SERGE: The mill

The whole world is deranged, though most people haven't noticed yet. Everything still looks normal, but when he breathes in Serge can detect it, a faint whiff of madness in the air. It's 8 a.m. on Monday 1st September 2008, the London Stock Exchange has just opened and, all around him, the traders are already getting stuck in.

The trading floor at Finance and Trading Consolidated Alliance resembles a vast money-mill where profits are turned on an industrial scale. The cavernous hall, with its six long face-to-face rows of desks, seats some hundred people, and on each desk a bank of flickering monitors registers minute by minute the restless surge and fall of the markets. The windows are darkened, so that sunlight never bleaches out the monitors, and the ceiling is high enough to absorb the industrious hum of talking and keyboards clicking as trades are made. But in spite of this the air inside has a dead quality, a scorched sulphurous taint of hot plastic from hardware that has been running non-stop ever since it was installed, because to pause or switch off even for a moment would be a moment in which you weren't making money.

Along two sides of the floor are several glass-walled offices for the team leaders. The corner office at the far end of the north side is used by the quants who service the Securitisation desk, reflecting their importance within the corporate hierarchy. The quantitative analysts are the six guys and one girl who are supposed to be able to take the riskiness out of risk with the wizardry of mathematics.

The one girl is Maroushka. From his desk, Serge can see her through the open door, swinging back in the swivel chair, feet up on the table, mobile phone pressed to her ear. No shoes. No tights. Her toenails bling-bling like rubies. She's talking in that outlandish bubbly language of hers, and he finds himself listening when he should be concentrating on the data on his screens. He's never composed poetry before, but then he's never felt so inspired.

Princess Maroushka!
Hear the song of Serge!
Let our destinies converge
On this . . . something-something . . .
Green and sunny? Dark satanic . . . verge.

'Hey, Sergei!' She sees him watching and wiggles four fingers in his direction.

He leans in the doorway. 'Hey, beautiful princess from Zh –' Where did she say she comes from? 'Did you enjoy your birthday on Friday?'

'Very good, thank you. You okay? I think you have been very much drunk. You have fallen on floor.'

'Yeah. I got a bit wasted. But it was worth it to see you dancing on the table.'

'It was folk dance of my country. In Zhytomyr is normal behaviour on birthday.' She blows a kiss and turns away to re-engage with her phone call.

'You should put that thing away. You'll get into trouble if Timo sees you.'

'Why for?'

Her legs are smooth and creamy pale, crossed at the ankles, the calves swelling where they touch, the curved contour of her knees blurring into shadow under the hem of her pale-apricot skirt. D&G? Versace? The perfume she wears is earthy, musky, slightly feral – it borders on the repellent but is in fact incredibly arousing.

'You're not supposed to use your personal mobile in here.'

'Not suppose?' She arches an eyebrow. 'In my country is normal, everybody is doing it.'

'It's a security thing? Because they have to keep a record of all phone calls. Insider trading and all that?' He leans in the doorway, his hands casually in his pockets. Does she realise how cool he is, beneath his ironically geekish exterior?

'I no trading. I calling my poor mother in Zhytomyr. She has breast operation.'

'Oh, I'm sorry.'

'Why you sorry?' She wrinkles her delectable brow.

'I mean, most people make a good recovery.' Serge burbles on, 'The success rate has improved dramatically . . . ' He's struggling to sound wise and
reassuring on the basis of zero knowledge. 'But still, it must be a worrying
time for her . . . for you both . . . waiting to see if it'll recur –'

'No recur. Too expensive,' she pouts. Her cute little button nose tilts up.

'You don't have free medical treatment in . . . your country?'

'Ofcoss we have it. But only not for breast operation.'

Timo Jääskeläinen is moving towards them between the rows of desks,
humming quietly to himself. Serge winks a warning and she slips the phone
back in her bag. Timo Jääskeläinen is the Securitisation desk Vice-Principal, a
softly spoken Finn with a big nose, perfect teeth, and a hundred grand's
worth of Porsche in the basement car park. He sings tenor in an a cappella
quartet on Saturdays, and goes back to Helsinki once a month to visit his
mother. They call him Tim the Finn.

