

## TRADING PLACES

		Entertainment (10%)	Nightlife (10%)	Real Estate (10%)	Recreation (10%)	Weather (10%)	Taxes (20%)	Trading Infrastructure (20%)	Access to Capital (5%)	Time Zone (5%)	TOTAL	THE SKINNY
1	Chicago	8	9	6	8	4	15	20	5	3	78	Fire your shots from the commodities world's front lines or from a swank, affordable penthouse — then sit by the lake and watch the world go by.
2	London	10	9	1	7	5	12	20	5	5	74	If you can make your mortgage payment here, you can make it anywhere.
3	New York	10	10	3	7	5	8	20	5	4	72	A deadly tax trifecta: federal, state and city income levies — and real estate is insane. On the upside: almost everything else.
4	Dubai	3	6	8	5	5	20	14	3	3	67	Has no personal taxes whatsoever — no income tax, no capital-gains tax — and gets an average of one day of rain a month. Did we mention no taxes?
5	Miami	7	9	7	9	6	16	5	4	4	67	Virtually no infrastructure, but poolside trading, an endless supply of gorgeous models — and enough nightlife to amuse even Pacino in <i>Scarface</i> .
6	Boston	6	5	6	8	6	13	15	3	4	66	Good in nearly everything, great in nothing — although the world's longest golf course is within driving distance.
7	Dublin	6	7	4	8	4	14	14	4	5	66	Wall Street on the River Liffey. The weather might be a bit dodgy, but may success (and stout) also rain down upon thee.
8	Los Angeles	9	10	3	10	6	10	11	4	3	66	Early to rise — but then early to the golf course or the beach. The town, in case you hadn't heard, also has a bit of nightlife.
9	Toronto	7	6	7	8	4	11	15	4	4	66	Clean, tech-centric, fun, inexpensive, full of almost comically friendly, agreeable sorts and lots of dough — O Canada!
10	São Paulo, Brazil	4	9	6	7	7	17	10	2	3	65	The Chicago of Latin America — with far more beautiful women.
11	Denver	5	5	9	10	7	13	10	2	3	64	Perpetual sunshine? Check. Epic skiing? Check. Affordable real estate? Check. Clearing firms? Umm...
12	Hong Kong	6	8	1	5	4	17	15	4	3	63	Playing with an Asian tiger till you drop sounds like fun. Too bad even seven-figure earners struggle to find places to rest that weary head.
13	Las Vegas	10	10	9	7	4	16	0	2	3	61	By one count, Sin City has 123 gambling venues — an example of the lifestyle factors that helped it score surprisingly well. (See "Vegas Draw," page 83.)
14	San Diego	5	8	7	10	8	10	8	2	3	61	Surfing, swimming and near-perfect weather. If only the old Pacific Exchange were still open.
15	San Francisco	7	7	4	8	6	10	12	4	3	61	We left our hearts there, too — along with all our cash to cover our mortgage.
16	Atlanta	6	8	6	8	5	12	8	3	4	60	A big city for banking and big business (Coca-Cola, Home Depot). Less a big city for trading. Even so, Hotlanta sure beats Birmingham.
17	Grand Cayman	0	6	5	7	5	20	10	4	3	60	Absolutely, positively nothing to do... but lounge on a beach, scuba-dive and count your ridiculous tax savings. Damn.
18	Palm Beach, FL	2	6	8	9	4	16	7	4	4	60	Absolutely, positively nothing to do... but hang out with your rich grandma, play golf and wonder what your friends in Miami are doing. Damn.
19	Greenwich, CT	1	5	6	6	4	13	15	5	4	59	Take 10 steps forward. Look around. You just passed 54 hedge funds. If only you could find a decent bar here so easily.
20	Mexico City	5	3	9	4	6	17	10	2	3	59	Trade your box in Manhattan for a palace in the D.F. Plus, with the money you'll save on taxes, you can open your own nightclub.
21	Buenos Aires	6	7	8	6	6	14	7	1	3	58	Was once the belle of South America, but Argentina's economic collapse has undercut B.A. as a trading center. Access to capital is near nonexistent.
22	Calgary	5	6	8	8	3	12	10	3	3	58	Ski near your fabulous house and be happy, or curse the fact that you'll be wearing a parka nine months a year. Your choice.
23	Houston	5	7	8	5	3	16	8	3	3	58	John Arnold has kept Texas's biggest city relevant in traderland. Those extra dollars you'll save in taxes will get a bit wrinkly in all that humidity.
24	Montreal	8	7	10	6	3	8	10	2	4	58	You can get a lot of square footage. The nightlife is underrated. And there's a special trader-friendly tax zone. Just be sure your French is up to snuff.
25	Philadelphia	6	7	5	6	4	11	12	3	4	58	The PHLX keeps the flag planted for Philly. But high taxes spell little affection for traders in the City of Brotherly Love.

