

# September 2021

## EMEA Market Structure Monthly

### MICROSTRUCTURE OBSERVATIONS

- In September 2021, the average daily volume in EMEA equities increased to €44.6B, 27% higher versus the previous month (€35.2B) and above September 2020's volume by 31% (€34B).
- The median quote size at the European Best Bid and Offer (EBBO) decreased in September. The STOXX 50 decreased by 5% and STOXX 600 decreased by 2% during the intraday trading period (08:30 to 16:00 BST).
- Median spreads did not change in September. Median spreads in STOXX 50 were 2.3bps and STOXX 600 symbols were 4bps.
- Volatility levels increased in September. Volatility in STOXX 50 and STOXX 600 symbols increased by 17% and 14% respectively, during the intraday trading period (08:30 to 16:00 BST).
- The average daily volume during the close period remained high at 27% for STOXX600 names while the average daily volume during the open period remained below 1%.
- The market share distribution between venues changed very little in September, relative to the prior month. Primary auctions saw an increase of 1.9% while primary lit venues decreased by 1.5% relative to previous month, due to quadruple witching at the end of the month.
- In the Dark Block space, Cboe Europe decreased by 2% while Liquidnet and POSIT have both increased by 1% each.

### EMEA MARKET STRUCTURE NEWS

#### The German Flagship Index DAX Expanded to 40 Constituents

Effective on 20 September, the German flagship index DAX has increased from 30 to 40 constituents, marking a significant evolution of the index and of the German capital market. Simultaneously, the MDAX will be reduced from 60 to 50 members. A list of the new index additions and the new rules DAX candidates must follow can be found in the link below.  
<https://deutsche-boerse.com/dbg-en/media/press-releases/DAX-welcomes-ten-new-members--2766886>

#### Turquoise to Support Trading of US Financial Instruments During UK Trading Hours

Turquoise, London Stock Exchange Group's global securities trading platform, will expand its service to allow investors to trade 223 US blue chip stocks. The securities are available on the Turquoise Lit Order Book. Traded US securities are cleared via LCH Limited's EquityClear, with fungible settlement into Depository Trust Company.  
<https://www.lseg.com/resources/media-centre/press-releases/turquoise-expands-offering-and-provides-investors-better-access-trade-us-shares-direct-settlement-dtc>

#### SIX Digital Exchange Receives Regulatory Approval to Operate an Exchange for Digital Assets

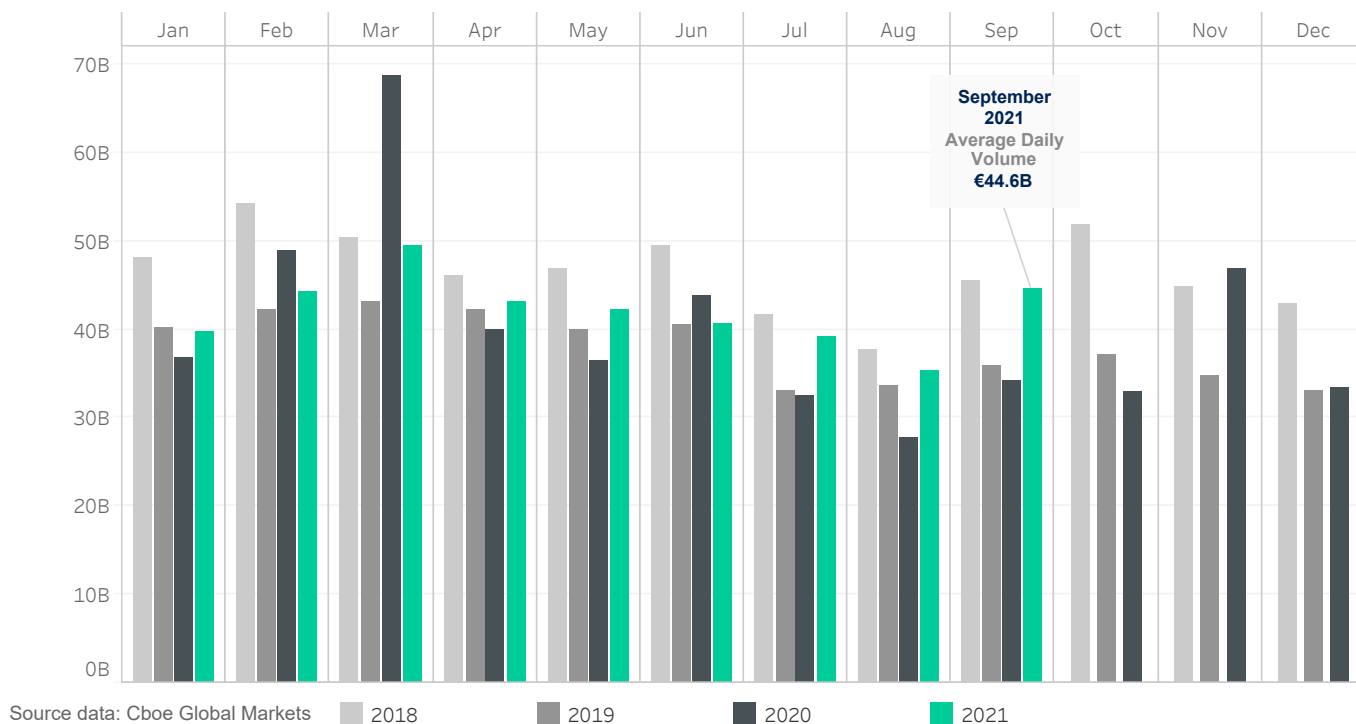
SIX Digital Exchange (SDX) operators of the Swiss Stock Exchange, received formal approval from the Swiss Financial Market Supervisory Authority to operate a stock exchange and a central securities depository for digital assets in Switzerland.  
<https://www.sdx.com/news/six-digital-exchange-gets-regulatory-approval-finma>

