HC GROUP
TALENT INTELLIGENCE

Oil Trading Talent in the Age of Dispersion

What distorted markets mean for compensation, behaviour and organisational design in 2026

The Age of Dispersion

The defining feature of commodity trading markets in 2026 has been the scale of dispersion across performance outcomes.

Across oil, gas and refined products markets, firms exposed to similar products and regional dynamics have produced sharply different results, often within the same trading windows. Multi-billion-dollar gains and losses have occurred simultaneously across the market. Several firms experienced significant drawdowns linked to positioning and liquidity pressure, while others generated exceptional returns from exposure to the same dislocations.

Importantly, this divergence has not only occurred between firms. In many organisations, performance has varied materially across desks despite operating within related markets and under the same broader platform infrastructure.

The market environment is not behaving like a conventional commodity upswing where strong conditions broadly support profitability across the industry. Outcomes have instead become more and more dependent on positioning, infrastructure flexibility, liquidity resilience and the ability to operate effectively through unstable conditions.

This distinction matters because it is beginning to place pressure on more than trading books alone.

Compensation systems, governance frameworks and organisational behaviour are also being tested by the scale and concentration of year to date profitability.

In several firms, traders are understood to have generated more year-to-date P&L by mid-2026 than they would in most full performance cycles. At the same time, many organisations remain reluctant to fundamentally redesign compensation structures around what is still viewed internally as a unique market environment.

> ***“The current cycle has been defined less by broad market direction and more by divergence between participants exposed to the same underlying conditions.”***
>
> Amelia Chahal, Head of Talent Intelligence

This tension increasingly sits at the centre of industry discussions. Firms are trying to balance exceptional performance recognition, long-term governance discipline, retention of key talent and prudent risk behaviour.

The strongest-performers are not necessarily those producing the largest short-term trading outcomes. Often, they appear to be the firms able to maintain organisational discipline and operational flexibility while adapting reward structures with enough pragmatism to remain commercially credible.

Similar markets have produced materially different outcomes

Significant drawdowns	Dislocated markets	Record gains
Short regrade exposure	Regional dislocations	Long dislocation exposure
Margin pressure	Rapid repricing	Infrastructure advantage
Forced de-risking	Liquidity stress	Physical optionality
Defensive positioning		Arbitrage flexibility

1. From volatility to dispersion

Commodity markets have always experienced periods of volatility. What appears structurally different in the current environment is the degree of divergence between participants exposed to the same underlying markets.

Over the course of 2026, the industry has seen simultaneous multi-billion-dollar gains and losses across crude, products and gas-linked exposures. Large drawdowns have occurred alongside some of the strongest trading performances of recent years. In several cases, firms moved from significant losses to rapid recoveries within days as markets repriced.

Importantly, these differences have not necessarily reflected broad variations in organisational quality. In many instances, they have reflected positioning into dislocation events, the ability to maintain liquidity under pressure, and the speed at which firms could adjust risk as prompt structures shifted.

The current environment has highlighted how quickly markets can move from directional trading conditions into liquidity-driven ones.

When spreads widen aggressively and financing conditions tighten simultaneously, mark-to-market losses can escalate into balance-sheet events. At that point, the firms able to continue operating with flexibility gain a significant advantage over those forced into reactive de-risking.

Importantly, this has not been a broad-based “everyone wins” situation. There are clear winners and losers operating simultaneously.

This distinction matters because it reinforces the view held across much of the industry that genuine performance differentiation still exists despite distorted markets. The current market has therefore rewarded certain forms of preparedness more than scale alone.

This is also contributing to a growing perception that traditional benchmark comparisons may be becoming less meaningful in highly distorted markets. When firms generate multiple years of profitability over compressed time periods, separating structural capability from market-enabled performance becomes increasingly difficult.

2. Positioning, optionality and the changing sources of advantage

One of the clearest themes emerging from this year to date is that market advantage appears to be becoming more interconnected and platform-dependent.

Historically, commodity trading performance was often viewed primarily through the lens of individual commercial talent: directional conviction, market relationships and positioning skill. Those capabilities remain important. However, the current environment has reinforced the extent to which outcomes are influenced by broader organisational capability.

This has been particularly visible during periods of severe market dislocation.