### OUR METHODOLOGY

TO EVALUATE AND RANK the top trading cities, we collected an extensive amount of data from numerous sources, including (but not limited to) existing surveys, Web sites, phone interviews with people on the ground and a variety of published reports. Category-by-category methodology is listed below. We consulted local experts when specific applicable data were not available or when doing so could help explain quantitative outliers. **ENTERTAINMENT (0-10)** We used the number of live-music venues per city as an overall proxy, with professional sports, gambling and other criteria included as modifiers. **NIGHTLIFE (0-10)** We determined this score by combining the ranking for an area's total number of restaurants with that for its restaurants per capita, using other databases and lists of bars and clubs as modifiers. **REAL ESTATE (0-10)** Based on the approximate price per square foot of high-end real estate in each city and additional subjective criteria, including the desirability of overall housing inventory; we determined the approximate purchase price per square foot primarily by examining data from international real-estate brokerage surveys and a residential-property research report. We collected all additional data from local real-estate brokers and agents, and published reports. If data for a particular city were not available, we included anecdotal sources. **RECREATION (0-10)** We based the total score on the number of golf courses, with scoring considerations for proximity to mountains and bodies of water, as well as other outdoor activities. For all U.S. cities, we tabulated the number of golf courses within a 20-mile radius of the city's center. For international cities, we used a larger radius of between 40 and 60 miles. We created a per-capita ranking and assigned a value to each city. **WEATHER (0-10)** Based on the average monthly temperature in each city, a humidity measurement, the amount of air pollution and additional subjective criteria. Weather data do not take into



