

HSBC exits equity research, trading in Japan

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TOKYO: HSBC Holdings said yesterday it will shut its equity research and trading businesses in Japan, as Europe's biggest bank cuts staff globally amid the financial crisis.

The bank will shift the operations to its Asia headquarters in Hong Kong, said Paul Allen, an HSBC spokesman in Tokyo. That "may result in the reduction of a number of positions," he said, declining to give specific numbers.

HSBC will no longer have equity analysts in Tokyo, although it may transfer some research and equity trading staff to offices outside of Japan, Allen said.

HSBC had at least eight analysts in Tokyo, covering areas such as financial firms, electrical equipment and machinery, according to Thomson Reuters data.

The move comes after HSBC said this week it was cutting 100 of its 1,200 private banking jobs in

Hong Kong.

In recent years HSBC hired analysts away from rivals such as CLSA Asia-Pacific Markets and Macquarie Capital Securities in Tokyo.

The bank has had a presence in Japan for more than 100 years, but has been a niche player in the world's second-largest economy.

HSBC, which also offers asset management and private banking in the country, has been focusing

on its "Premier" banking service, which targets customers with at least 10 million yen (100 yen = RM3.69) in liquid assets.

It has opened seven "Premier" branches, most of them in upscale Tokyo neighbourhoods.

Foreign banks and investors have long complained that Japan has lost its competitive edge to smaller, less regulated financial markets such as Hong Kong and Singapore. — Reuters