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CMOC is a significant producer of copper with plans to expand in nickel and lithium. *Photographer: Oliver Bunic/Bloomberg*

By [Jack Farchy](#), [Archie Hunter](#), and [Alfred Cang](#)

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When Kenny Ives took over as boss of the trading arm of one of China's top miners, his model was clear: "23 years at Glencore, and I loved it. So why would I do it differently?"

After just missing out on succeeding Ivan Glasenberg as head of commodities giant Glencore Plc, 46-year-old Ives is now running IXM - which as the trading arm of CMOC Group is a key link between China's battery industry and the world. There, he's spent the past year seeking to instill the hard-charging, hyper-competitive Glencore culture that his mentor was famous for.

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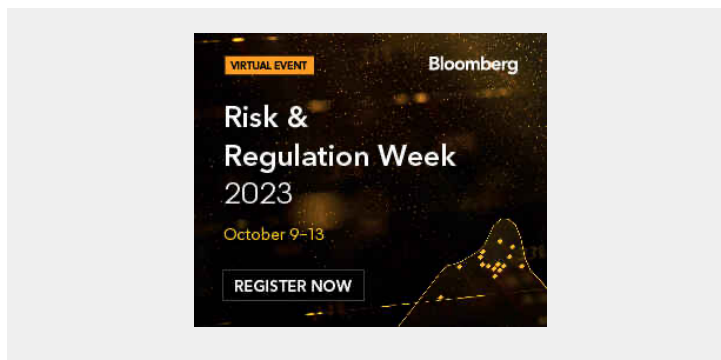
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Nine-to-five would no longer cut it - Ives started turning up at the once sleepy IXM offices in Geneva at 5:30 a.m. and the tall, intense Brit was often still at his desk at midnight. Lunch was out, replaced by brisk runs. Vacations no longer meant unplugging from work calls and messages. "When people take holidays at IXM (there are exceptions), people tend to switch off more or less entirely," he wrote in an email to IXM managers, seen by Bloomberg. "Unfortunately, this business is one where you can't switch off entirely if we want to win."

Winning, in IXM's world, means challenging the two giants of metals trading: Trafigura Group and Glencore itself.

"IXM were proud to be number three," Ives said in an interview this week, speaking publicly for the first time since he was hired as CEO. "But CMOC and myself and the senior management team, we have aspirations to be more."

The upheaval at IXM has been one of the major topics of discussion among the thousands of metals traders in London for LME Week. In a year, more than a fifth of the company's staff - about 120 people - have left, some made redundant, some leaving of their own accord. At the same time, Ives has capitalized on the struggles of some of his rivals to go on a hiring spree, adding about 40 new employees, many of them alumni of Trafigura and Glencore.



Kenny Ives Source: Glencore

But the whirlwind of changes Ives has wrought at IXM has implications far beyond the metals trading industry: its Chinese parent, CMOC, is overtaking Glencore as the world's largest cobalt miner, which in turn makes IXM the world's largest cobalt trader. It's also a significant producer of copper, with plans to expand in nickel and lithium, and - crucially - has a strategic partnership with

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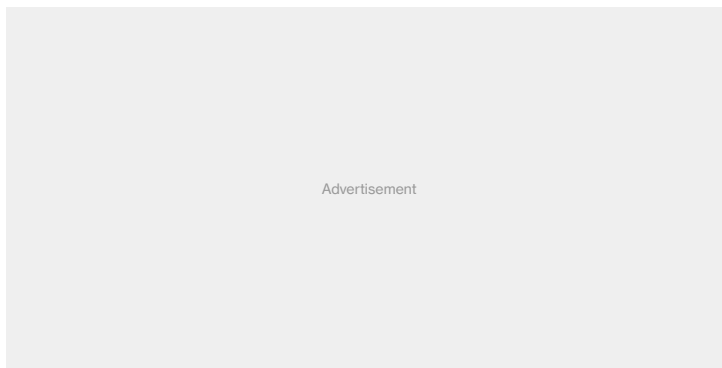
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25% shareholder Contemporary Amperex Technology Co. Ltd., the world's largest battery maker.



While China is the largest consumer by far of metals, the global trading industry has so far remained largely the preserve of companies like Glencore and Trafigura, based in international hubs like Geneva, London and Singapore. At a time when China's grip on the supply chain for battery metals is causing consternation in western capitals, Ives's success or failure in transforming IXM into a leading player in the global metals markets has wider geopolitical significance.

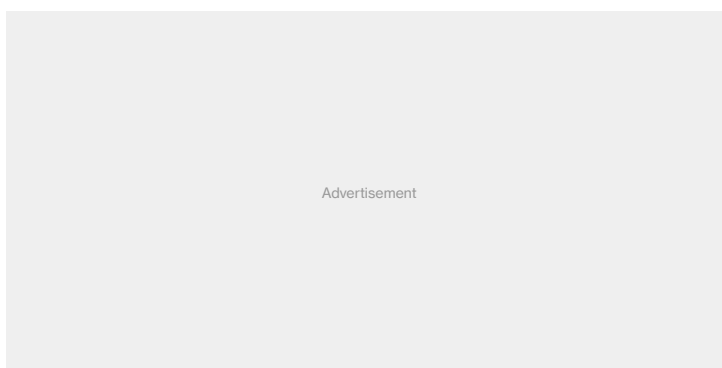
"The Chinese are very aware of the strategic dimension of sourcing commodities," says Jean-Francois Lambert, a consultant and former trade finance banker. "The polarization in global politics makes it even more strategic for them to be there rather than relying on third parties."

