

Emerging Markets: EM People and Markets

French boutique to EM issuers: Don't settle for wide pricing

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Ex-Natixis bankers join forces with former Casino finance official

A boutique advisory firm founded by former Natixis bankers Selim and Kaouthar Mehrez and ex-deputy CFO of Casino Eric Souny is fighting the issuer's corner when it comes to bond pricing in EMEA emerging markets.

Established in Paris in September, Galite Partners offers independent advice on funding solutions to EM sovereigns and agencies as one of its three main business lines, the other two being investment strategies and corporate finance advisory.

Kaouthar Mehrez, who was head of EM debt capital markets origination at Natixis for several years, leads the funding solutions practice, which targets clients such as sovereigns and agencies in Africa, the Middle East and the CIS region.

The firm's partners believe that issuers may pay coupons that are too high because they overrely on advice from the big banks' syndicate desks.

"Our main purpose is to help the issuers to achieve their objectives in terms of size, coupon, and maturity," said Selim Mehrez, who is Kaouthar's husband as well as her colleague and business partner. "We make sure that issuers pay the right coupon, and we don't want them to pay more than they should."



Independent advice

To achieve this aim, Galite provides independent advice based on the technical expertise and market knowledge of its partners, giving issuers the confidence to push back on pricing proposals from the banks.

In practice, that may mean smaller final order books or even delaying a deal if it is in the interests of the issuer, though it may not be to the advantage of the underwriters.



“We also have to advise them, if the market is not good, maybe to postpone the deal and not price it when there is a lot of turbulence,” said Selim Mehrez. “Believe me, better to pull the deal than announce it and fail it.”

Another benefit of Galite’s independent advice is that it is not biased towards any particular products, he adds.

“When I was a banker, I was trying to advise clients,” said Mehrez, who has worked at Société Générale, Goldman Sachs and Morgan Stanley as well as Natixis. “Advice is supposed to be independent. But I could not advise a client to use a product that my bank could not deliver. The difference today, when I am advising a client, is that I would like them to make the right decision independently of the product.”

Selim Mehrez left Natixis in September 2020. He had joined the bank in 2014 to lead its equity derivatives business and ended up running the larger fixed income team as well. His wife Kaouthar followed in June 2021 after almost 15 years at Natixis.

They are joined at Galite by Eric Souny, a former Deloitte partner who was deputy CFO at supermarket chain Casino from 2018 to 2021, helping to steer it through parent company Rallye’s financial restructuring in 2019.

Souny will spearhead the new firm’s corporate finance efforts, advising companies on their approach to the debt and equity markets as well as major events such as M&A and crisis management.

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