

# February 2024

## EMEA Market Structure Monthly

### MICROSTRUCTURE OBSERVATIONS

- EMEA equities turnover increased by 10.5% MoM to €42B, down 10% YoY.
- The split between lit, auction and non-displayed volumes remained broadly unchanged with a small uptick in auction volumes at the expense of lit MTF volumes.
- In non-lit markets, POSIT increased its market share by 2% to a total of 18%, whilst Liquidnet dropped from 28% to 26%.
- We observed an increase in quote sizes throughout the day as well as an increase in volatility during the first 30 minutes of the trading day, whilst volatility for the rest of the day remained flat MoM.

### EMEA MARKET STRUCTURE NEWS

#### **ESMA Finalizes Decision to Withdraw Tier 1 Third-Country CCP Recognition of Dubai Commodities Clearing Corp.**

The Joint Board of Appeal unanimously decided to dismiss an appeal brought by the Dubai Commodities Clearing Corporation to ESMA's decision to no longer recognize it as a Tier 1 CCP. ESMA stated that the decision is in consequence of the United Arab Emirates being considered a high risk country by the European Commission, with deficiencies in their national anti-money laundering and counter financing of terrorism practices.

<https://www.esma.europa.eu/press-news/esma-news/esas-joint-board-appeal-confirms-esmas-decision-withdraw-recognition-dubai>

#### **ESMA Raising Awareness of Rules When Posting Investment Recommendations on Social Media**

ESMA has recently clarified that individuals must comply with the Market Abuse Regulations ("MAR") framework for posting about investments or risk being exposed to sanctions. ESMA clarified that the rules apply to all individuals, regardless of background. Even if a person is using non-technical language, this may constitute an investment recommendation. Requirements include, but are not limited to, identifying the producer's name and job title, conflicts of interest and reliability of sources. There are additional requirements for professionals and experts.

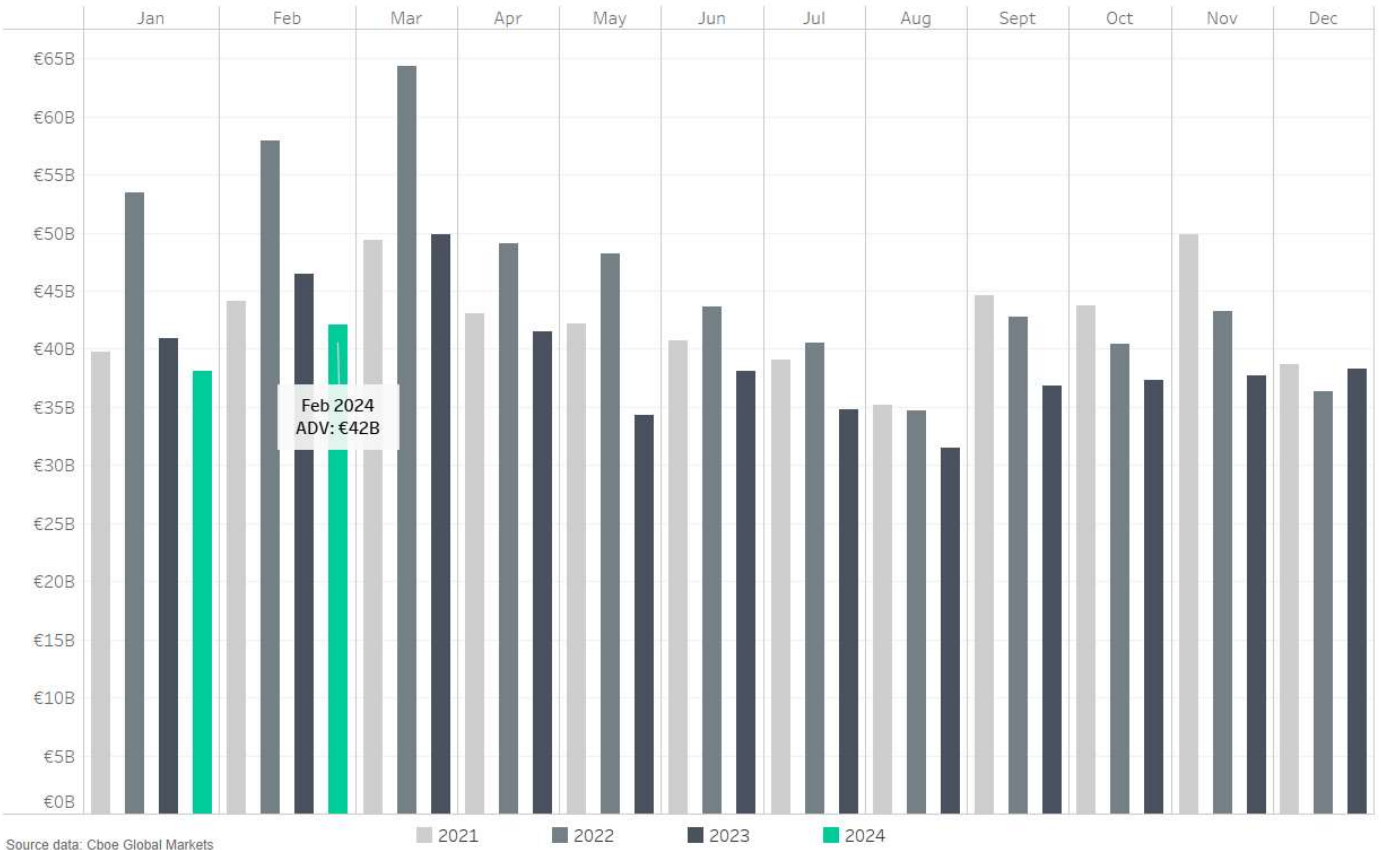
<https://www.esma.europa.eu/press-news/esma-news/requirements-when-posting-investments-recommendations-social-media>

