

Mizuho Spotlight

5 Questions With John Murphy

John Murphy

Global Head of Futures

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1. The pandemic has created a tremendous need for liquidity. How has your department handled the demand?

We had worked extremely close with our clients in the early stages of the pandemic to ensure that they had the appropriate liquidity, and that there were no margin concerns. The overall volatility experienced in this early phase forced our client base to significantly pare down positions and take a risk-off approach to the overall market. We scheduled weekly calls and stayed in constant communication with these customers, as we worked our way through a once in a lifetime market scenario.

2. 2020 also saw a lot of tariffs between the US and China, how did that affect commodities?

The previous administration focused much of its trade efforts on influencing the US-China trade deficit. Following the signing of Phase 1 of the US-China trade deal, we saw an uptick in the grain trade, reflective of the increased purchases of US product for export to China. While there isn't an expectation of a stark departure from the spirit of Phase 1, as the global economy looks

facilitated through Mizuho Securities Singapore (MHSS) in accordance with Chinese Securities Regulatory Commission (CSRC) requirements. This access will allow MSUSA's core relationships to open accounts with MHSS to complement the clients' trading in global energy, agriculture and base metals.

3. How do you see things evolving in 2021?

I believe that things will continue to change significantly in 2021, as we move through a new phase of the pandemic. More and more of our population will begin to receive the vaccination, and things should begin to normalize, but defining normalization will be difficult. The "new normal" will include a new administration, with significantly different viewpoints on many of the issues that will impact our business. The regulatory environment could change, as we adhere to policies that will look more like they did during the Obama presidency. Sustainability and Climate Change will become key areas of focus. With the level of stimulus in the marketplace, inflationary trends will start to become more of the story in the economy. Demand and consumption will naturally increase. We have already seen strong buying out of Asia for agricultural products, and for commodities as a whole. More people will return to the office, and the debate over the efficiencies of work from home will intensify.

4. How has working from home affected your team dynamic?

Our Team's performance has been outstanding in all phases of our business. Like the other divisions within Mizuho, there was not a lot of time for planning as we left the office on 3/11/2020. We were in the midst of several different projects at that time, and were able to maintain a strong level of focus on those particular items. During the first 90 days of work from home, we saw interest rates move to zero, and we saw volatility in many of our products move to extreme levels, including the energy sector, where we saw WTI print negative pricing for the first time in its history.

ranges across most of the marketplace. Equities is the obvious exception, where a strong bid materialized in the market and pushed us to all-time highs. One of the critical aspects of our business is how closely the Front Office and Sales works with Operations. Having our entire team based in the Chicago area helped us to maintain efficiencies that otherwise would have been more difficult in different time zones and regions. In order for us to sustain normal levels of productivity, it is critical that we maintain a high degree of communication and are very consistent in discussions regarding pipeline clients and new business. The most effective thing that we do as a group is feed off of the positive energy produced by each of our colleagues. This has been a key to our success in the past, and it is imperative that we utilize this strong level of interaction going forward.

5. The ability to spend more time at home has prompted many to explore new hobbies or indulge more in favorite ones. Have you spent your free time differently this past year?

Although it was completely unexpected, and a scenario that I never even dreamed possible, my work from home experience has helped me learn more about me, and changed my thoughts on many different issues. I have four children; 25-year-old triplets, and a 19-year-old college freshman. One of my triplets, my daughter, stayed at home with us during COVID, and my youngest son was finishing his senior year of High School. Along with my wife, the four of us spent a great deal of time together. Due to the demands of busy schedules, activities, work, and life in general prior to COVID, we probably never would have had this opportunity, and I'm tremendously grateful for the amount of time we had to be on our own and adjust to day to day life during quarantine.

There were many different, and very significant social themes that played out during the summer and since. The one thing that I will be eternally grateful for is that I chose to listen much more than speak as we watched and processed these events unfolding. My perspective on issues like Black Lives

and moved to the city, approximately a mile from our office. Our move date was July 8th, which was in the middle of several of the protests held in Chicago, and our new home was very close to the epicenter of many of these protests.

Based on what I had learned from my time listening to my children, my point of view on these demonstrations is different than it might have otherwise been. Equality has a new definition for me today than it did a year ago, and the one real truth that I have taken away from this entire pandemic experience is that you truly never know what tomorrow brings, and regardless of one's age, every day brings an opportunity to learn, evolve, and grow.