

Publication date: March 19, 2010

CA Cheuvreux develops its research in the UK

Crédit Agricole's brokerage subsidiary is putting into place a new global program-trading offer. It is also continuing to develop its business in London, in particular in the area of research. Last year the company's revenues fell by around 25%.

CA Cheuvreux wants to continue to develop its execution and research activities, in particular out of London. By this summer, Crédit Agricole's European equities brokerage subsidiary plans to put into place a new global program-trading offer for the execution of related large complex orders on some 120 markets, operated from bases in London, New York and Hong Kong via a new joint venture with its Asian counterpart CLSA. *"This segment of activity accounts for around 10% of the orders executed in European markets and CA Cheuvreux is currently below this average,"* says François Simon, its chairman and chief executive officer. "Pure" execution (without research services) accounts for 30% of the revenues of the firm, which handles between EUR 2 and EUR 3 billion per day. A year ago, the broker centralised order execution on large caps in London, adding to its staff on that side of the English Channel. Locally, it wants to maintain a specific activity in small and mid-caps.

The company also wants to continue to develop its research activity in the U.K. with the objective of covering virtually all of the FTSE 100 stocks. *"In terms of flows executed, the U.K. is CA Cheuvreux's second-largest market. U.K. and U.S. clients account for 60% of our flows,"* stresses Jean-Claude Bassien, the deputy chief executive officer. The company is also in the process of extending its emerging market research, from its base in London. Currently, it covers 750 stocks in Europe and neighboring areas (including the Middle East).

The company did not provide details of its 2009 revenues prior to the publication of its annual report in the spring. However, company executives did say that volumes were down less than those of the market and that revenues were down by around 25% for breakeven at the operating level. *"However, we won market share,"* says Jean-Claude Bassien, adding that *"2010 promises to be better than 2009, despite a market that is complicated and far from stable"*. CA Cheuvreux said that they might proceed with several recruitments following last year's layoffs that affected 11% of staff. The company currently has 760 employees worldwide.

MARINA ALCARAZ

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