

## Hedge Funds, Trading Houses Picking Off Disgruntled Commodity Traders

With large banks cutting commodities trading operations, top performing traders are finding jobs at hedge funds and other trading houses. But they face big culture changes at their new employers.

(eFinancialCareers.com, 3/22/13, excerpt)

Among the hirers is London-based Marex Spectron, which is expanding in the U.S. and Asia. The commodities futures brokerage house **made three senior hires recently**, and anticipates increasing headcount in Singapore from 18 to 40. The 600-person firm will hire another **10 percent to 20 percent** globally, according Chief Executive John Wall, who joined the firm after leaving UBS in 2011. Golden-Agri Resources has also been **adding traders**. The firm recruited a five-person team from trading giant Cargill earlier this year. Geneva-based Mercuria Energy Group has been active, poaching **two big names** from Barclays and Morgan Stanley in recent months. Europe's second biggest hedge fund, Brevan Howard, has been taking advantage of the cutbacks of bulge bracket banks, **hiring traders in commodities and other units**. The U.K.'s Arbuthnot Latham is set to launch a commodities trading desk for its private clients and is hiring.

Danish energy- trading company Neas Energy hired five traders in February. The firm also **poached** Jesper Johanson from Deutsche Bank just this week to head its short-term buying and selling of power.

Smaller firms picking up traders from the big boys "aren't subject to tougher banking regulations and are permitted greater latitude in commodity derivatives trading because they have physical positions to hedge," said [George Stein](#), managing director of New York-based

[Commodity Talent](#).

Moreover, commodity traders and portfolio managers enjoy the meritocracy of hedge funds and trading



houses, said [Stein](#). If you lose your job, it's because you – or your firm – failed to generate revenue. Big banks, on the other hand, have eliminated entire commodity trading groups just to abide by strict capital requirements. "Career stability is becoming more important to the seasoned traders as the boom and bust cycle on Wall Street has disrupted careers and even lifestyles," Stein said.

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These firms are taking advantage of the layoffs going on at bulge bracket banks. Commodities trading headcount at large banks **declined by nearly 6% last year**, according research firm Coalition, with firms like Goldman Sachs, J.P. Morgan and Morgan Stanley cutting middling commodities staffers while offering top performing fewer opportunities to make great money. Other firms – like Deutsche Bank, UBS and Bank of America – have **completely walked away** from some commodities trading activities. Job postings for the commodities sector were **down 60%** on eFinancialCareers in 2012.

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### Pigeon-Holed

Commodities staffers, particularly traders, often struggle to find work outside of their trained profession. If you get laid off from a large bank, and hedge funds or trading houses won’t have you, the job market may be unforgiving, recruiters note.

For more, please visit:

<http://news.efinancialcareers.com/us-en/137303/hedge-funds-trading-houses-picking-off-disgruntled-commodity-traders/>

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