

## World Bank Considers Use of Financial Futures

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WASHINGTON — The World Bank is likely to begin using financial futures within a year as part of its financial management package, World Bank treasurer Eugene Rotberg told CNS.

In an interview, Mr. Rotberg said the World Bank staff was studying use of financial futures markets. Staff recommendations probably will be brought to the World Bank's management and executive board within six months, he said.

Mr. Rotberg said it was still too early to say how extensive the bank's involvement will be or what markets will be traded. The chances are "pretty good" the World Bank management and board will approve a plan, he said.

The bank would begin in U.S. dollar markets because of its huge exposure in the dollar, but he noted the bank also has significant holdings of sterling. He said before the bank began trading it would seek approval from the governments involved.

The staff study, he said, was looking at whether the bank should use futures in management of the debt or asset side of its balance sheet. The bank has some \$15 billion in investments around the world, Mr. Rotberg said. Its borrowings in fiscal 1983 were \$10.3 billion and total borrowings outstanding were \$39 billion.

Mr. Rotberg said World Bank trading in futures would be limited to hedging and would not include anything that would "increase our exposure."

He indicated the most likely first step would be the use of U.S. interest rate futures markets. For example, Mr. Rotberg said the World Bank has never taken steps to lock in the interest rate on its borrowings through futures markets.

The Bank also is heavily involved in foreign exchange markets through

currency swaps, but has never "speculated" in currencies, he said. In fiscal 1983, the bank executed 49 currency swaps, primarily exchanging U.S. dollar borrowings for European currencies totaling \$1.731 billion.

The World Bank provides financing to third world countries for development projects. Recently, the Bank has diversified its sources of finance by issuing short-term notes in world markets up to a limit of \$2 billion.