3 and Sterling Desk Manager:
Subject: Risk

I have a 6 mos FRA maturing tom..so I need high 6m libor...

When this matures tomorrow I will probably be just inside limit...can you check in the afternoon please and I can sell some dec futs...I will call tomorrow.

Thanks

[Senior Sterling Trader-Submitter 1]

Oh and apologies for any wrong trades It was a nitemare day!!!

January 9, 2009: (emphasis added)

Senior Sterling Trader-Submitter 1 email to Sterling Desk Manager:
Subject: Libors

Need low 1m and 3m today pls

Reply from Sterling Desk Manager to Senior Sterling Trader-Submitter 1:
Subject: RE: Libors

Don't we all !!think gonna go 38 in 3's

Examples of Collusion with Former Derivatives Traders to Manipulate Euribor

January 13, 2006: (translated from French)

External Euro Trader 1: where do you see the 3m fixing??
Senior Euribor Trader-Submitter: wherever you want me to put it :-D
External Euro Trader 1: lower then[...]2.50 that would be super!
Senior Euribor Trader-Submitter: it will be a little bit lower between 50 and 51 I believe but rather 51[...]but I put it at 50 lower my quote gets me kicked out
External Euro Trader 1: nice thank you very much ;-)

August 1, 2006: (translated from French)

Senior Euribor Trader-Submitter: do you have some fixings
External Euro Trader 2: little fixing for 3m receiving
Senior Euribor Trader-Submitter: you want high fixing is that right??
External Euro Trader 2: yes if you can thank you
Senior Euribor Trader-Submitter: [Okay]

September 4, 2006: (translated from French)

External Euro Trader 1: I need another 3m fixing at the ceiling!
Senior Euribor Trader-Submitter: hahahaha OK [External Euro Trader 1]

Examples of False Reports and Attempts to Manipulate Euribor

March 27, 2008: (emphasis added)

Senior Euribor Trader-Submitter: WHUPPY SMURF GOOD MORNING SAME FIXINGS ?
Euro Trader 1: yes pls, certainly low 3m and if possible high 1m, but i believe [Senior Manager 2] wouldn't agree with that:) ty!
Senior Euribor Trader-Submitter: AIE AIE WE HAVE CONFLICT OF INTEREST HERE BETWEEN THE OVERKANT EN DEZE KANT¹... INCIDENT DIPLOMATIQUE!!!!
Euro Trader 1: i propose an entente amicale²..

¹ As translated from Dutch this phrase means: "other side and this side."

Senior Euribor Trader-Submitter: OK I SEND THE AMBASSADOR BACK..... 1S WILL BE 38 ANYWAY BUT I PUT THE 3S TO 4.72

April 22, 2008: (emphasis added)

Senior Euribor Trader-Submitter: **HELLO LET'S CHEAT ON THE FIXES ??**

Euro Trader 1: morning! **only biggie is really low 3s.** much appreciated, as usual:)

May 28, 2008: (partially translated from Dutch)

Senior Euribor Trader-Submitter: FIXINGS ??

Euro Trader 1: voila, a nice one again:) low 3s and high 1 and 6s pls! [friendly thanks]..

Senior Euribor Trader-Submitter: [TOMORROW'S] 1S FIXING WILL BE VERY HIGH

August 28, 2008: (emphasis added)

Senior Euribor Trader-Submitter: HI I AM GOING FOR HIGH 1S TODAY WHAT DO YOU NEED IN 3S AND 6S PLEASE ??

Euro Trader 1: **low 3s high 6s pls! btw, whenever i say low 6s pls ignore me, we always need high 6s to keep the basis as wide as possible.** thanks!

September 24, 2008: (emphasis added)

Senior Euribor Trader-Submitter: hi high 3 and 6s

Euro Trader 1: today low 1s and 3s, high 6s pls:-) merci!

Senior Euribor Trader-Submitter: u got me confused here [Euro Trader 1]

Euro Trader 1: **always high 6s, and our fixings 1s and 3s are large enough today to want lower fixings there, 1s and 3s do change daily, if e.g. 3m is small then we go for high 3s to support your high 6s. bon?**

Senior Euribor Trader-Submitter: **allons bon..... a lesson in fixings !!!!**

² As translated from French this phrase means: "friendly agreement."