## **ESMA Updates Supervisory Expectations on Best Execution Reporting Requirements Under the Revised MiFID II**

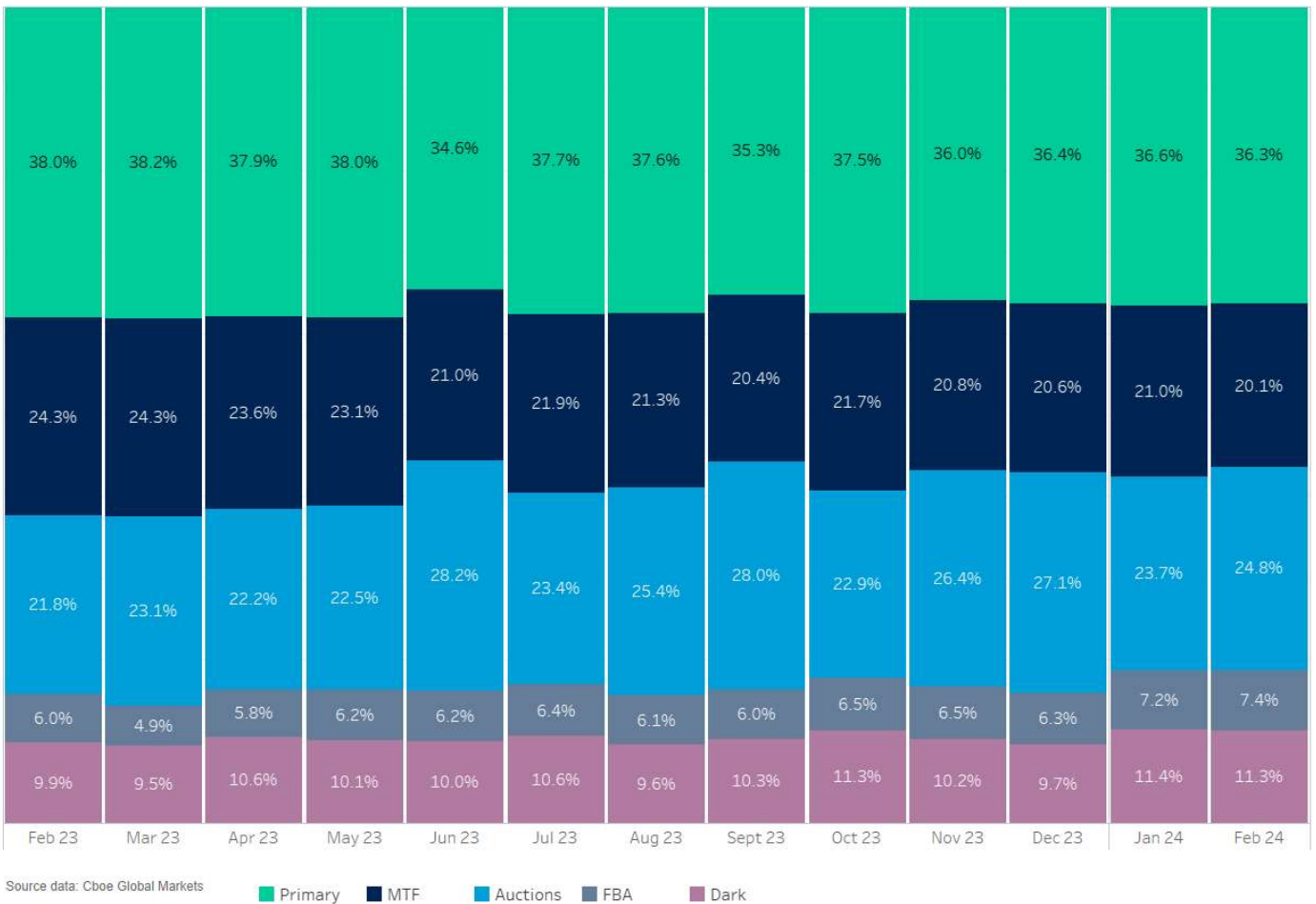
Under the revised MiFID II framework, investment firms will no longer be required to annually report detailed information on trading venues and execution quality through RTS 28 reports. However, the rules will not be fully implemented until transposed by member states and they have 18 months to do so. In the interim, ESMA has issued a statement to national competent authorities instructing them not to prioritize supervisory actions towards investment firms relating to the periodic reporting obligation to publish the RTS 28 reports.