'Having problems?' He looms in the office doorway, baring his teeth, though
he's obviously not smiling. He's wearing some strong kind of aftershave that
smells of aniseed and benzene lighter fuel. 'Did I see you using your mobile
phone, Maroushka?'

'She's phoning her mother in . . . er . . .' Serge says quickly. 'She's got breast
cancer.'

'Ah. Okay.' He tries to look sympathetic, but it doesn't come naturally to him.
'Next time, you do it outside the building, please. Not in here. If people start
to use their personal mobile phones, the trading floor integrity is
compromised. You understand?'

Timo sidles off towards the loos. Rumour has it that he has prostate trouble.
Maroushka takes the phone out of her bag again and turns towards Serge.

'Why for you talking like this, Serge? Cancer! What cancer? You have too
nihilistic view on life.'

'I thought you said she'd had a breast operation.'

'Yes, make nice big breast. Men like it.'

'Oh, I see.'

Serge too spoke to his mother on the phone recently, though not about breast
enlargement. She called him on his mobile as he was rushing for the tube, to
say could they meet up because she had something important to tell him? So he had to think on his feet.

'Sorry, Mum. I'm going to be in London for a while, working on . . . er . . . a special project with . . . er . . . some guys from Imperial College.'

'How fascinating. You must tell me more when we meet. I'm at a bit of a loose end now Oolie-Anna's got a job. It'll be a lovely excuse for a trip down to London.'

The thing is, his parents think he's still living in Cambridge. He hasn't yet dared to inform them about his new job. Most normal parents, you'd think, would be pleased to have a son not yet thirty and earning ninety grand a year. But not Doro and Marcus. They'd consider it the ultimate betrayal of his ideals, meaning their ideals, because Serge doesn't claim to have any ideals – apart from a vague general sense of goodwill towards mankind. And womankind. Especially Maroushka.

Zoom in for close-up: Maroushka Malko, just turned twenty-eight years old, beautiful, cherished only daughter of distinguished academics (yes, they've already swapped some personal information but, as yet, no body fluids), graduate cum laude from the prestigious European university of Zh – . . . wherever. Enrolled for a PhD in maths at University College London, paying her way through her course. Started working for an office cleaning agency, until someone at FATCA discovered her mathematical talent, and she was given a temporary place among the quants.

Pan out to: Serge Free, almost twenty-nine years old, Cambridge educated, handsome . . . well, attractive . . . well, attractive if you're attracted to small skinny men with Buddy Holly glasses and a wonky smile (which she hopefully soon will be). Neglected son of hippy lefties, survivor of Solidarity Hall, the commune in South Yorkshire where he grew up with a floating population of adults, children and various pets alive and dead.

Despite these superficial differences, when you think about it (as he regularly does), he and Maroushka have quite a lot in common. They both joined FATCA just over a year ago. They're both mathematicians, they both work on risk-based derivatives, they're both clever. So it stands to reason they should hit it off. When you think about it, not many couples could share the Fibonacci code or the Gaussian copula for pillow talk. Of course there are some things about his past he will never be able to tell her: how the morning clothes scramble at Solidarity Hall kick-started his passion for fashion; how his early exposure to unpredictability primed his addiction to risk. Though maybe Maroushka would understand because, for all the quants at FATCA, risk is their raison d'être, their ambrosia, their drug of choice.
Since last year's credit crunch and the collapse of Northern Rock, a new level of uncertainty has underpinned their game. You can't turn on the TV without seeing panicky politicians advising the public not to panic, and jumped-up experts, wise after the event, explaining that formerly staid building societies had reinvented themselves as casino PLCs and started lending wildly to the wrong kind of people – people who didn't have a job, or who lied about their income, or who were already up to their ears in debt. People who shouldn't have been offered mortgages in the first place, except that the banks were awash with money, and it had to go somewhere.

And if you bundled together the middle-aged schoolteachers and strictly private dentists with the unemployed single parents and moonlighting plasterers, then sliced the bundles into high-, medium- and low-risk tranches, you could persuade the credit rating agencies like Fitch, Moody's and Standard & Poor's to award the top tranches a triple A. After all, even though the risk is pretty high that there'll be one or two defaults on those NINJA mortgages (No Income No Job No Assets – what the hell did they expect?) they're not all going to default, are they?

