



KATHLEEN HUGHES INTRODUCES THE INITIAL RESULTS OF THE JPMORGAN GLOBAL CASH MANAGEMENT SURVEY 2008.

JPMorgan Asset Management has just received the results of its annual Global Cash Management Survey 2008. It will be the 10th edition of the survey, which has been providing a benchmark for the identification of ongoing cash management trends among treasurers since its launch in 1999.

This year's survey, which has again been compiled with the valuable help of the ACT, looks set to be one of the most comprehensive and informative to date. Once again we received a high number of responses, with more than 300 treasurers from around the world providing their feedback. The strength of international responses helps to make the survey a truly global barometer of cash management trends.

WIDE GEOGRAPHICAL SPREAD Responses have come from a particularly wide geographical spread this year, with many treasurers in the Middle East, Eastern Europe, India and South America as well as North America, Western Europe and Asia Pacific completing the survey. And while the survey continues to represent the views of treasurers from small, medium and large companies, there were a higher number of responses this year from treasurers representing companies with a market capitalisation of below \$500m.

The survey was compiled against a backdrop of rising risk aversion, turmoil on the global credit markets and a developing banking crisis. A look at the initial results suggests the survey will reflect this difficult backdrop, with minimum credit ratings for cash investments continuing to rise and fewer treasurers willing to take credit risk to achieve a higher yield.

CLOSER ANALYSIS However, closer analysis of the full survey results, particularly those given in late September following the bankruptcy of Lehman Brothers, will be needed to draw firm conclusions about how corporate treasurers and the wider cash management industry are reacting to the current challenging market environment.

In general, we expect to see a general flight to quality, with the safety of traditional cash investments, such as bank deposits, coming under greater scrutiny, while demand for government-backed securities is likely to increase. Certainly we expect to see a much greater emphasis than ever before being placed on security, with credit risk minimised wherever possible.

A more comprehensive article on the results of the JPMorgan Global Cash Survey 2008 will be included in the next issue of The Treasurer.

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