

Ladies and gentlemen,

welcome to LUISS!

By a series of circumstances, the burden of this introductory note has fallen on me.

The Rector of LUISS, Prof. Egidi, who has strongly supported this competition, could not be here today. Also the Director General of LUISS, dr. Celli, who has had the courage and the foresight to fund this event, could not be here today.

LUISS Guido Carli is a young university. A young and seductive university. It is open to smart students, it is open to new ideas, and it is sensitive to new experiences. You are the best evidence that this is true.

This competition has been supported by the title sponsor ENEL, the case sponsors Bloomberg and CC&G (London Stock Exchange Group), and the side sponsor European Investment Bank Institute.

We received the patronage of the Embassy of Canada and the City of Rome. The media partner is Plus 24.

As regards the competition itself, I would like to make a few comments on FOUR words: 1) Rotman, 2) European, 3) Trading, 4) Competition.

1. **Rotman** has made a fantastic job. By Rotman I mean the Rotman School of Management (University of Toronto). The Rotman School of Management is represented here today by Prof. Tom McCurdy (Founding Academic Director of the Rotman Financial Research & Trading Lab) and Kevin Mak (Manager and Chief Architect of the Rotman Interactive Trader). Without them you would not be here today. They invented the Rotman International Trading Competition. Prof. McCurdy theorized and implemented the experience learning approach. Traders must be trained in the same way airplane pilots are trained. On complex aircrafts, flight simulators are used for as much as 90 percent of the training. At the beginning of the last century, the Wright brothers built the first wind tunnel to test a variety of wing shapes. Kevin Mak and his team developed the RIT software, that allows you to test your trading skills. Markets are like oceans: They do not have memory, they do not have pity. When the ocean is smooth, you enjoy the sailing. But when the ocean is rough, sailing gets tough. It is better not to face oceans without good training.
2. **European**. This is my favorite word. I am European. Most of us are European. For Homer, Europe was a mythological queen. For many of us, Europe is home. It is home to an extraordinary mix of people with different cultures, different history, different languages. Seventeen countries are represented here today. There are 27 countries in the European

Union, 17 countries in the euro-zone. But Europe is just one. Distances among our countries can be shortened and events like this can help to compress space and reduce distance, any sort of distance.

3. **Trading.** Trading is the engine that moves the markets all around the world. Finance has a very difficult task: to allocate scarce resources to the most productive and socially useful sectors. Markets continuously examine all the available information and try to scan the future. The price system aggregates the single elements of information that is widely dispersed. It is as if the market were a synthesis tool that continuously interrogates millions of persons on their subjective probabilities and on their risk attitudes, in order to blend the poll's results in the form of prices. Naturally, the more the markets are efficient in processing the available information, the stronger is the signaling power of prices.
4. **Competition.** Competition is a major factor in education. Success is a mixture of skill and good luck. Here we have a level playing field. Each trader, each team, has the same initial endowment and the same goal. The rules are easy and clear. This is a controlled experiment aimed to exalt individual skills. But it is also a place in which to learn from each other's experiences.

Well, I must conclude now. But before concluding, let me thank the LUISS Blue Team: Aldo Ballarini, Alessandro D'Atri, Marco Salerno and Maria Paola Satolli. They have spent uncountable hours organizing this event. Aldo, Alessandro, Marco and Maria Paola, I would like to publicly express to you my deepest gratitude for your extraordinary work.

I am also grateful to Vincenzo Marzetti for his precious advices and concrete help. Many other people have played a part in the development of RETC, but the list is so long that is not possible to mention everyone. The last "thank you" goes to all of you, faculty members and students, who are here today with us. I believe that you will remember this event. And I hope you will come back to LUISS.

And now, please, give a warm welcome, with applause, to Prof. Tom McCurdy.



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