As volatility expands and liquidity deteriorates, performance becomes heavily dependent on how effectively firms can coordinate across trading, risk, analytics, and operational teams. In practice, periods of stress tend to expose organisational friction quickly.

Several themes have emerged consistently across stronger-performing platforms:

- Clearer decision-making structures
- Faster coordination between front office and infrastructure functions
- Stronger visibility across liquidity and exposure
- Greater operational flexibility
- Ability to continue deploying capital through unstable conditions

Firms with access to logistics flexibility, storage, freight optionality and integrated infrastructure have generally been better positioned to navigate fragmented markets and monetise regional dislocations. In several cases, infrastructure flexibility appears to have provided a more durable advantage than directional positioning alone. This is beginning to shift perceptions around where value is created within trading organisations.

The value of "star trader" economics becomes less straightforward in highly dispersed environments where outcomes are heavily influenced by liquidity access, infrastructure support and organisational positioning. Several firms appear focused on identifying traders capable of generating repeatable performance through volatile conditions rather than episodic windfall years.

Secondly, functions viewed primarily as enablers, including analytics, operations and risk, have become more commercially visible during periods of stress. In several firms, these teams have played a significant role in enabling traders to preserve optionality, manage exposure and monetise volatility through unstable conditions.

As a result, discussions are widening around what constitutes high-value contribution across trading platforms. The market is not necessarily moving away from trader-led organisations. It is, however, recognising that exceptional performance in dislocated markets often depends on integrated capability rather than individual conviction alone.

3. Relative performance, attribution and expectation management

One of the more nuanced themes emerging from the current environment is the growing distinction between absolute performance and relative performance.

In more stable trading conditions, profitability can generally be assessed against a relatively established set of expectations around market opportunity, risk deployment and competitive positioning. The current cycle is materially more complicated. Across crude, products and gas-linked markets, earnings outcomes have been heavily influenced by regional dislocations, volatility spikes, infrastructure flexibility, liquidity access and, in certain cases, government intervention or policy support.

As a result, many firms are trying to distinguish between structurally repeatable performance and profitability that may have been amplified by unusually supportive market conditions.

The distinction is not always straightforward. In these environments, management teams may view certain earnings outcomes as partly environment-driven, while traders often interpret the same outcomes as primarily skill-based. Both perspectives can contain elements of truth simultaneously. This tension may become visible during performance discussions across the market at year end.

In several firms, leadership teams are attempting to balance competing priorities at once: preserving credibility around performance recognition while maintaining broader governance discipline, avoiding the perception that exceptional markets automatically justify permanent changes to compensation philosophy or performance expectations.

Expectation management has become particularly important. The visibility of current P&L outcomes creates a risk that traders anchor psychologically on gross profitability regardless of how it was ultimately generated.

Handled poorly, these discussions can create broader organisational consequences. Several market participants referenced concerns around disengagement among high performers, more defensive behaviour after large gains, weakened collaboration and increasing tension around internal equity and reward participation.

The firms navigating the current environment most effectively do not appear to be relying purely on rigid formula structures or fully discretionary outcomes. More often, they are organisations able to preserve credibility around reward decisions while maintaining broader governance discipline and organisational cohesion.

4. Compensation and reward in dislocated markets

The compensation challenge emerging across oil trading is inseparable from the nature of the current cycle itself.

In practical terms, some individuals have already secured financially transformational years before the market has fully normalised. That creates a difficult dynamic for firms operating with capped, mature or more institutionalised compensation structures.

Many asset backed trading compensation models have been built around more balanced earnings distributions, where strong performance could be rewarded without materially distorting behaviour across the platform.

Once traders believe additional performance is unlikely to translate into materially different personal outcomes, the relationship between incremental risk and incremental reward can weaken quickly.

Several market participants described a growing tendency toward capital preservation after outsized gains. Traders begin mentally locking in performance, risk appetite becomes more selective and commercial engagement can soften once payout expectations plateau.

The "Olympic gold medal" analogy surfaced repeatedly during industry discussions. Once an individual has effectively secured a career-defining outcome, the psychological relationship with performance often changes.

Future upside can begin to feel less meaningful relative to the volatility, stress and downside exposure required to continue deploying risk aggressively.

