



executive search

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Market Insight

November 2009

Monthly Commentary and Topical Areas

- Investment banks and boutique corporate advisory firms are looking at all levels now, not just junior levels. From MD's to analysts there is a need for good quality people. This is due to the pick up in M&A activity continuing to be quiet prevalent.
- Linked to that is now the state of the candidate market where we are back to a market of two years ago, being very candidate driven with a scarcity of talent. As a result, institutions are now finding themselves fighting for good quality candidates.
- Financing - with the upswing in equities and M&A markets, we are seeing more enquiry on the financing side of these transactions. Teams have remained relatively small and steady over the past 12mths but if the deals continue then any loss of people combined with increased deal flow could leave teams under-resourced into early 2010.
- Fixed income - investors appear to be coming back. With a steadying of certainly/uncertainty in the market and recent rate rises, appetite has increased.
- Loans versus Bonds – with less supply in the loan markets, and bond markets opening up, we are seeing increased use of bonds as a source of financing for M&A deals.
- Is securitization coming back - 2 recent deals without AOFM support might indicate more confidence in this space?
- Renewable Energy - there is generally more interest in building products around this sector but this won't solidify until we get an agreement on the Carbon Trading Scheme. There seems to be a particular interest in forestry assets, most likely due to the recent collapse of a number of the major MIS providers.
- Hiring has begun in the equities analyst / funds management space.
- Still a high demand for institutional business development management with approx 10 roles available in the marketplace at the moment.
- We are getting a lot of interest in junior investment analysts in the manager research and direct investment areas.
- Still a lot of movement in the retail distribution space with a number of roles coming onto the market.
- Retail Financial Services - confidence has returned. This has been shown through the establishment of several new businesses and initiatives. It remains a competitive market for candidates, with clients wanting to explore all potential options before making a hiring decision, coupled with the return of expats from Asia and Europe. Volume of activity is still at the Senior Product, Senior Marketing/ Strategy level, with fewer opportunities at the "Head of" level.
- Credit risk – the market has been busy in the last few months as banks and executives risk aversion has diminished after the effects of the GFC begin to fade. Mandates have remained very specific however with candidates needing to exhibit very particular experience profiles to be successful.
- The CFO market remains quite stagnant however with increased recruitment activity in revenue generating areas of financial services firms, our expectation is that activity in the support functions will begin to increase in the new year.

People and Team Moves

- Simon Tozer has now joined the Nomura team as Head of Natural Resources, based in Melbourne.
- Politician and former Australian Treasurer Peter Costello, together with three former Goldman Sachs MD's, Alastair Walton, Andrew Stuart and John Anderson have launched a new boutique advisory firm, BKK Partners.
- Capella Capital is a new company recently established and jointly owned by the core of the PPP infrastructure team most recently working at Babcock & Brown and ABN AMRO.
- Caliburn have hired analysts into Corporate Advisory in both Sydney and Melbourne.
- Investec have hired Matt Rogers and Marc Hurwitz into their Growth & Acquisition Finance team and Julia Ward from Deutsche in M&A advisory.
- RBCCM have hired Mike Bass as Asia head of FICC while Mark Otis Zownir joins as head of US dollar rates trading – both will be in Hong Kong.
- Dan Baird from GSJBW and Jodi West ex-Citigroup have joined Barclays Capital in FX Sales.
- Richard Armstrong ex-BNPP has joined BOA ML as MD Corporate Banking in Melbourne.
- Craig Drummond has become CEO for BOA ML in Australia, having left GSJBW in early 2009.
- Catalyst has hired a junior executive, David Brown from Macquarie Capital to join them.
- Michael Siede had joined RBS to replace David Cann who went to Merrill Lynch to cover Infrastructure and Utilities.
- Morgan Stanley have recruited 3 small caps equity research analysts, 1 small caps equity sales and 1 small caps ECM analyst from Merrill Lynch.
- Michael Wiblin has joined Macquarie's Banks equity research team from RBS.
- Damien Green, Ex Head of Australia for Morgan Stanley Investment Management has left the business to join Independent Franchise Partners, run out of London by Hassan Elmasy.
- Kerry Series has left AMP Capital and the business is looking to hire a senior resources analyst as well as an Asian industrials equity analyst.
- Brian Schwartz, former Investec Australia CEO announced as Deputy Chairman and likely successor to James Strong as Chairman of IAG Insurance Group.
- Rod Clarkson, (Institutional Dealer), James Andronis (Corporate Finance), Tim Gerrard, Hunter Hillcoat and Colin MacLennan from Austock's mining analysis team have been hired by Investec Australia.

Human Resources Update

- According to recent surveys, now the economy is picking up, 80% of employees are looking for work elsewhere.
- The workforce is diversifying – people are becoming "free agents" and wishing to remain independent through contract work, therefore being resilient to possible future economic disruption by being their own boss.
- What motivates talent?
 - 89% said more money;
 - Career development;
 - Matching expectations with development;
 - Work/life balance;
 - Leadership and personal growth.
- Real need to retain your talent by keeping them engaged. Put HR strategies in place now to ensure your key talent is on board with you.
- The "new workplace" comes into effect on 1 January 2010 with the introduction of the National Employment Standards which will sit on top of all current contracts and agreements. Need to ensure your current contracts and policies are compliant with the NES and Fair Work Act.

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