

## AWARD: OIL PRODUCTS HOUSE OF THE YEAR

### WINNER: STARSUPPLY

Rob Ryneveld, president of Starsupply, says the company's expertise in the physical market is the foundation for its continued success. "We believe most of our success in the products arena comes from having a strong physical perspective," he says.

He contrasts this approach with the focus of some other energy brokers, whose primary strength is in the paper derivatives market.

Starsupply was the most successful broker in the oil categories in *EPRM's* 2002 over-the-counter energy derivatives rankings (see *EPRM* February 2002). It was ranked in first place in seven oil product categories: jet fuel swaps and options, America; Singapore regrade; gasoline swaps and options, America; gasoline swaps, Europe; and EN590 diesel, Europe. In total, Starsupply appeared in 11 of the oil product and crude oil categories.

The oil and oil products markets have been volatile since last September, with the aftermath of the attacks on the US and an economic downturn in the US causing price volatility. But Ryneveld says the "anxiety factor" that influenced the energy markets immediately after September 11 and the war in Afghanistan was outweighed by wider economic conditions.

"There was a war premium on the market after September 11 that drove prices up," says Ryneveld. "But very soon people discovered this event was having much less effect than the wider economic downturn – which meant that the upward pressure on prices was mitigated."

He says that, on the condition there is no major attack on Iraq in the near future, it is unlikely oil will rise as high as \$30 a barrel (bb1), a major psychological barrier. May crude oil futures on the New York Mercantile Exchange closed at \$25.91 (bb1) on April 17.

Moreover, with an eye on future growth, Starsupply signed an alliance to merge its crude oil broking team with



that of fellow broker Tullett & Tokyo Liberty in June 2001.

Ryneveld says the alliance enlarged and strengthened the company's London operations, and re-established it as a player in the Singapore market. The joint company, Starsupply Tullett, is based at Starsupply's offices in London.

"A broker needs to be global in order to fully serve its clients in the oil markets. Singapore, London and New York are the key markets, where prices are made daily," he says. "With this expansion, we have a presence in all three." The Houston and Rotterdam offices are also important centres for oil trading, he adds.

But Starsupply wasn't always an international player. It was established in the US in 1984 as a company specialising in refinery feedstocks, and opened a London office in 1995.

The company's latest geographical expansion was into Los Angeles, where it launched a subsidiary, Starsupply Pacific Petroleum, in August 2001. The office focuses on the international cargo market and forward derivative markets in west coast energy products.



**Rob Ryneveld, Starsupply: expecting much of his firm's crude business**

Starsupply employs 20 products traders, all of whom broker derivatives.

And Ryneveld highlights recent expansions the company has made in the crude oil sector. "We have become a much bigger player in the crude markets over the past year – much more so than people realise," he says.

The company has made new hires in the US and elsewhere and has become a much stronger player in the Dubai market, Ryneveld says.

"I don't like to work in markets where the company cannot excel," he adds. "We expect a lot from the future of our crude business."

But Ryneveld says the physical oil market is constantly changing. "There has been a lot of consolidation in this sector as major oil companies have merged over the last couple of years." Starsupply has reacted to these changes by increasing its focus on the derivatives market, he says.

And Ryneveld believes brokers who have worked in the physical sector have a much better understanding of how the market works as a whole. "People who have worked in the physical market, who have ambition and talent, can make the transition to derivatives and excel because of their underlying knowledge," he says. *EPRM*

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The company also has offices in Englewood, New Jersey – where it is headquartered – and in Houston, London, Rotterdam, Bermuda and Singapore.

Starsupply employs about 90 people in the oil products sector worldwide, of whom about 40 trade physical products and about 50 trade derivatives.

The company's US products team comprises 20 physical and 10 derivatives traders; in Europe, 20 physical and 20 derivatives traders; and in Singapore