#### Financial Conduct Authority Intend to Modernize New Listing Regime

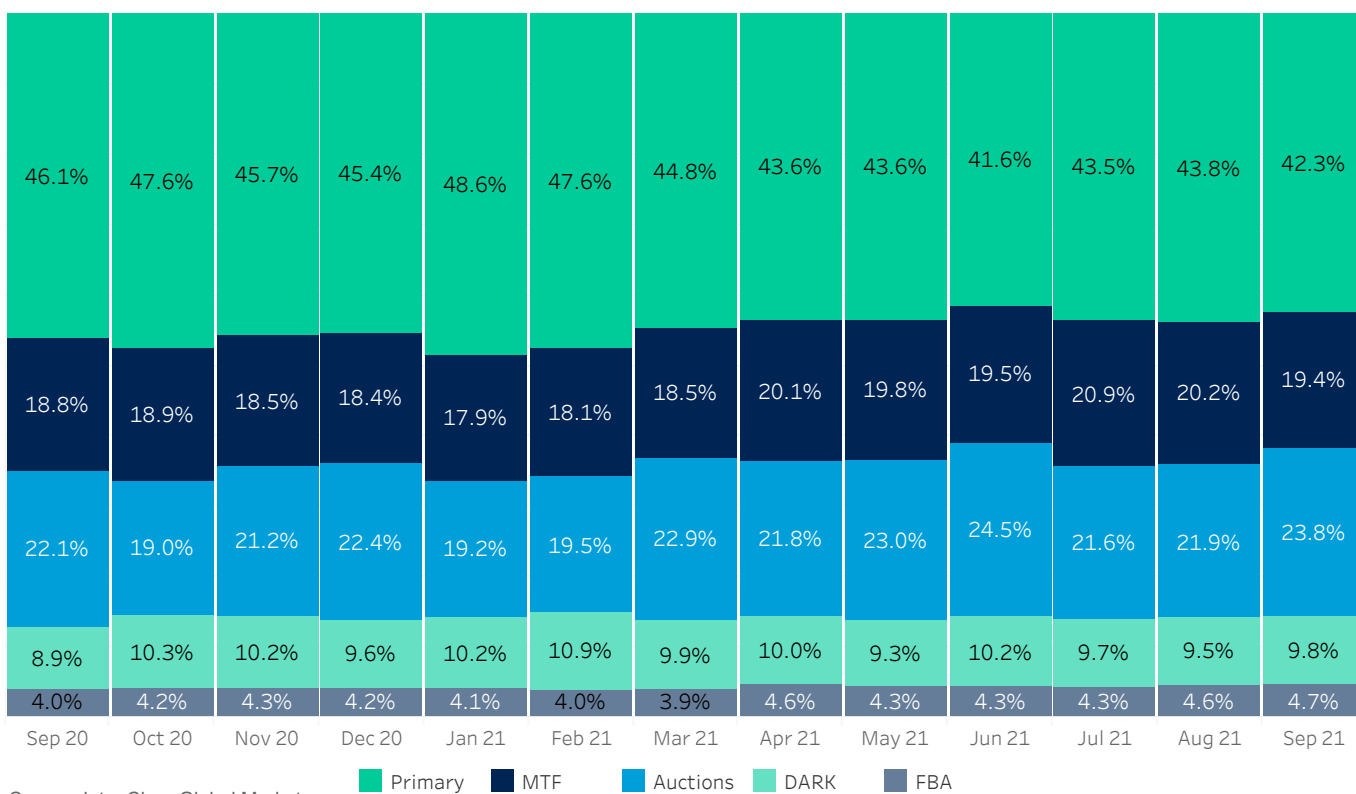
The UK Financial Conduct Authority (FCA) is looking to modernise IPO processes on the back of a UK listing review chaired by Lord Hill. Notable among the proposed changes was: allowing dual class share structure, reducing the free float level to 10% and raising the minimum market capitalisation to £50M. Subject to consultation responses and the decision of the FCA board, the goal would be to implement final rules before the end of the year, so that 2022 IPOs could benefit from the initial round of changes.  
<https://www.fca.org.uk/news/speeches/proposals-new-listing-regime>



