

François Simon, CA Cheuvreux' European catalyst

BROKERAGE

The Crédit Agricole broker has just announced the opening of its ninth European centre dedicated to the Greek market. And the creation of a tenth office in Turkey is on the drawing boards.

François Simon had a treat in store for his guests at CA Cheuvreux' autumn conference on French securities. He managed to get L'Oréal's new CEO, Jean-Paul Agon to make his first public appearance at a broker's. It is a fair recognition for this event which took place for the 15th time. It brought together some 550 investors around 89 managers of French companies, amongst whom 24 Chairmen of the Board of CAC 40 companies.

The European equity brokerage arm of the Crédit Agricole Group is a past master in the organization of these conferences in Paris, London, Frankfurt or New York. They enable CA Cheuvreux to build its strategy as a European multi-centre broker and to attain its objective of ranking amongst the top five in all the centres where it has operations. Since it refocused on the sale of equities after giving up derivatives three years ago, Cheuvreux relentlessly reinforces its network by opening new locations.

The broker has just announced the opening of this ninth location in Europe covering the Greek market. The twelve professionals who will man the office will also follow a selection of Romania and Bulgarian securities. And already the opening of an office in Istanbul is in sight. "Cheuvreux has a European calling in the broadest meaning" says François Simon, its CEO, who also touches upon the opening in Dubai as support to Calyon's operations to cater for the increasing number of investors from the Middle East. The development of the geographical reach will steer



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eastward next year with the opening of a hub dedicated to the new EU members, shortly before establishing a direct presence in Russia. The broker will then have used all the possibilities to play its part fully within the Crédit Agricole galaxy, alongside Calyon Securities USA and CLSA, the Group's two other equity brokers with whom François Simon is developing active cooperation.

Fortified by its multi-centre strategy Cheuvreux considers that it is in marching order to take up the challenge of MiFID effective this November. "Upgrading the information systems and the execution platform did not cost us

more than 3 to 4 million euros" says Jean Claude Bassien, Deputy CEO.

While the traditional stock markets will share trading with new market operators, the broker chose to execute buy orders by matching them directly with the sell orders from other customers. A single watchword will dictate the broker's conduct vis a vis its 1,100 institutional customers: to confirm the excellence of execution services offered to its clients with a 98.98% efficient service rate when markets are open.

ITEMIZED INVOICES

The relations between Cheuvreux and its customers have gained from the identification of the string of services since the obligation to itemize invoices between execution and financial analysis services particularly came into force. With a 13 point outperformance as of the end of September of the list of European blue chips compared to the meagre

> Career history

FRANÇOIS SIMON
Chief Executive Officer and director of CA Cheuvreux

A graduate from IEP and with an MBA from Insead, François Simon started his career in 1980 as a financial analyst at **Cheuvreux de Virieu**. In 1989 he was appointed CEO of **Crédit Agricole Cheuvreux**. He supervises Research, sale trading in France and in Europe as well as in North America and Japan.

3% gain of the DJ Stoxx 600, Jean-Claude Bassien is not short of arguments to show the quality of his research. As to the new operators on the stock markets which are already members of the ChiX platform, Cheuvreux intends to participate to the Turquoise project.

Well aware that all these competitors will attempt to capture liquidity, François Simon makes no secret that he is courted. "When you are dealing daily almost 4 bn euros on European equity, you become inescapable." True, MiFID will make life more difficult for our teams but this professional is still convinced that shares will keep in future all the special characteristics of this asset class.

For François Simon, there remain three "stock continents" but the clients' wishes are the same everywhere. "Beyond the increasing sophistication of our services, they want to meet companies, speak to competent analysts and make deals at the best price". In this respect, observing that margins have shrunk 30% over the last four years, he says he is confident in view of the quantum leap of volumes and sees in Euronext's hearty profits an appreciable absorber to cushion the continuous pressures from his clients...

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