BOND TRADERS IN THE EU FEAR FOR JOBS

Bond traders in Europe are worried about their jobs, and they may be right to be. For those of you who are not familiar with the in's and the out's of the international finical system a bond trader lets go back to basics. According to the Motley Fool wiki a bond trader is, "...a professional investor who buys and sells bonds and related debt securities. As listed bonds are traded in million dollar blocks, sizable amounts of capital are needed. Many work for large investment houses." Given that definition you can see why they would be worried, with a finical situation in crisis there are fewer countries and companies that are willing to put a lot of their capitol on ice, let alone in any one single investment. Adding to the general fear is the possibility of the break up of the Euro market. As several nations in the union, most notably nations such as Greece and Italy whose fiscal struggles have made it onto international news, struggle with their own fiscal issues the idea of a default is not completely out of the question. That changes the position of European bond traders radically. You see these bonds used to be seen as a solid investment, as a matter of fact some people actually considered them to be relatively risk-free. Now, most people do not want to trade in them at all. The trades that are going on right now are by appointment only. This is not good news for workers who rely on a stable market for their job, add to that the fact that most of them are specialized in this area, making career changes more difficult. Add in the mass layoffs that are coming from many of the major global finical strongholds and you can see how the issue has compounded to make an almost perfect storm for these traders. Though in some ways it is hard to feel bad for people who have profited from both the boom and the bust of the economy until now. You have to bear in mind that when times were good it was this same segment of the market that helped to facilitate the level of debt that Greece is in currently by allowing them to borrow at an excess rate when they did not have a solid enough backing to do so. Then, when things went bad these same traders were the first ones to sell. Now many major banks have seen a pronounced decline in the amount of trades that they have to execute. Those trades are the primary source of income for most banks and those institutions are not looking to cut their costs. The most obvious of places to cut are those same bond traders. After all, there are fewer trades, and the traders are very well paid. Give that layoffs are the usual response of many companies to a downturn these fears are not at all unfounded. Only time will tell how many of these bond traders lose their jobs, but on a brighter note for the European Union the nations leaders are meeting today to cement their political bonds.