### **Trading Veteran**

IXM, originally the metals business of agricultural trader Louis Dreyfus Company, started out as a trader of concentrates, or semi-processed ores bought from mining companies.

By the time LDC sold it in 2018, it was largely focused on generating profit from proprietary trading - betting on geographical and time spreads - while the business of buying, selling and transporting physical raw materials took a back seat, Ives says.

"When I arrived we had too many gaps," he says. "We were very active in some metals and less active in others."



While Ives is a seasoned veteran in commodity trading, this is his first job outside of Glencore. He grew up in Brighton, on the south coast of England, and once told an alumni website that he used to pay his school fees in cash from an old carrier bag. He joined Glencore straight out of university, working as a copper trader and briefly a grain trader before he moved to nickel and he became the division head in 2012. He left in 2021, during a broad changing of the

guard after Glasenberg chose Gary Ives as his successor.

He arrived at IXM at a low point for the company, with profit last year falling to the lowest in years as higher interest rates hit metals traders across the industry. Still, the company's profit before tax is back on track this year to reach the \$200 million that has been a high watermark until now. As the business grows, Ives says, he plans to "blow through those figures."

For now, the company is still much smaller than Trafigura and Glencore, which dominate the world of metal trading. It traded 6.3 million tons of non-ferrous metals and concentrates last year, compared to 23.3 million at Trafigura and about 17 million at Glencore.

Yet CMOC and Ives have high aspirations. He wants IXM to expand in Europe and the US - and is adamant the business is far more than simply a sourcing operation for Chinese businesses. By combining CMOC's mining operations with a trading business - just as Glasenberg did as he built the modern-day Glencore - the company can squeeze more profit out of each ton of metal, as well as identifying the right moments and opportunities to "deploy aggressively" and take large bets, Ives says.

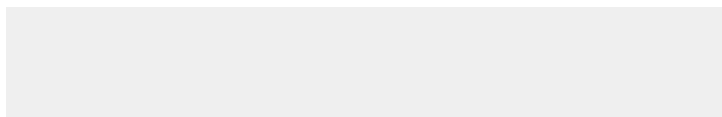
## "You can't switch off entirely if we want to win"

While he says he isn't trying to create "Glencore 2.0," he argues that IXM can use the flow of commodities from CMOC's mining business to build a larger trading operation, which can in turn help CMOC run its mining business more profitably. He plans to boost IXM's

physical trading volumes in concentrates, and also has an eye on his old stalking ground, the nickel market. "We're able to leverage the marketing flow to build out a trading business," he says.

*Ivan Glasenberg Photographer: Andrey Rudakov/Bloomberg*

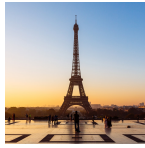
There are already some signs that IXM is getting bolder, people inside and outside the company say. Early this year, it was proactive selling cobalt in China, pre-empting a market slump that has hurt rivals including Glencore. In May, it made waves on the London Metal Exchange with a large aluminum trade.



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Still, some are sceptical that it will be possible to build a world-beating trading house under Chinese ownership.

Chinese trading companies' overarching objective is to procure commodities more efficiently for China Inc., says Lambert, the former trade finance banker, and that takes away the flexibility and nimbleness a trader needs to make money.



But Ives argues that being owned by CMOc is in fact an advantage. He has been doing business in China for more than two decades, and has adopted a Chinese nickname given to him by an early business contact: 龙行健 (long xing jian) or “dragon that walks firmly,” a play on a famous quote which conjures an image of a powerful figure forging his own destiny in spite of the difficulties fortune throws in his way.

He points to CMOc's rapid expansion in Democratic Republic of Congo, where many western mining companies refuse to invest. It also has investments in Bolivian lithium and Indonesian nickel.

“Chinese mining companies, they love a challenge and they clearly look at the world through a different lens,” he says. “I suspect that you're going to see CMOc as an organization grow, which means our marketing business naturally grows.”

### **Trader Hires**

The changes he has made in the past year have been about preparing for that growth. Among the people he's hired are former Glencore traders Douglas Booth, Kapil Reddy Kunta, Han Cho and YB Nam; former Trafigura traders Gary Le-Men, Branko Buhavac, Saurabh Phadke, Julio Arce and James Scott; ex-Mitsubishi trader Kentaro Kimura and analyst Ryan Cochrane.

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And, while there has been much reshuffling, many of the people he's promoted are IXM veterans.

He has reorganized the trading teams to separate concentrates and refined metals, with the latter run by longtime IXM traders Tom Mackay and Adhitya Sethaputra as co-heads. Le-Men will run copper concentrates trading, while Xavier-Alexandre Ortiz oversees lead and zinc concentrates.

Ives has also brought a renewed focus on “traffic” - the less-glamorous teams of operators that handle the logistics of shipping goods around the world, but which are essential to ensuring that trades go smoothly.

It’s another element of the philosophy he has imported from Glencore, which ever since it was founded by Marc Rich in 1974 placed a high emphasis on the traffic department as the nerve center of the company, and for years insisted all junior employees work there for a spell before becoming traders. “I’m a great believer in hiring operators,” Ives says, “having come through the Glencore school in the 1990s.”

It’s not the only time he cites his Glencore experience - or his former boss, Glasenberg.

“While Ivan is no longer as outspoken, his infamous May 2013 quote lives on in pockets of Glencore - the winning pockets,” he wrote in his email exhorting employees not to switch off on holiday, before reproducing it: “I tell investors, come and meet my employees and tell me who you think is going to lie on the beach.”

– *With assistance by Liz Ng and Winnie Zhu*

(Update to add more background about Ives)

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