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Marex Spectron chases expansion with Eden deal

By Jack Farchy and Anousha Sakoui

Marex Spectron, the commodities broker backed by former Lehman Brothers bankers, is to boost its equities and fixed-income brokerage with the acquisition of the global markets business of Eden Financial.

The deal, which could be announced as early as Monday, is the latest in an aggressive expansion drive since the company was bought last year by JRJ Group, a private equity firm founded by Jeremy Isaacs, former head of Lehman's European operations, and Roger Nagioff, another ex-Lehman banker.

Mr Nagioff, who is also Marex chief executive, has said the company aims to become the "pre-eminent independent global broker across the commodities and financial asset classes".

The purchase of Eden Financial's global markets division for an undisclosed sum will complement Marex's existing financial brokerage business, which is focused on foreign exchange and financial futures.

The deal is expected to boost the share of Marex's revenue from financial brokerage to 30 per cent. However, the company's focus would remain on commodities, according to a person familiar with the deal, which will account for 70 per cent of revenues.

Marex, which was formed from the European operations of bankrupt US broker Refco in 2006, in March announced the £94.5m acquisition of Spectron Group, a leading energy broker. In the past 18 months it has opened offices in New York and Hong Kong, and doubled its headcount to about 500.

The Eden Financial acquisition would add a further 40 staff, the person familiar with the deal said. David Bearman, Eden Financial's chief executive, as well as Bruce Froud, head of the global markets division, will join Marex.

Eden Financial, a privately owned, City of London-based company, will focus on its private client and asset management business. In February it hired Ed Rosengarten, former chief of equities at M&G, to lead its asset management business. Further key hires are expected.

Marex is one of 12 ring dealers on the London Metal Exchange – the last remaining open outcry exchange in Europe – as well as having a significant presence in agricultural and energy broking.