

Former Deutsche Bank structured credit pros launch bank-for-hire

Two former Deutsche Bank structured credit officials are building a new business in which they propose to take on a host of tasks normally undertaken by dealers on behalf of buy-side firms.

The new venture, named Oxane Partners, has been set-up by structuring specialist Vishal Soni and structured credit trader Sumit Gupta.

Unlike service providers which take on back and middle-office tasks that have been outsourced by start-up credit managers, Oxane is seeking to work alongside front-office teams to execute complex trades – rather like a structuring desk at a bank.

Portfolio analysis, research, modelling, stress testing and trade execution are some of the areas in which Oxane expects to operate.

As part of its business model, Oxane has opened an office in Delhi, which is led by Soni. The bulk of the credit work it undertakes is done out of this office, which is staffed with a team of seven analysts.

Meanwhile, Gupta oversees a London

operation and his primary responsibility is to keep in close contact with clients.

Since opening for business this year, the firm has already assisted credit managers with over \$500 million of trades.

Soni observes that most of this trade volume is tied to regulatory capital relief trades. He adds that while there are assets available for sale, the opportunity depends largely on the jurisdiction of the deleveraging bank.

“There have been opportunities coming out of Irish, Spanish and UK banks for a while, but now, with the improvement in underlying asset prices, we are seeing banks in Italy looking to sell portfolios,” he says.

Looking ahead, the focus is set to be on serving Oxane’s clients. Trading on its own account is not something the firm wants to get into. However, once established, the plan is to gain investment from high net-worth individuals and then use this capital to invest alongside clients.

According to Gupta, many buy-side firms either rely on banks to analyse complex structured credit products or struggle with the volume of analysis and due diligence that goes into acquiring large portfolios.



Soni: ‘Italian opportunities’