

Marex clinches \$220m deal to buy ED&F Man Capital Markets

A London-based commodities broker controlled by a group of former Lehman Brothers executives will this week clinch a takeover of a major industry peer.

Sky News has learnt that Marex Group will announce on Monday that it has reached an agreement to buy ED&F Man Capital Markets from ED&F Man Holdings.

The purchase price is understood to be approximately \$220m, a banking source said this weekend.

The transaction will be an important one for Marex, which had been drawing up plans to float on the London Stock Exchange last year but aborted the move owing to difficult market conditions.

A revival of its plans in the medium term is a strong possibility, City sources believe.

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Absorbing ED&F Man Capital Markets will bolster Marex by extending its operations in the US, as well as in the Middle East and Asia.

Combining the businesses will also cement Marex's clearing activities and add to its metals franchise, as well as its fixed-income and equities operations.

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ED&F Man Capital Markets has roughly 450 employees – the majority of whom are based in the US – who will transfer over to Marex.

The takeover is expected to be completed by the end of the year, subject to the approval of regulators, one source said.

Marex is controlled by JRJ group, the founders of which included Jeremy Isaacs and Roger Nagioff, who had been among Lehman's most senior and respected executives.

A spokesman for Marex declined to comment.