
Deutsche Bank and Stencor forge trading alliance in steel derivatives

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Deutsche Bank, a leading global investment bank and Stencor, the world's largest independent steel trader, have forged a strategic alliance to trade financial steel products.

The two organizations will offer hedging services to their combined client base via Deutsche Bank's sales and trading teams. The agreement creates the world's strongest financial steel product offering, putting Deutsche Bank's acknowledged expertise in commodity market making, financial trading and broking together with Stencor's global presence in physical steel trading.

The alliance, which will be managed by Mr Ray Key, Global Head of Metals Trading at Deutsche Bank and Mr Jean-Luc Fiorenzoni, Director of Stencor Risk Management, covers steel products and raw materials for making steel. Deutsche Bank and Stencor are developing a business model that will leverage the skills of both parties and offer clients a structured approach to price risk management.

Mr Ray Key said "This agreement is another initiative to build upon our diverse metals platform. While Deutsche Bank is already a leader in the LME and CME steel contracts, as well as the OTC iron ore swap, the alliance with Stencor expands our product offering. Clients will benefit from the synergy between the bank's financial expertise and Stencor's in depth knowledge of the physical steel market."

Mr Jean-Luc Fiorenzoni added "We are marrying together a world leader in commodity trading and the leading steel trader with nearly 60 years' experience in meeting the critical needs of the steel supply chain. The extremes of the past year have proved how volatile steel prices can be. Using a range of derivative tools, such as exchange traded futures and OTC swaps, our aim is to offer solutions for mitigating risk exposures and protecting operating margins".

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