

# The future of commodities trading: A conversation with Traxys and Optiver

---

In February 2023, Optiver announced a significant investment in Traxys, a global commodities trader with a leading position across base metals, specialty metals and minerals. Over the past 18 months, the partners have been working to realise the potential of this unique collaboration.

Mark Kristoff, CEO of Traxys, sat down with Bernard Lindner, global head of Optiver's Principal Strategic Investments team, in Amsterdam.



**BL:** I can imagine that when you started looking for an external investor you had a profile in mind. How did Optiver fit?

---

**MK:** We had previously partnered with private equity firms, which was a very encouraging and profitable association for all parties. But private equity capital has to be recycled every seven to 12 years, and that did not lend itself to long-term

investment in the business. We were also frustrated with a lack of understanding of the trading world in general.

I remember our first meeting in New York, where we spent a lot of time talking about business values and personal values. And we thought immediately: hey, we speak the same language. There was a very significant alignment about how to think about the world and how to think about risk.

## **BL: How has the partnership benefitted Traxys?**

---

**MK:** You have been generous in sharing with us the architecture around the evolution of your risk management systems and your HR development capabilities, for one thing. Learning from the good decisions – and perhaps from some of your mistakes – will be very illustrative and helpful for Traxys to execute on our goal of doubling gross margin over the next five years from \$250 million to \$500 million.

## **BL: If you compare the metals industry today with five years ago, what has changed?**

---

**MK:** We've moved from a globalisation trend to what I would characterise as a regionalisation trend. For the first 35 years of my career, we were in a period of globalisation. About five years ago, that changed dramatically with the initial trade tensions between the West and China. The subsequent invasion by Russia into Ukraine further changed the complexion of traditional trade flows. That is a challenge for Traxys – but at the same time a significant opportunity.

When our customers have a complex sourcing problem, we're uniquely suited to help them find the right solutions. As traditional trade flows are disrupted, because of Traxys's global footprint, because of our considerable experience in the business, I think it affords us opportunities that other firms might not be able to capitalise on.





**BL: How do you see technology impacting Traxys and physical commodities?**

---

**MK:** It will be some time before there's a technology solution that can disintermediate the supply chain execution services that Traxys provides. I do, however, believe that certain commodities will naturally gravitate toward a more liquid market structure. And market participants, be they producers or consumers, are going to need risk management tools to manage price volatility and price risk. If I think three to five years down the road, many of these markets will likely be at a scale that will be ideally suited to the services that Optiver can provide in concert with Traxys. We're a little ahead of the curve in identifying it, but I do believe it's coming.



Learn more about Optiver's Principal Strategic Investments team: [optiver.com/psi](https://optiver.com/psi)

