

## Credit Suisse

European Coal House of the Year

**EnergyRisk**  
Awards 2010

**C**redit Suisse is the winner of *Energy Risk's European Coal House of the Year*. Over 2009, it not only strengthened its business after building it up from scratch just three years ago, but proved itself as one of the main coal market-makers, firmly placed as a leading light for coal-related derivatives trading.

Coming top in all the coal categories in *Energy Risk's* 2010 Commodity Rankings, Credit Suisse attributes its success to its ability to offer tailored financing, options and derivatives trading and market intelligence over the whole coal value chain for the wide range of clients it has brought to the market.

At the beginning of 2009, liquidity dried up in the coal markets, as it did in the freight and metals spaces, as industrial production waned across the globe. With liquidity hampered, many large funds left the market, but Credit Suisse, which prides itself on its long-standing and strong contact with clients, managed to inject much-needed liquidity into the European markets by remaining a robust and active player.

Credit Suisse says that it has the ability to do this by capitalising on its companywide strategy that no matter what desk it is servicing clients from – in this case coal – all other sides, such as investment banking and research, will co-ordinate efforts as one group.

“If you look at our coal business, the strength of coverage across each sector – whether it's utility, mining company, discretionary hedge fund, pension fund, the financing of new projects – this is all co-ordinated out of one group,” says Alexander Toone, head of commodities for Asia Pacific, who until recently was

head of commodities sales at Credit Suisse, based in London. “This has made us stand out and has helped us provide liquidity and information to clients.”

Credit Suisse's alliance with physical commodities house Glencore has also been pivotal in its coal offering ability.

“We make our research available to our core clients, which gives them a complete picture of the coal market landscape,” says Meindert Witteveen, head of European energy and bulk commodities at Credit Suisse. “The clients are given the ability to see what we see; from what the traders see in the markets everyday, a more in-depth



Alex Toone



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market look from research from the team and fundamental and trade flow statistics from Glencore.”

Indeed, the bank says its ability to reassure its clients with a concise and transparent market commentary quelled trading fears, which has led to it offering and executing more complex products, in addition to its flow business.

“For utilities and industrial users, we have seen a new wave of optimism sweep the markets,” says Witteveen. “People have a much better outlook for this year than they did this time last year. This is reflected by the fact that

people are willing to take more risks and be more proactive in risk management and hedging. People are back in the game. We see that in the growing client base, people really realise they have to play and they are much more positive about economic development and growth in energy demand.”

Credit Suisse seized the opportunity to broaden out its structured coal capabilities and subsequently delivered hedging products based around the European, Newcastle and API 4 indices for global clients.

Despite uncertain times in the market Credit Suisse has grown its team from an original four people to three dedicated full-time coal traders and eight salespeople that operate in Sydney, Singapore, London and New York.

“We have a stable and experienced team that have known all the clients for a long period of time and know how they can help them,” says Witteveen. “We are adding more quality people in clear areas of growth.”

In terms of growth, the bank sees itself capitalising on its success in the European coal markets and broadening its presence in Asia. As well as moving Toone to head its Asian part of the business, Credit Suisse confirms that it may add an unspecified number of specialists to where it sees areas of growth in 2010.

“From our coal clients, we get a lot of interest in related markets like iron ore, which was the success story of 2009,” says Witteveen. “Next year we see opportunities in steel and coking coal as well for instance, where trade volumes and interest are growing.” ■