COMMODITY TALENT LLC

Commodity Hiring Cuts at Big Banks May Be Ending: Stein

(Bloomberg, Oct. 24, 2013) – Some of the world's biggest banks are planning to increase hiring in their commodities businesses in 2014 after regulatory changes and trading losses led to departures, according to recruiter George Stein.

"We're at the bottom now. There will be some hiring in 2014. Some bulge bracket banks are increasing headcount in commodities in limited ways," said George Stein, Managing Director at New York-based Commodity Talent LLC. "Some banks are still cutting back in commodities. There are always mixed signals at a turning point."

The emphasis is on client-facing business, as opposed to proprietary trading, with sales, market-making and finance skills most in demand, Stein, managing director of New York-based Commodity Talent LLC, said in an interview in London today. Commodities staff may increase by about 10 percent at some so-called bulge-bracket firms, after "massive" cuts in the past two-to-three years, he said.

Revenue from raw materials at the 10 biggest investment banks fell 20 percent in the first half, according to analytics company Coalition. JPMorgan Chase & Co. said it plans to exit owning and trading physical commodities, and Morgan Stanley held talks last year with Qatar's sovereign-wealth fund about selling a stake in its raw-materials division.

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Some smaller banks are expanding in commodities as some of the biggest lenders retreat. ABN Amro Group NV plans to build a metals-brokerage business in London and Singapore in 2014, Jan Maarten Mulder, global head of commodities, said in an Oct. 7 interview. Russia's VTB Capital said this month it may expand into industrial-metals trading next year and Brazil's Grupo BTG Pactual entered commodities this year.

Deutsche Bank AG fired 10 to 12 European power and natural gas traders in London in December last year as it cut staff trading physical commodities, two people with knowledge of the matter said in February.

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