

Liabilities	Apr 9 2020	Audited Oct 31 2019
Assets	-	-
Accounts receivable	523**	2,824
Inventory	141	1,277
Cash	50	461
Total	714	4,562
Difference	(3,336)	-
Recovery	18%	-

* Figures obtained from company are subject to verification ** Based on Jan 31 2020 ledger

He added: “I am always struck as to how companies of all shapes and sizes sometimes get access to a startling amount of financing.”

Commodity trading is a capital-intensive business — it cost tens of millions of dollars to fill up an oil tanker — and fees from lending to local players such as Hin Leong and ZenRock can be up to two and half times higher than from deals with sector leaders such as Vitol and Trafigura, according to industry executives.

A veteran industry banker says he was stunned to discover Agritrade International, a relatively small trader that collapsed in February, had been granted \$1.54bn of credit from 26 different lenders.

“This is a really staggering number,” he said, adding that he hoped regulators in Singapore would set up a credit registry so that banks could check on banking facilities granted to commodity traders by other lenders.

The Monetary Authority of Singapore, the country’s financial regulator, said it promoted “transparency and fair-dealing by banks in relation to their customers and counterparties”. “In their credit risk management, banks are expected to apply judicious credit assessments on individual borrowers and not rely on broad-based sector de-risking,” it said.

For Trafigura’s Mr Salmon, the problems in Singapore also highlighted the need for global electronic platforms to process documents that underpinned commodity trading.