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26	Sydney	8	7	6	10	5	5	12	3	2	58	Insane surfing. But if you want to catch a good market, you'll have to wake up earlier or put off those dinner plans for a few hours.
27	Tokyo	8	10	3	5	5	4	15	5	3	58	Concrete jungle by day. Dazzling, glittery party central at night. Who needs disposable income, anyway?
28	Minneapolis	5	6	8	9	5	11	8	2	3	57	It's cold — very cold. And not just the weather. Aside from the Minneapolis exchange, home of the wheat contract, there's just no trading heat.
29	Zurich	4	7	5	5	4	12	12	4	4	57	Those bank-secrecy laws are great, but do the golf courses really have to be so well-hidden, too?
30	Cape Town, South Africa	5	5	5	10	6	11	7	2	4	55	The city's Basculé Bar has the largest whiskey collection south of the equator — so you'll have something to imbibe while bemoaning the lack of resources.
31	Hamilton, Bermuda	0	3	4	8	6	20	7	4	3	55	If the pristine beaches don't bring tears of joy to your eyes, the relaxed tax laws certainly will.
32	Nassau, Bahamas	2	3	7	8	6	20	5	1	3	55	Financial titans such as John Templeton have long decided to base down here, mostly for tax reasons. Also for the drinks with little umbrellas.
33	Singapore	3	2	5	5	5	17	10	4	3	54	The Singapore Exchange is a round-trip connection to every conceivable Asian market — and the city-state has no capital-gains tax.
34	Paris	9	9	3	4	5	4	12	3	4	53	Oui, the restaurants and clubs are all you'd expect, but good luck trying to find that perfect home — or escaping that socialist taxation.
35	Rome	7	8	3	6	5	8	9	3	4	53	Celebrating a great trade with equally great food and wine is an Eternal City treat; just be prepared to render unto Caesar in the morning.
36	Geneva	3	6	3	5	5	14	8	4	4	52	Offers tidy scenery, money-friendly laws and the cachet of having a Swiss bank account — but it's slumber-inducing for action junkies.
37	Honolulu	3	6	6	10	7	11	6	2	1	52	It's a five-hour flight to anywhere — a horrible time zone from which to play the markets. But such is life in paradise.
38	Kansas City, MO	4	5	9	5	4	12	8	2	3	52	Purchase a mansion cheap and play the grains. Just steel yourself for when things get a little slow after dark.
39	Madrid	7	8	6	4	7	6	6	3	4	51	Wrestling with the bulls takes on a whole new meaning in this Iberian financial center — yet it offers little trading infrastructure.
40	Shanghai	6	6	8	3	4	5	13	3	3	51	One of the most polluted cities in the world — but Wild West-style capitalism is exploding all over.
41	Frankfurt	3	6	6	1	4	11	12	3	4	50	The mighty head of Germany's banking industry is home to the Frankfurt Stock Exchange . . . and a soul-crushing lack of recreation.
42	Vancouver	4	7	7	10	3	8	5	3	3	50	Mountains-and-water backdrops mean real estate ripe for the picking, but this Pacific Rim port doesn't host many traders.
43	Gibraltar	2	4	5	4	4	18	5	3	4	49	Most traders are able to set up shop on the Rock and qualify for a big tax break. As to what they do once they're there . . . ?
44	Washington, D.C.	5	4	6	8	4	11	5	2	4	49	It's the political action (and the blazing summers) that make people here sweat. Still, the parks and greenery should soothe any jangled nerves.
45	St. Thomas, USVI	0	6	5	6	6	16	3	2	4	48	Another tax haven with tropical climes and ocean views — and almost nothing of anything else.
46	Mumbai	1	2	7	3	2	17	10	2	3	47	Lots of lows in this burgeoning financial powerhouse: the dearth of entertainment options and the utter lack of non-super-humid days, to name two.
47	Lisbon	4	5	5	7	7	9	3	1	5	46	Soak up all that beautiful Mediterranean sun as you desperately try to access any sort of capital.
48	Moscow	5	6	2	1	2	18	5	2	3	44	Freezing, expensive and about as pretty as a Soviet-era sedan — downsides mitigated (somewhat) by low taxes and Wild West opportunity.
49	Amsterdam	6	7	3	6	4	2	7	2	3	40	Plenty of quasi-legal entertainment, the better in which to drown your sorrows after the state takes a hefty chunk of your profits.
50	Stockholm	4	8	4	5	3	0	7	2	4	37	Minus: frigid winters, Ikea furniture and an account-sucking tax rate. Pluses: beautiful people — and not much else. (See "Stockholm Syndrome," page 84.)

account natural disasters such as hurricanes, earthquakes and floods. We based monthly temperature scores on the mean temperatures of each city during January and July, and the absolute difference of those mean temperatures from 72 degrees Fahrenheit. **TAXES (0-20)** Based on the approximate tax burden on a taxable personal income of \$500,000, with extra points given to cities with trader-friendly tax policies; we used the marginal income-tax rates applicable for each city. We deemed the hypothetical taxpayer single, a resident in most cases and without dependents. Sources for the marginal rates included professional tax publications and various public tax-information resources. We excluded miscellaneous items such as deductions, exemptions, Social Security and insurance from our calculations. Where we used international exchange calculations, we applied international exchange rates from April 27, 2007, in most cases. **TRADING INFRASTRUCTURE (0-20)** We based the total score on the approximate number of exchanges and financial-services firms, and additional subjective criteria. We gave some weight to cities considered financial hubs or international economic centers. **ACCESS TO CAPITAL (0-5)** We used local wealth as a proxy — a figure derived from income per capita, GDP per city, third-party city-income rankings and additional subjective criteria. We also used a weighting measure that considered GDP per city and third-party city-income rankings. **TIME ZONE (0-5)** We based the total score on the location of each city relative to three pre-selected economic trading centers: London, New York and Hong Kong/Shanghai, employing some additional subjective criteria. We assigned progressively less weight to those three selected economic zones in the order in which they're listed here. We evaluated and ranked the remaining cities according to average time-zone proximity to those three zones, with slight additional weighting given to cities located closer to the two Western economic centers.