<https://www.esma.europa.eu/press-news/esma-news/esma-clarifies-certain-best-execution-reporting-requirements-under-mifid-ii>

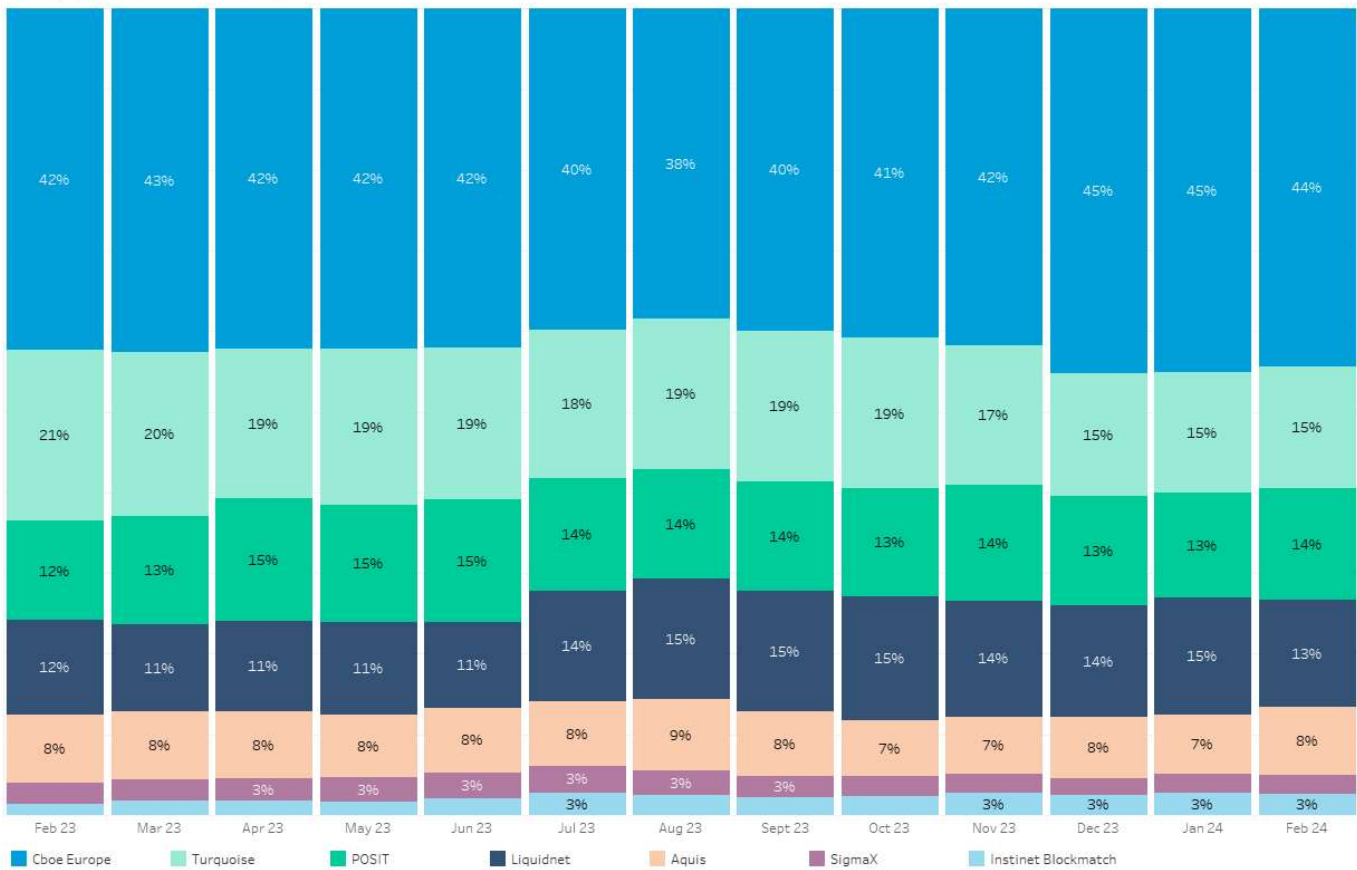
## Average Daily Market Volume



## Venue Type Market Share

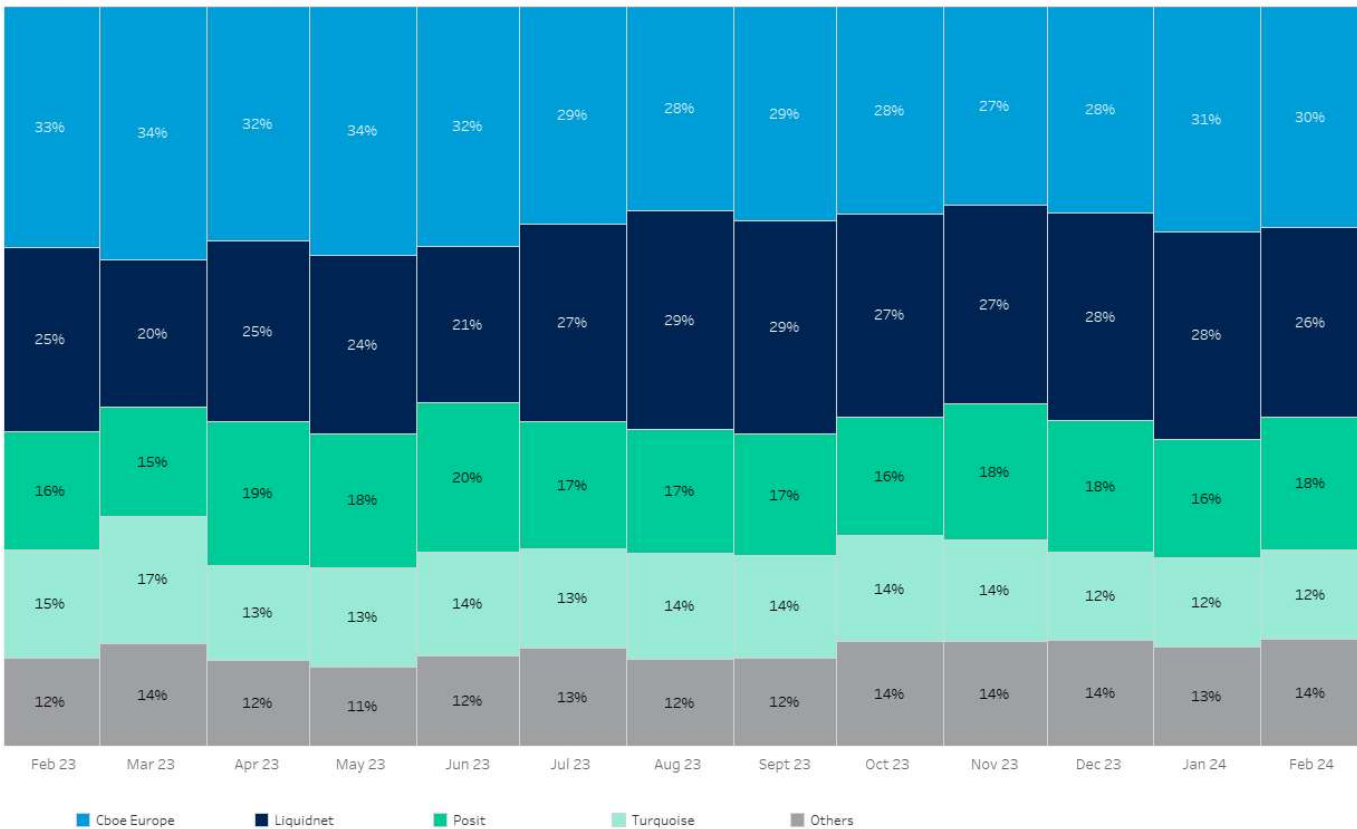


## European Dark Market Share



Source data: Cboe Global Markets

## European Block Market Share



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

## Quotesize in Notional USD

		1Q 23		2Q 23			3Q 23			4Q 23			1Q 24	
		Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24
8:00 - 8:30	Stoxx50	32.1K	27.7K	31.3K	29.3K	25.8K	27.9K	28.0K	25.1K	23.5K	25.8K	25.6K	24.4K	25.2K
	Stoxx600	14.1K	14.5K	15.2K	14.3K	13.5K	13.0K	12.4K	12.1K	11.1K	11.5K	12.1K	11.7K	12.0K
8:30 - 16:00	Stoxx50	44.2K	38.5K	42.1K	39.4K	34.2K	39.0K	39.9K	36.5K	37.3K	38.2K	38.7K	36.4K	40.6K
	Stoxx600	17.4K	18.1K	19.1K	18.0K	17.6K	17.1K	16.2K	16.1K	15.3K	15.4K	16.7K	16.8K	16.9K
