

Business

Billionaire Ken Griffin's Citadel Opens Singapore Office

by Bei Hu
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- ▶ Singapore office to be shared by hedge fund, securities units
- ▶ Securities arm also to expand in Hong Kong, Shanghai, Sydney

Billionaire Ken Griffin's finance companies plan to open a Singapore office this year in a fresh push to expand in Asia.

The new office will be shared by his Citadel hedge fund business and the market-making Citadel Securities LLC unit, the Chicago-based firm said in an e-mailed statement Monday. Both will continue to grow their Hong Kong operations, and Citadel Securities is expanding in Shanghai and Sydney as it broadens trading activities, the company added.

"Asia-Pacific continues to be an important focus for both Citadel and Citadel Securities," John Buckley, who rejoined Citadel in 2018 as regional chief operating officer, said in the statement. "We are excited to further extend our presence in the region."

Citadel is accelerating its expansion after the securities unit used its technology edge to cement its position as one of the largest traders of stocks, bonds and derivatives. Trading has boomed globally as the Covid-19 pandemic and an oil shock disrupted markets and prompted investors to evaluate their holdings.

In June, Citadel's Surveyor Capital fundamental equity hedge fund unit made its first hires in the region, recruiting a team led by Hong Kong-based Nick Taylor, who had a five-month

stint with Citadel in 2008. The securities unit in October 2019 hired Kelly Wang from Citigroup Inc. to lead regional fixed-income sales and relationship management.

The expansion will give it better access to the Singapore talent pool and help Citadel Securities compete with rival market makers in the region, including Optiver BV and Susquehanna International Group LLP. Singapore marks the 17th location in which the two businesses operate.

Regulatory changes have broadened the range of securities available in Asia. Meanwhile, rising tensions between the world's two largest economies are leading a growing number of Chinese companies to dual list in Hong Kong, which may help boost trading. The Asia-Pacific region now represents more than 34% of world stock market value, just 5 percentage points behind North America, according to data compiled by Bloomberg.

In January, Citadel Securities agreed on a \$97 million "administrative reconciliation" with the Chinese securities regulator for issues related to the structure of certain local accounts of one of its units. The deal ended a years-long regulatory probe that began after the 2015 domestic market rout and freed it to resume expansion

in Asia's largest economy, which is widening foreign access.

Citadel managed \$34 billion of assets globally as of early July, according to its website. The hedge fund unit has operated in the region after opening a Hong Kong office in 2005, and was the first international hedge fund to raise yuan capital from Chinese wealthy individuals and companies for overseas investment.

Market Maker

Its securities unit is a market maker for fixed-income notes, stocks and options. It began operations in the region in 2009 with a Hong Kong office and now trades in major regional markets including mainland China, Hong Kong, Japan, South Korea, Australia and Singapore, according to the statement.

Citadel Securities accounted for about a fifth of the more than 15.5 billion U.S. shares traded during March, when the Covid-19 pandemic and a Russia-Saudi Arabia oil price war triggered a market sell off.

While some hedge funds triumphed with the return of asset swings this year, others struggled with performance and capital raising. The industry posted a flat return for the first seven months of this year, according to eVestment data.