Rektron Group Gains Momentum in the Global Commodities Trading Arena with Disciplined Risk Management and Sustainable Trading

written by Tracy Hughes | April 7, 2025

Rektron Group Inc. (CSE: REK.U | FSE: F75) is rapidly emerging as a powerhouse in the global commodities trading arena, with its strategic growth plans and rigorous risk management practices setting it apart from competitors. Having successfully debuted on public markets in August 2024, Rektron has already established a firm foothold across ten countries, demonstrating impressive gains in both metals and energy trading. As it further expands its involvement in sustainable resource solutions and continues to cultivate international partnerships, Rektron's outlook remains undeniably strong.

A Remarkable Launch into Public Markets

Rektron's initial public offering (IPO), which closed on August 23, 2024, raised USD $5 million through the sale of units priced at USD $1.50 each. Every unit contained one common share and one warrant exercisable at USD $2.25 for three years. This successful capital raise significantly boosted the company's financial resources, enabling it to pursue ambitious new opportunities and bolster its trading volume. Shares of Rektron began trading on the Canadian Securities Exchange (CSE) under

the ticker symbol “REK.U” on August 26, 2024. The simultaneous listing on the Frankfurt Stock Exchange and the Tradegate Exchange (FSE: F75) further underscored the company’s global ambitions and expanded its investor base.

Less than a year after going public, Rektron’s market capitalization has climbed to approximately CAD 207.1 million (as of market open on April 7, 2025).



Strategic Structure and Core Divisions

Rektron’s strength is deeply rooted in its organizational model. As a Canadian holding company, Rektron oversees operations through its principal trading subsidiary, **DL Hudson Ltd.**, headquartered in London. This dual-division structure—spanning

Metals and Oil—provides both clarity and agility for managing complex commodity markets. Beyond its London base, Rektron maintains key trading hubs in Switzerland, Thailand, Singapore, and China, ensuring real-time market insights and enhanced responsiveness to fluctuations in global supply and demand.

1. **Metals Division**
   Rektron's Metals Division focuses on non-ferrous and recycled metals, covering aluminum, copper, lead, nickel, and zinc. The company also provides integrated supply chain services in partnership with smaller recyclers—an innovative arrangement wherein Rektron's subsidiary DL Hudson manages the procurement, processing, and eventual sale of these commodities. This model increases efficiency and reduces operational risks for partners, allowing Rektron to expand its reach into high-growth segments such as **recycled metals**. The global non-ferrous metals market is projected to surpass USD $1.75 trillion by 2033, propelled by emerging demand in sectors like automotive, aerospace, construction, and electronics, making Rektron's early positioning especially advantageous.
2. **Oil Division**
   On the energy front, Rektron specializes in crude oil, Euro VI-compliant fuels, and liquefied petroleum gas (LPG), reflecting a deliberate choice to cater to both traditional energy needs and a shifting regulatory landscape that increasingly favors cleaner fuels. Moreover, Rektron's expansion into renewables—including biofuels, liquefied natural gas (LNG), and other sustainable energy alternatives—offers diversification and positions the company to benefit from the global pivot toward cleaner energy sources.

Conservative Risk Management as a Competitive Advantage

In a sector prone to high volatility, Rektron’s robust risk management framework stands out as a key differentiator. The company employs sophisticated hedging strategies involving futures and derivatives, working closely with trusted brokerage partners to manage both price risk and currency risk. Given the dollar-denominated pricing of most commodities against varying local operating currencies, this prudent approach mitigates potential losses and adds stability to Rektron’s revenue streams.

Rektron’s conservative stance even extends to its currency risk management. By engaging in currency futures and other derivative trades, the company can better forecast its operational expenses and insulate itself from unanticipated exchange rate fluctuations. This disciplined emphasis on predictability and resilience resonates with stakeholders seeking less speculative plays in commodity markets.

Global Growth Trajectory

Non-Ferrous Metals: A Strategic Focus

Rektron’s growth roadmap is particularly evident in its non-ferrous metals trading. The global shift toward lightweight and sustainable materials is fueling demand for metals like aluminum and copper, which feature prominently in electric vehicles, renewable energy infrastructure, and advanced electronics. By targeting these high-demand metals, Rektron is aligning itself with core industrial sectors that have long-term growth potential and a relatively stable market outlook.

Energy Expansion: Crude Oil, LPG, and Beyond

The company's energy strategy is similarly comprehensive, reflecting a broader market shift while capitalizing on its existing strengths. Rektron sources crude oil from the Middle East and South America, bringing it into Asian markets where consumption is steadily increasing. Its strong presence in the Balkans, Mediterranean, and Central Asia has notably led to the development of a robust LPG trading network. Given the rising demand for cleaner, more efficient energy solutions, this alignment positions Rektron to take advantage of both short-term market gaps and longer-term global transitions to more sustainable energy infrastructures.

A pivotal development on February 5, 2025, saw Rektron sign a non-binding term sheet to acquire a 68% stake in **R.K. Batra Group**, a premier India-based LPG company with a significant footprint in India and Nepal. If finalized, this acquisition will exponentially broaden Rektron's market presence, infrastructure, and supply chain capabilities within the fast-growing South Asian energy market.

Navigating Sustainability and Recycling Supply Chains

Rektron's strong push into sustainable practices includes forging alliances with recyclers who often face funding challenges. Through its **DL Hudson Ltd.** subsidiary, the company purchases scrap metals, manages processing, and ultimately redistributes recycled materials at competitive rates. This seamless, integrated approach not only promotes environmental benefits but also positions Rektron as a future-ready player in a world increasingly conscious of carbon footprints and resource circularity. Additionally, recycled metals typically command

discounted pricing compared to London Metal Exchange (LME) registered metal, which can yield favorable margins under the right market conditions.

Forward-Looking Management and Leadership

The experienced leadership team behind Rektron has navigated multiple industry cycles and varied market conditions:

- **Chairman & Director, Swapnil Mokashi**: Offers broad expertise in finance, sales, and marketing, having successfully led large-scale international trading operations.
- **CEO, Atanas Kolarov**: Boasts over four decades of experience in the oil sector, cultivating strategic partnerships across global markets and pioneering private refinery development in the Black Sea region.
- **Interim CFO, Jigar Desai**: A finance professional and Fellow of the Association of Chartered Certified Accountants (ACCA) in the UK, with nearly two decades of accounting and auditing experience.

This seasoned leadership has steered the company toward deliberate, well-informed expansions—essential traits for success in fast-moving global commodity markets.

The Road Ahead

In the short time since going public, Rektron has established itself as a dynamic player in the commodity markets, guided by a disciplined approach to risk management and a robust pipeline of strategic expansions. From its IPO’s capital infusion to its

calculated growth into new metals, fuels, and geographies, Rektron is carving out a pivotal role in the global commodities landscape. As the demand for metals, fuels, and renewables continues to evolve, Rektron’s management remains focused on agility, innovation, and prudent expansion—key themes that will shape its journey in an increasingly interconnected world.

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