16:00 - 16:30	Stoxx50	47.8K	45.3K	49.5K	47.3K	41.8K	48.1K	51.5K	51.6K	51.8K	51.5K	53.8K	48.4K	55.4K
	Stoxx600	21.3K	22.4K	24.1K	23.4K	23.3K	22.9K	21.3K	22.7K	20.4K	21.6K	23.3K	23.4K	23.8K

## Spread Bps

8:00 - 8:30	Stoxx50	4.5	5.0	5.4	5.5	5.3	5.2	4.8	4.7	4.6	4.7	4.6	4.5	4.6
	Stoxx600	7.7	8.4	8.3	8.4	8.0	8.1	8.1	7.9	8.5	8.3	7.7	7.8	7.9
8:30 - 16:00	Stoxx50	3.0	3.3	3.4	3.4	3.3	3.4	3.3	3.2	3.3	3.1	3.0	3.1	3.0
	Stoxx600	4.9	5.4	5.1	5.1	5.0	5.1	5.1	5.0	5.6	5.2	4.9	4.9	4.9
16:00 - 16:30	Stoxx50	2.6	2.9	3.1	3.1	3.1	3.1	3.0	2.7	2.8	2.6	2.6	2.6	2.6
	Stoxx600	4.2	4.6	4.5	4.4	4.5	4.5	4.6	4.4	4.9	4.5	4.4	4.2	4.2

## One Minute Volatility Bps

8:00 - 8:30	Stoxx50	12.4	14.1	12.3	12.4	11.4	11.4	10.4	10.2	12.2	10.4	9.3	10.8	10.8
	Stoxx600	11.4	12.8	11.7	11.1	10.2	10.4	9.6	9.4	11.7	10.5	9.6	10.1	10.6
8:30 - 16:00	Stoxx50	5.5	6.9	5.5	5.1	5.1	5.0	5.3	5.2	6.1	4.7	4.3	4.8	4.6
	Stoxx600	4.9	6.0	4.8	4.6	4.5	4.5	4.5	4.6	5.6	4.8	4.2	4.4	4.3
