

Trader Profile Articles

Larry Levy

Based on TraderSpeak.Com
A Collection of audio interviews with Traders

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Alex Benjamin: trading places

Keeping on his financial toes has kept this dedicated trader on the move at regular intervals during his career. He tells Larry Levy about the City, working online and the future of capitalism



Benjamin: son of an 'old-fashioned merchant banker'

Capital flows through the veins of Alex Benjamin. Not many of us have traded billions for major banks where profits and losses can regularly run into the tens of millions. With his early training, degree in economics, top-end professional broking experience, multinational upbringing and fluency in French, Benjamin has a rare level of insight into the trading world.

Benjamin was born in London in the early 1950s, the son of an 'old-fashioned merchant banker' involved in financing import-export as the colonial era was drawing to a close. He recalls sitting on his dad's knee at the age of five 'reading the FT with father', and he would often tell people: 'One day I'm going to be a stockbroker.' After attending boarding school at Wellington College, Berkshire (as it was the closest to Heathrow, jokes Alex) he went on to study economics and statistics at the Sorbonne.

Off the street

One day in 1975 he walked into an Alfred Marks Employment Agency in Cheapside and left with a job trading eurobonds for Grieson, Grant & Co. Benjamin spent the next 29 years dealing for major names in the securities industry. He held senior dealing positions at firms such as Cantor Fitzgerald, Banque Nationale de Paris (BNP), PrivatBanken of Denmark, Chemical Bank (Frankfurt office), Cargill (the world's largest privately held commodities firm) and more recently as a senior dealer at Tradition, Europe's largest brokerage and the owners of spread-betting company TradIndex.

During our first interview last year, he was constantly being interrupted by other traders calling him for strategy directives. 'Push the

market to this, wait for resistance at 38%, then take it out,' he barked flawlessly and without any hesitation. After all, here is a man who has served at the sharp edge of dealing and trading for most of his life. Benjamin even tried his hand as a floor trader in Chicago in 1991 but admits he preferred to be upstairs 'barking out orders'.

From Square Mile to home screen

He has since left the City. Now he is online and available 20 hours a day, trading FX and Index futures as well as advising and mentoring other traders via his website, tradingclinic.com.

'Something that takes place in three seconds today took several months in the 1960s. Then it was all about buying low and selling high.'

Benjamin reflects on how the market has changed: 'Something that takes place in three seconds today took several months in the 1960s. Then it was all about buying low and selling high. By the 1980s it had become a market based on breakouts and momentum and in the 1990s buying and holding was the theme. Now it's all about momentum and investment trading, as well as commodities. People don't really care what it is they are trading. They are just looking at volatility,

with institutions moving vast capital around.'

He is a firm follower of many of the beliefs of market analyst, thinker and trader Pete Steidlmayer, famous for his market profile style of charting. Benjamin argues that these days 'value changes as volume moves in' and capital is simply looking for the next vehicle.

Benjamin has two daughters, Lucia and Tara, having been married twice. He laments: 'Unfortunately, the financial world destroys relationships. You have to work such long hours and with such intensity that you don't have time for anything else. You are the most extraordinarily selfish person.'

He currently lives in the Kent market town of Tonbridge but he sees a possible future in the US one day. Activity-wise, he skis, with Chamonix his favourite resort.

As a man who spent many years in the City, Benjamin takes a dim view of the pension fund industry, describing its performance as scandalous. 'I would fire every single fund manager out there because their performance has been practically fraudulent. Here the herd moves together because of the overbearing rules and regulations. People should have made around 500% in the 1990s.'

These days, he says, there is 'a massive breed of new entrepreneurs who are using their wits against the big investment boys... some of these individuals are practically institutions.

'There is an infinite supply of these kind of people. Why shouldn't the whole world eventually become virtual traders?' But then he reflects: 'With everyone trading, eventually capitalism will collapse under its own weight. There is no question about that.' So maybe not such a good idea at that. ■

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