## Average Daily Market Volume

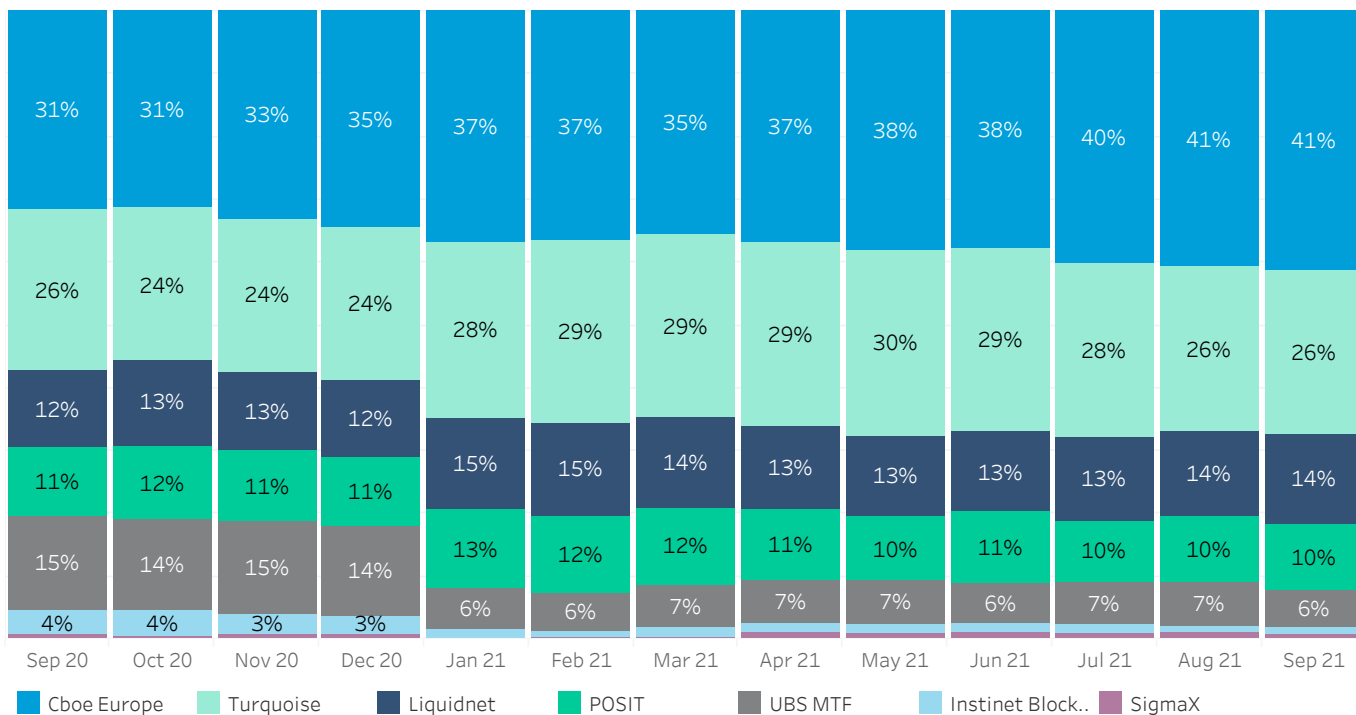


## Venue Type Market Share



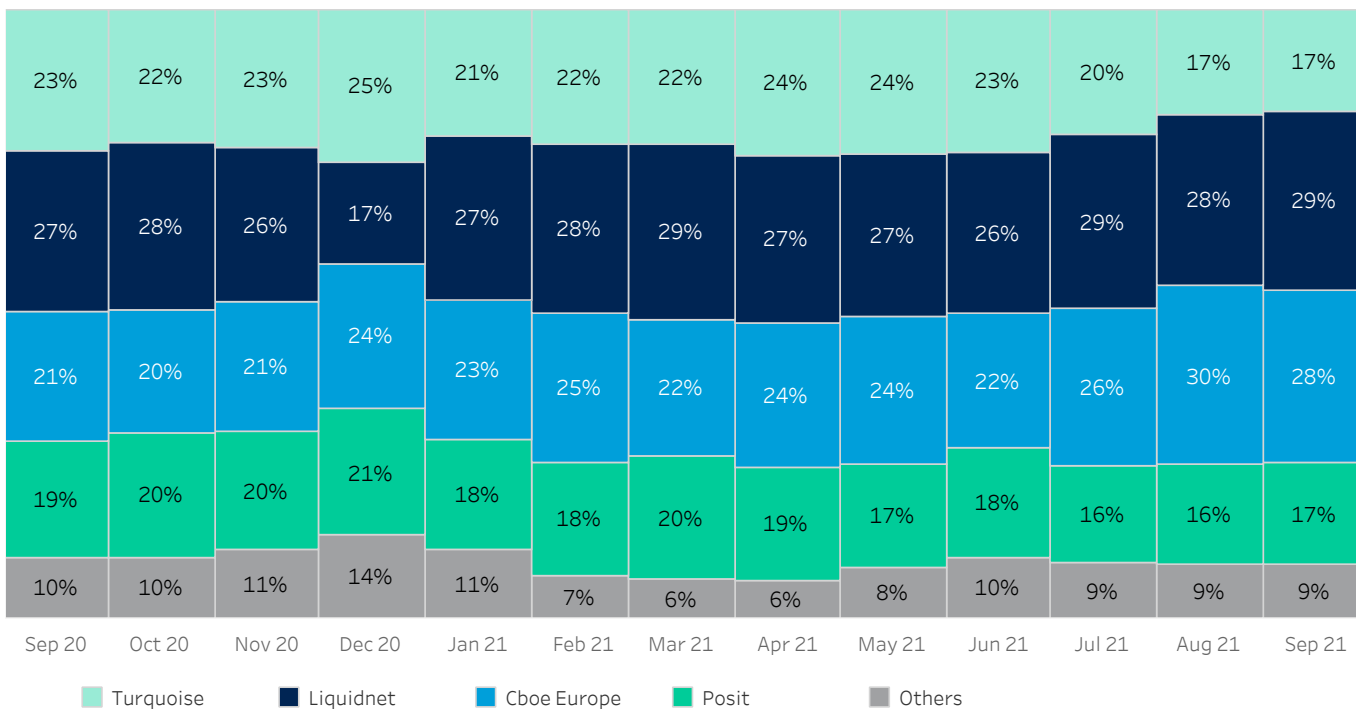


## Dark Market Share



Source data: Cboe Global Markets

## Block Market Share



Large In Scale values as per defined per symbol by ESMA; Source data: Virtu Financial