He smiles. It's at times like this that you need a sense of irony.

People are so stupid. They don't understand about risk. They let themselves be dazzled by returns of 7 per cent, 8 per cent, 9 per cent. Whoever is going to pay you that kind of money unless there's a reason? Then the Government started laying down the law, saying it wasn't their job to bail out reckless gamblers. Too right. But they bailed them out anyway, because they realised they had no choice. As Chicken so brilliantly put it, 'If I owe the bank £10,000, I've got problems. But if I owe it £10 million, the bank's got problems. Ha ha.'

What happens now? Nobody knows, and that's why everybody's so jittery. He sees the fear in his colleagues' eyes each morning as they huddle together for a meeting in their offices at the side of the trading floor, trying to analyse the threats, like rabbits bunching together in their cage while the fox is on the prowl. Are the markets on a bender? Should they be selling short or buying long? What will happen to their compensation? Even Maroushka's rattled, though she doesn't let it show.

The thing is, Maroushka thinks she's cleverer than him. In fact, she thinks she's cleverer than virtually everybody. Last year, her comp was bigger, it's true. But that's because she was working with the CDO team on that lucky deal with Paribas. Most of the time they're neck and neck, pitted against each other and against every quant in every deregulated bank in the financialised world, in an escalating race to find the definitive whiz-bang algorithm for the ultimate whiz-bang risk-free investment to yield infinite wealth, the magic philosopher's stone of our monetised age: unlimited upside.
When she was new, the guys on the floor – especially those who'd known her in the office-cleaner days – used to make comments about her tits, tried to grab, generally horsed about, but she floated above it all on a cloud of disdain. Rumours went around that she was a self-educated mathematical genius, that she'd arrived in London not speaking a word of English and taught herself by reading Sherlock Holmes, that she was an underwear model, that she was a spy. She even went out with a couple of the traders once or twice, but there was never any of the usual gossip afterwards about what she was like, what she did in bed, what lurked beneath those skin-skimming designer outfits. Not a peep. Silence.

Seeing her let her hair down on Friday night at her birthday party was a revelation. They were all in a restaurant in the West End, a classy little joint off Haymarket with antique furniture, an incomprehensible menu and a wine list that started at £50 and ended at £3,000. She was the only girl there, of the seven of them; she must be used to that by now. She could certainly hold her own when it came to eating and drinking. It was incredible to watch someone so skinny putting away such quantities – where did it all go? They were in a private room and, once they'd got past dessert, the cognac and vodka started to flow. All of a sudden she kicked her shoes off and jumped up on the table and started spinning round in her bare feet, red toenails flashing on the white tablecloth, carefully stepping between the plates and glasses, clapping her hands and singing, or more like chanting, in her strange deep-throat language. Then the two French guys on their team got up and joined in, an old Carla Bruni number, and soon they were all dancing and singing and smashing glasses over their shoulders. Maybe a bit of other damage too. Unfortunately, as he started showing off his moonwalk moves, he put his foot on an empty bottle that was rolling on the floor and slid backwards, putting his head through an oil painting on the wall as he went down. When he came to, everyone else had left, apart from a couple of worried-looking waitresses, who bundled him into a taxi as soon as he could stand up.

What happened next? He's forgotten.

It was one of those unforgettable nights.

He catches her eye through the glass wall and blows her a kiss; she looks away, but he gets a quick glimpse of a smile. What would it be like, he wonders, to take her back to Doncaster, to introduce her to his parents, Marcus and Doro? Hm. Possibly a bit awkward at first.

He'll have to prepare the ground carefully. One slight problem is that he hasn't actually told his parents yet that he's packed in his maths PhD at Cambridge, and is working as a quantitative analyst for the UK branch of an
international investment bank. And earning . . . well, quite a lot more than they ever did. When he meets up with Doro tomorrow, he'll tell her.

Yes, he'll definitely do it tomorrow.