

WALL ST. BANKS OFFER HUGE BONUSES AGAIN TO TRADERS IN HIRING SPREE**OPIS Alerts 2009-09-16 12:22:34 EDT**

The recruitment drive for energy traders at banks and marketing personnel at the wholesale and retail levels is back on track after a hiring freeze that lasted from late 2008 to the middle of this year, energy personnel recruiters told OPIS on Wednesday.

However, the hiring of traders at the refineries remains stuck at neutral gear due to poor refining margins.

Most companies and banks are lured back into the commodities markets by the strong rebound in oil and commodities prices since the beginning of this year, and some are looking for replacements for the positions that were vacated late last year. This could also point to a potentially greater flow of funds from financial institutions into the commodities market in the longer run.

Banks are still offering huge annual bonuses for the current year, but multi-year guaranteed bonuses for "star traders" or team leaders are less common now.

"Banks are now scrambling to fill holes on their trading desks for oil, metals, coal, agricultural products and commodity indexes," said [George Stein](#), managing director of New York-based [Commodity Talent LLC](#).

"Our clients are moving ahead with multiple searches on an urgent basis," he added.

Stein said that the hiring spree of traders was spurred by a "pent-up demand."

The list of banks looking for energy traders includes Citi Group, Merrill Lynch, Deutsche Bank, Barclays, Societe Generale, Standard Chartered and Credit Suisse.

OPIS noted that most of these banks are hiring paper or derivatives traders. There are only a few banks that engage in physical trading.

OPIS reported recently that JP Morgan has hired a veteran trader to build a physical products trading team from the ground up, and Fortis Nederland is looking for paper traders in New York.

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Banks are pushing to hire quickly before the year-end to avoid a delay as bankers typically have to adhere to a non-compete, three-month garden leave.

Also, potential candidates may choose to wait until they receive their 2009 bonuses in the first quarter of next week before deciding on a move to another company. That could push the official hiring date to the middle of next year.

In order to motivate these traders to move, the bonus guarantees of greater than \$1 million have returned to Wall Street commodities traders, especially traders with high-profile and strong track records, late this hiring season, Stein said.

Star traders are once again receiving guarantees for 2009 even though they are essentially working for less than a quarter.

However, the multi-year bonus guarantees for select traders are less common.

Wall Street banks came to the conclusion that the commodities sector was not the problem during the economic crisis, but a part of the solution to bring the big banks back to profitability, Stein said.

During the economic crisis, most commodities units on Wall Street avoided the blow-out that shattered the fixed-income trading and investments.

Another energy personnel recruiter said that there has been a significant increase in hiring for marketing and supply personnel at the wholesale and retail companies as profitability improves in the past few months.

This is a stark contrast to the inactivity seen in the end of last year and earlier this year, he said.

However, recruiting activity of traders at refineries was seen mostly quiet, partly due to a squeeze in refining margins and weak product demand.

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