

Kathy Lien

Interviewed by Maud Gilson

"I truly believe that the more you are A-conscious of the existence of a glass ceiling, the more that you will credit your lack of progress on that and the more it will become reality," says Kathy Lien when asked about the limitations her female gender could create.

The young woman, aged only 29 years, is Managing Partner of BKForexAdvisors.com and Director of Currency Research for GFT (Global Forex Trading), where she provides research and analysis. Prior to joining GFT, Kathy was working with FXCM, also she was an Associate at JPMorgan Chase where she worked in Cross Markets and Foreign Exchange Trading. Kathy believes her gender has actually been an advantage in her fast paced career.

She has vast experience within the interbank market using both technical and fundamental analysis to trade FX spot and options. "Trading without being aware of the big stories in the market and the potential event risk is akin to trading with blinders on" explains Kathy, who developed her own fundamental indicators.

In this "Women in Forex" exclusive interview series from FXstreet.com, Kathy Lien tells us about her career, her opinion about being a female in Forex as well as what trading means for her. Kathy's answers are direct and far from any stonewalling tone, as usual.



**My gender has helped me
and made me more recognizable**

www.fxtradermagazine.com

MG: When did you start to work in the Forex market?

KL: I started in the Forex market in 1999, straight out of college at the age of 18. Having traded equities during the tech boom, I knew that trading and not banking was my calling and so I accepted an offer to work for JPMorgan in their Trading department. My first rotation was in Credit Derivative structuring which was “the” place to be at that time and, thank goodness, I didn’t stay because otherwise I would have been partially responsible for the financial crisis!

MG: Where did you move to at that moment?

KL: My second rotation was on the intermarket FX trading desk where my FX career began. I learned about the FX market and forex trading from the inside out by making markets in USD/JPY and the AUD/USD. Then JPMorgan merged with Chase and I moved to the Proprietary Trading desk where I traded instruments including FX spot, options, interest rate derivatives and equity indices. There, I learned discipline, risk control and accountability because each one of my trades was scrutinized from start to finish to ensure that I knew exactly what

I was doing. A few years later, I moved into the research space because I wanted to expand my skill set and share my knowledge.

MG: Then you worked for FXCM and GFT. What made you decide to work with GFT?

KL: GFT gave me a great offer that included the ability to expand my footprint in Singapore and Australia.

MG: Having worked the forex market from the perspective of both an institutional player as well as in the retail market, do you see any difference in the strategies and analysis between the two?

KL: Bank traders trade in very different ways than retail

I love how I can take the biggest stories in the world and turn them into trading opportunities

traders. Usually bank dealers and proprietary traders have the benefit of seeing flow which they can react to while retail traders do not.

My analysis and current trading is very different from my original trading style at JPMorgan because I do not have the benefit of flow and have therefore developed strategies that are rooted in

analysis.

MG: What fascinates you in the Forex market?

KL: What I love the most about the forex market is that it never gets boring! There is always something going on and something to trade. I also love how I can take the biggest stories in the world and turn them into trading opportunities.

MG: You are known for a trading theory that works on a “fusion of fundamental and technical analysis” - you use fundamentals to get into positions and technicals to follow through and exit? Can you tell us how you came upon it?

KL: It took me a number of years to develop the trading style that I currently employ. Having worked on developing automated trading products in the past, I know from experience that robots do not work long term. It is important to have a systematic way of trading to create discipline but it is also important to be dynamic because markets change on a daily basis. Fundamentals are extremely important and trading without being aware of the big stories in the market and the potential event risk is akin to trading with blinders on.

MG: You seem to have knack for finding useful new fundamental indicators, like the lesser-known New Zealand credit card spending numbers. How do you look for these?

KL: Yes, my unique edge is my ability to predict economic surprises and capitalize on them. I spent many years creating a proprietary database of economic data and their leading indicators. One of my favorites is the employment component of non-manufacturing ISM and Non-farm payrolls.

MG: You've met many women who have seen great success in finance and banking. How would you define the pinnacle of success for a women in finance?

KL: In the areas of finance and banking, reaching a VP [Vice-President] or MD [Managing Director] level at a bank is considered the pinnacle of success for women in finance. I worked for a female MD and have plenty of female friends who are currently VPs at banks.

MG: Do you think many women run into gender problems in male-dominated workplaces?

KL: If you act like there is glass

ceiling in the workplace, there will be a glass ceiling. This may sound harsh, but I truly believe that the more you are A-conscious of the existence of a glass ceiling, the more that you will credit your lack of progress on that and the more it will become reality. It is all about perception.

MG: So you never felt you had to struggle to find your place and recognition from your peers?

Women should use their gender to their advantage especially as many banks are required to have some degree of balance

KL: At JPMorgan, I worked for the youngest ever female Managing Director in Credit Derivatives who broke barriers herself and a glass ceiling was never something I even considered being a stumbling block to my career. On the proprietary trading desk, I also worked for another female MD. In many ways, I feel that my gender has actually helped me. For example, there is a significant amount of male forex strategists and economists but only a handful of females. As a result, my gender makes me more recognizable. I believe that women should use their gender to their advantage especially as many banks are required to have some

degree of balance between female and male upper management.

MG: How do you think women fare in the competitive world of finance?

KL: I think this depends on the person. Some women may be more competitive, others more cooperative. For example, Raghee [Horner] and I have a very friendly relationship.

MG: Some say women have certain qualities that make them better traders (risk aversion, patience and a tendency to thoroughly learn before trading). Do

you agree?

KL: Yes, I completely agree. Boris Schlossberg and I trade together and he will attest that I am far more disciplined and methodical whereas he is more instinctive.

PROFILE: Kathy Lien

- Current Job: Director of Currency Research at GFT
- Career: More than 10 years in the FX Market
- Age: 29