## Quotesize in Notional USD

		3Q 20	4Q 20			1Q 21			2Q 21			3Q 21		
		Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21
8:00 - 8:30	Stoxx50	29.3K	26.6K	29.9K	32.2K	25.3K	25.5K	26.3K	20.8K	21.9K	22.4K	19.3K	20.0K	18.7K
	Stoxx600	12.5K	12.0K	12.6K	13.4K	11.1K	11.0K	11.4K	11.0K	11.0K	11.5K	10.6K	11.0K	10.6K
8:30 - 16:00	Stoxx50	43.6K	38.9K	45.4K	50.6K	38.4K	37.8K	40.4K	35.0K	36.3K	37.4K	32.5K	34.4K	32.7K
	Stoxx600	17.7K	17.1K	18.4K	20.3K	15.9K	16.2K	17.2K	16.9K	17.3K	18.2K	16.0K	17.0K	16.7K
16:00 - 16:30	Stoxx50	58.4K	54.1K	63.2K	67.2K	46.9K	46.7K	51.1K	44.3K	43.3K	44.8K	38.1K	40.2K	37.8K
	Stoxx600	22.5K	22.3K	24.8K	26.2K	19.0K	19.2K	21.3K	20.6K	20.8K	22.1K	18.4K	19.4K	19.1K

## Spread Bps

8:00 - 8:30	Stoxx50	5.5	5.6	5.3	4.6	5.3	5.1	4.6	3.7	3.9	3.8	4.5	4.1	3.9
	Stoxx600	9.2	9.5	9.2	8.2	8.9	8.9	7.8	7.0	7.2	6.9	8.0	7.2	7.0
8:30 - 16:00	Stoxx50	3.4	3.4	3.2	3.0	3.2	3.1	3.1	2.4	2.4	2.4	2.7	2.3	2.3
	Stoxx600	5.1	5.0	4.8	4.5	4.7	4.7	4.5	4.0	4.0	4.0	4.4	4.0	4.0
16:00 - 16:30	Stoxx50	2.9	2.9	2.8	2.6	2.7	2.8	2.8	2.2	2.2	2.1	2.3	2.0	2.0
	Stoxx600	4.4	4.2	4.0	4.0	4.0	4.1	3.9	3.5	3.6	3.5	3.7	3.4	3.5

## One Minute Volatility Bps

8:00 - 8:30	Stoxx50	15.9	16.8	15.9	12.8	14.5	14.3	12.2	10.3	11.1	9.1	12.7	10.5	11.9
	Stoxx600	15.0	16.0	15.9	13.0	14.0	14.0	12.2	10.4	10.5	9.2	11.5	9.8	11.0
8:30 - 16:00	Stoxx50	7.0	7.0	6.9	5.1	6.1	5.5	5.5	4.5	4.7	4.2	5.3	4.5	5.3
	Stoxx600	6.1	6.0	6.1	4.9	5.3	5.1	5.1	4.3	4.4	4.0	4.8	4.2	4.8
16:00 - 16:30	Stoxx50	8.1	7.3	6.9	5.6	6.6	6.2	5.6	4.4	4.7	4.2	5.1	4.2	5.1
	Stoxx600	6.5	5.8	5.9	5.0	5.5	5.4	4.9	4.2	4.2	3.8	4.3	3.8	4.4

## Percent ADV by Time of Day

Open	Stoxx50	0.9%	1.1%	1.1%	1.0%	1.4%	1.1%	1.2%	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%
	Stoxx600	0.4%	0.5%	0.5%	0.5%	0.8%	0.6%	0.6%	0.5%	0.6%	0.5%	0.5%	0.5%	0.6%
8:00 - 8:30	Stoxx50	10.6%	11.1%	11.1%	10.7%	10.5%	8.7%	7.2%	6.9%	7.2%	6.1%	7.0%	7.1%	7.0%
	Stoxx600	9.1%	9.1%	8.8%	8.6%	9.3%	7.9%	7.3%	7.1%	7.2%	6.2%	6.6%	6.5%	7.0%
16:00 - 16:30	Stoxx50	19.4%	20.7%	20.7%	22.5%	23.4%	19.3%	15.9%	15.4%	20.1%	18.0%	16.3%	17.2%	15.2%
	Stoxx600	17.5%	17.6%	18.5%	19.4%	17.8%	15.3%	15.1%	14.4%	15.2%	14.4%	13.0%	13.8%	13.1%
Close	Stoxx50	24.8%	24.2%	23.4%	26.6%	31.5%	24.8%	26.6%	26.6%	26.6%	29.3%	27.2%	26.5%	26.5%
	Stoxx600	25.1%	26.1%	26.3%	29.0%	32.0%	27.0%	27.4%	28.9%	26.9%	30.4%	27.8%	27.7%	26.9%

Median used for all metrics

One minute volatility is calculated using the difference between the high and low price within a one minute time bin, divided by that bin's VWAP

Source data: Virtu Financial



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