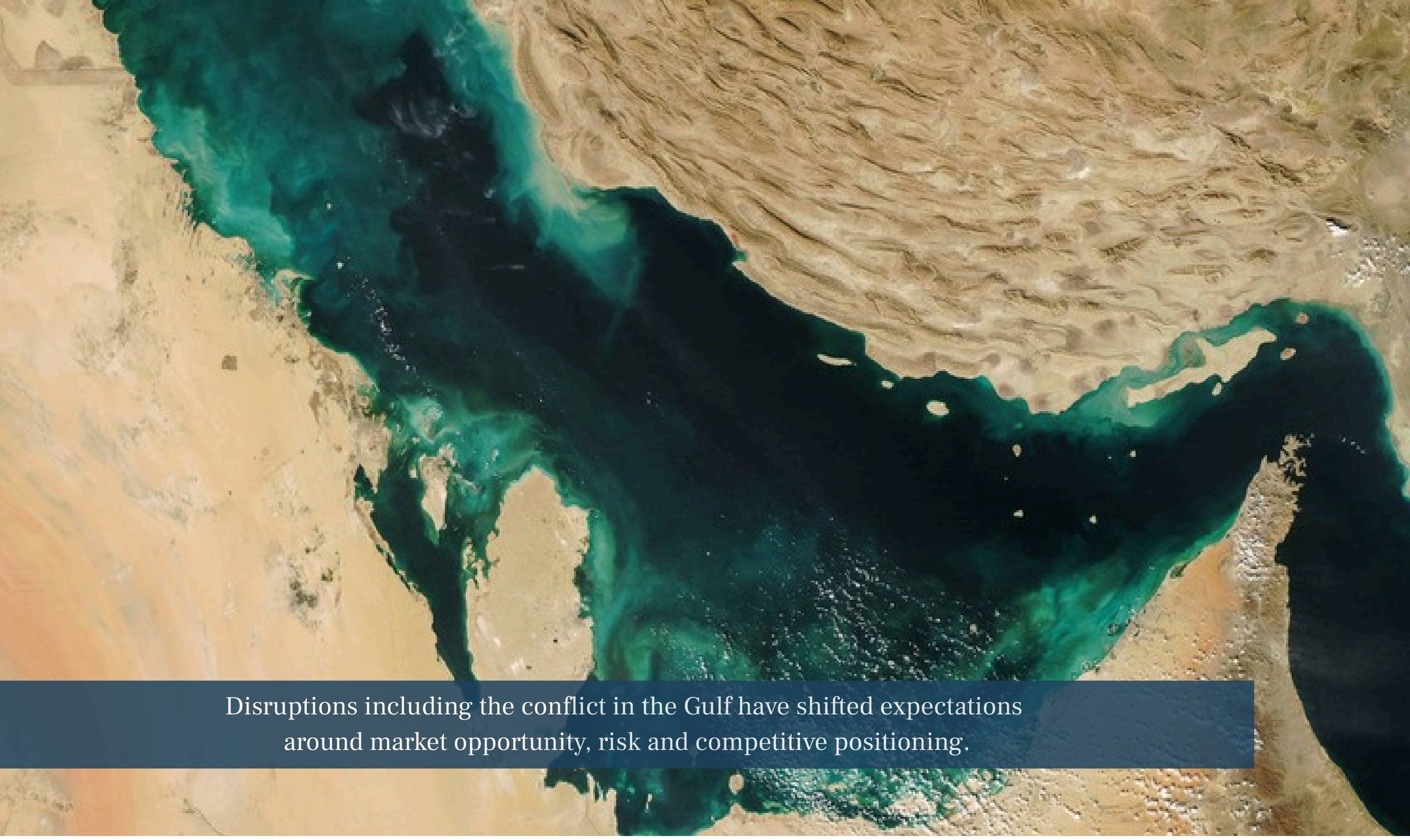
The balance becomes more assymetric once transformational years are secured mid-cycle. Organisations want to avoid encouraging short-term behaviours, but they also remain wary of environments where high performers disengage commercially halfway through the year.

Critically, tensions around pay is not limited to front-office populations alone.

In particular, there is a growing mismatch between how value is created across trading platforms and how compensation is distributed within them. In several firms, enabling teams have played a materially more commercial role than during more stable market conditions, particularly where infrastructure flexibility, operational responsiveness and rapid coordination influenced profitability directly.

However, reward structures across many trading organisations remain disproportionately concentrated around front-office outcomes.

