

Former Chi-X chief moves to Equiduct

By Jeremy Grant

Peter Randall, former chief executive of Chi-X, the alternative trading platform, was on Friday appointed as the new head of Equiduct, a rival "multilateral trading facility", or MTF, majority owned by US-based Citadel Securities and Börse Berlin.

The move comes amid a series of top-level changes at Europe's MTFs. Earlier this month Chi-X appointed Alasdair Haynes, a former senior executive at broker ITG, as replacement for Mr Randall.

It is not clear whether Eli Lederman, chief executive of Turquoise, will keep his job if the MTF's merger with the London Stock Exchange's Baikal dark pool goes ahead as planned. A deal is expected within days, possibly on Friday.

Equiduct was launched in April as the fifth of Europe's MTFs but failed to gain significant market share. Three months later Citadel Securities took a controlling stake with the aim of turning it into a pan-European platform for share trading aimed at retail, or

smaller, investors.

The idea is to replicate what Citadel has done in the US through its investment in Direct Edge, which has grown to become one of the top four exchanges in the US, along with NYSE Euronext, Nasdaq OMX and BATS Global Markets.

Citadel and Equiduct believe retail investors across Europe are starting to become aware that better prices were sometimes available on the new platforms that had emerged to challenge the established exchanges.

That has created an opportunity for Equiduct to encourage "retail flow" onto the platform, including capturing orders currently executed on other venues.

Mr Randall, a former head of business development at Instinet, said: "There is no better execution venue in Europe than the Equiduct platform. I joined Equiduct because it offers a unique blend of service and technology, with a focus on the retail market.

"I strongly believe that by developing partnership opportunities with leading market

participants and liquidity providers, Equiduct will be able to offer first class execution services within a profitable business model," he said.

Of the five MTFs currently operating, only Chi-X Europe has ever achieved profitability on an operating basis. Low volumes and stiff competition between platforms means not all MTFs are likely to survive, analysts say, and consolidation is likely.

Patrik Edsparr, global chief executive of Chicago-based Citadel Securities, said: "[Peter Randall] is well-respected within the industry and has strong relationships with both buy- and sell-side firms globally."

Equiduct is operated "under the umbrella of a regulated market" provided by Börse Berlin, Equiduct said. It said it uses "largely the same clearing houses as the primary markets, making it easier for domestic exchange members to access this marketplace to benefit from cross margining".

Mr Randall will succeed Artur Fischer, who also was co-chief executive of Börse Berlin – and will remain in that position.