

May 6<sup>th</sup> 2010 will go down as the day that much of the world witnessed real market capitulation first hand. Initially the fears of contagion from the PIGS (Portugal, Ireland, Greece, Spain) of Europe on the already fragile global credit markets spread like a modern day epidemic. What ensued was remarkable; the Dow Jones fell approximately 10%, the biggest one day fall since 1987, and we all remember 1987. Currency markets were flying in all directions as the market panicked. At this stage it looks like some of the exchanges will be cancelling trades during certain time periods as computerised trading seems to have gotten carried away. We will keep you updated as we gain more information about the cancelled trades.

The financial markets have morphed, mutated, developed, and exploded into something with very little in common with those markets in 1987, aside from the basic principle of buy low, sell high and manage your risk in-between. Technology has changed the world forever and its impact on the global markets cannot be denied; black box trading, algorithm pricing and online trading to name a few all impact the day to day operations of the markets. I am the first to admit that the markets are a lot more efficient, transparent and easier to transact with the technological advances we have seen but last night also showed that technology alone is not the ideal. Black box and algorithm trades don't look at what is going on, they simply react to price action - online providers stop showing prices and close clients' positions because it's all about numbers not people.

OMF's business model may not have changed much over the years but we are proud that during the carnage of last night we continued to show pricing throughout and proactively contacted clients to keep them informed. Whilst margin calls are taken very seriously at OMF, as we are not only protecting our business but also your money, our first action is not to close positions but to talk to our clients. In my opinion technology is and will continue to be a huge part of the financial markets and OMF is committed to embracing parts that we think can add value to your trading, but technology alone can be like a giving a loaded gun to a three year old.

I would like to say thank you to all the clients of OMF, we know there are other options available out there and we appreciate the support we receive. In turn we will continue to be available 24 hours a day to meet and hopefully exceed your needs with sound independent advice. The outlook for tonight is for more volatility as the U.S. employment numbers are released and our advisors will be available should you require them.

All the Best



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Head of Financial Markets