This creates a more complicated organisational dynamic during extreme earnings years. As value creation becomes increasingly interconnected across the desk, questions naturally emerge around how contribution is recognised and how incentive structures should evolve to reflect broader commercial participation.



Disruptions including the conflict in the Gulf have shifted expectations around market opportunity, risk and competitive positioning.

Awareness is growing around how traditional compensation frameworks may not fully capture profitability generation during highly dislocated markets. Compensation approaches that over-concentrate value around individual books risk undermining collaboration across integrated trading platforms

The response across the market has therefore been more tactical than structural.
Rather than redesigning compensation philosophy entirely, many firms appear to be creating controlled flexibility around exceptional outcomes. Discussions have centred around selective retention structures, increased discretion for extraordinary performance, more localised authority over bonus allocation and more nuanced weighting between individual, desk and broader platform contribution.

Importantly, these adjustments are generally being treated as temporary responses to abnormal market conditions rather than permanent changes to compensation architecture.

The implications become much clearer once markets normalise. The industry increasingly appears to recognise that compensation systems built entirely around extraordinary years can create longer-term organisational consequences once markets normalise. Firms that fail to recognise exceptional contribution credibly risk creating different problems altogether, particularly around retention and talent attraction.

The challenge is around preserving motivation, collaboration and institutional discipline during a period where earnings outcomes have become unusually concentrated.

5. Talent implications and organisational consequences

The events of 2026 are already beginning to influence talent markets across commodity trading, although the impact remains uneven across firms, regions and products.

One of the more notable themes emerging from market discussions is that strong performance alone has not necessarily translated into increased mobility. In several larger integrated platforms, high-performing traders appear broadly inclined to remain where they are, particularly where firms are perceived to have navigated the market effectively and where leadership teams have retained credibility around performance recognition.

At the same time, weaker-performing firms and smaller regional platforms appear to be facing greater organisational pressure. Several market participants referenced restructuring activity, reductions in risk appetite and growing scrutiny around platform sustainability in areas where earnings outcomes have lagged peers materially.

Hiring conditions also remain inconsistent across the market. While recruitment costs for proven commercial talent remain elevated, there are indications that more traders may be available than during previous periods, particularly where firms experienced weaker performance outcomes or reduced capital deployment.

The current environment is also reinforcing a broader shift in how value is perceived across trading organisations themselves.

In several organisations, enabling teams have played a materially more commercial role during periods of market stress than in more stable environments.

HC Group are beginning to see broader discussions around:

- leadership capability
- succession planning
- reward participation
- organisational design
- high-value contribution across platforms

We also expect to see accelerating differentiation between firms built for episodic market opportunity and those designed for sustained performance across multiple market conditions. Periods of extreme market dispersion tend to expose organisational weaknesses quickly.

As a result, firms are placing value on leaders capable of managing complexity and preserving organisational cohesion during unstable periods, rather than simply maximising short-term commercial outcomes.

Distorted markets eventually normalise. The more enduring differentiator may therefore be how organisations adapt structurally once the market becomes less forgiving.

About HC Talent Intelligence

Our dedicated Talent Intelligence function empowers organisations to make data-driven decisions, optimise talent resources, and drive strategic workforce planning for long-term success.

HC Group is a global executive search and talent intelligence consultancy with over 20 years of experience advising clients across the commodity and energy trading markets. Our Talent Intelligence division delivers highly customised research, compensation benchmarking, and organisational structuring advice to some of the most competitive firms in the industry.

Our expertise enables us to provide not only quantitative benchmarks (e.g., base, bonus, total compensation by role and region) but also qualitative insight into how firms are evolving incentive models in response to shifting performance expectations, risk appetite, and organisational design.

HC Group's deep connectivity across both physical and proprietary trading houses, combined with our specialisation in commodity-specific talent strategy, ensures this analysis reflects the most current, nuanced view of market practices.

All HC's talent intelligence products are bespoke to fit the needs of our clients, and no two projects are the same. Our product offering includes the following:

- Compensation Benchmarking & Analysis
- Compensation Design & Bonus Methodologies
- Competitor Analysis
- Talent Mapping & Pipelining
- Skills & Competencies Framework
- Equity, Diversity & Inclusion Studies
- Skills Shortage & Talent Gap Assessment
- Organisational Culture & Identity Mapping

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