16:00 - 16:30	Stoxx50	5.7	6.6	5.9	5.7	5.8	5.1	5.4	4.8	5.8	4.7	4.3	4.3	4.3
	Stoxx600	4.7	5.1	4.5	4.5	4.4	4.2	4.3	4.2	5.1	4.3	4.0	3.9	4.0

## Percent ADV by Time of Day

Open	Stoxx50	1.0%	1.0%	1.0%	1.0%	1.1%	1.1%	1.0%	1.0%	1.0%	0.9%	1.4%	1.1%	1.1%
	Stoxx600	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.7%	0.6%	0.6%
8:00 - 8:30	Stoxx50	5.9%	4.8%	2.9%	3.4%	3.0%	4.1%	6.4%	7.3%	4.3%	4.1%	4.0%	4.1%	4.0%
	Stoxx600	8.3%	6.3%	6.5%	6.6%	5.7%	5.7%	5.7%	5.1%	4.8%	4.8%	5.0%	5.1%	4.9%
16:00 - 16:30	Stoxx50	3.3%	4.2%	2.0%	2.8%	2.9%	4.4%	8.4%	11.2%	5.1%	4.8%	4.6%	4.4%	4.0%
	Stoxx600	13.3%	13.2%	13.3%	13.9%	13.6%	14.4%	15.8%	16.1%	14.7%	13.0%	13.7%	12.9%	12.5%
Close	Stoxx50	25.7%	27.4%	26.6%	28.9%	32.6%	29.1%	27.7%	31.5%	28.4%	29.4%	31.9%	30.7%	29.9%
	Stoxx600	26.8%	29.7%	29.8%	30.6%	34.9%	32.4%	32.8%	34.5%	31.9%	33.2%	34.3%	32.9%	34.0%

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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