UBS faces $1bn fine over Libor allegations
Swiss bank in talks with global regulators

By Caroline Helie

UBS faces a $1 billion fine over allegations that it manipulated Libor rates with other banks.

The talks are aimed at settling claims that the bank’s traders manipulated Libor rates between January 2005 and December 2010.

UBS’s traders are accused of influencing Libor rates through their trades, which allowed them to benefit from financial deals.

The bank has acknowledged the allegations and is in talks with regulators to resolve the matter.

Hirst for change
Artist splits from richest art gallery

By Michael Smith

The artist Damien Hirst has sold his Piccadilly Gallery.

The gallery, which is one of London’s most prestigious art galleries, has been owned by Hirst since 2005.

However, Hirst has decided to sell the gallery and is set to open a new art space in the future.

The sale of the gallery will allow Hirst to focus on his art and his personal projects.

Draghi’s rally cry for new EU powers

By Michael Smith

The European Central Bank (ECB) has called for new powers for the EU.

ECB President Mario Draghi has said that the EU needs to be more autonomous in order to address the challenges it faces.

Draghi has also called for a common currency and a common fiscal policy for the eurozone.

These moves are seen as a response to the growing political and economic challenges faced by the EU, including the debt crisis in Greece.

Rice withdraws

By Richard Watson

The American rice industry has withdrawn from a government program aimed at reducing rice production.

The program, known as the Agricultural Risk Coverage (ARC) program, has been in place since 2011 and has provided insurance to rice growers.

However, the industry has decided to withdraw from the program due to concerns about its cost and effectiveness.

The decision to withdraw will allow the industry to focus on other initiatives to support their business.

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Gillian Tett, Page 24

The Wall Street Journal

Powerful forces in Europe remain committed to defending the dollar as a reserve currency.

The currency has come under pressure from rising interest rates in the US, which have led to a surge in the dollar against other major currencies.

However, the dollar has been supported by the Federal Reserve’s policy of quantitative easing, which has kept interest rates low.

As a result, the dollar has remained strong against other major currencies, including the euro.

The dollar’s strength has also been supported by the US economy, which is seen as resilient and growing.

The dollar’s strength is important for global financial markets, as it has a significant impact on the cost of borrowing and the value of assets denominated in other currencies.
Counter-terrorism tools used to spot fraud

By Richard Waters in London

JPMorgan Chase has turned to technology used for countering terrorism to spot fraud risk among its own employees and to tackle problems such as deciding how much to charge when selling property behind troubled mortgages.

The technology involves crunching vast amounts of data to identify hard-to-detect patterns in markets or individual behaviour that could reveal risks or openings to make money. Other banks are also turning to “big data”, the name given to using large bodies of information, to identify potential rogue traders who might land them with massive losses, according to experts in the field.

“They’re trying to mine not just trading data, but also emails [and] phone calls,” said David Wallace, an executive at SAS, a US data analysis company. “They’re trying to find the needle in the haystack.”

Guy Chiarello, JPMorgan’s chief information officer, said the bank was mining massive bodies of data in “a couple of dozen projects” that promised to have a significant effect on its business, although he refused to give further details.

According to three people familiar with its activities, JPMorgan has used Palantir Technologies, a Silicon Valley company whose technology was honed while working for the US intelligence services, for part of its effort. It first used the technology to spot fraudsters trying to hack into client accounts or ATMs, but has recently started to turn it on its own 250,000-strong staff.

In another aspect of its big data work, the bank is drawing on large amounts of highly diverse information about local economies where it has troubled real estate loans, two of these people said. The information is being used to set prices for property sold before a loan goes into default, in an attempt to reduce the social disruption caused by the troubled loans.

Other technology companies are also finding new purposes for number-crunching techniques used in intelligence to bring new data-intensive approaches to risk management,
credit assessment and marketing activities. Quantifind, a tech start-up that has worked with the CIA to identify aliases used by terrorists, was called in by JPMorgan to explain how its technology could be applied to its credit card business, said Ari Tuchman, chief executive.

Some of the same technologies revolutionising risk-management in banks, meanwhile, are being used to break down barriers in the financial services business and let start-ups compete head-on with large institutions.

Larry Summers, former US Treasury secretary, predicted that this would lead to a wave of new technology-based companies in the consumer lending and investment fields.

“We’ve had a generation where financial innovation was found in large institutions for the benefit of large pools of capital,” he told the FT. “I think the next generation of innovation will be more for consumers.”

Mr Summers on Thursday joined the board of Lending Club, a Silicon Valley start-up that lets individuals invest directly in pools of consumer loans it generates over the internet. The company has been able to take a large slice out of the funding and operating costs of a traditional bank and offer better terms to borrowers and lenders, said Renaud LaPlanche, Lending Club’s chief executive.