

January 2024

EMEA Market Structure Monthly

MICROSTRUCTURE OBSERVATIONS

- EMEA equities markets had a slower start to the year with January notional traded volumes -7% YoY and flat MoM at \$38B.
- Non-auction lit trading remained relatively unchanged at 57.6% of overall notional traded volumes, while dark trading recorded a new high with 11.4%.
- In the dark market, Cboe extended its lead with 45% market share, followed by Liquidnet and Turquoise with 15% each and Virtu's Posit with 13%.
- One-minute volatility was low and spreads remained tight compared to levels observed in 2023, although we also observed a decrease in the quoted size at the inside of the lit order books.

EMEA MARKET STRUCTURE NEWS

Approval of MiFID/MiFIR Revisions Likely to Enact Sweeping Change

On January 16th, the European Parliament voted to adopt revisions to both MiFID and MiFIR, setting the stage for the European Securities and Markets Authority (ESMA) to further define the technical standards. Among the changes is the much-anticipated establishment of EU-wide consolidated tapes. This will start with bonds before being implemented across equities and derivatives. There were also updates to transparency, Systematic Internaliser and Best Execution provisions amongst other revisions.

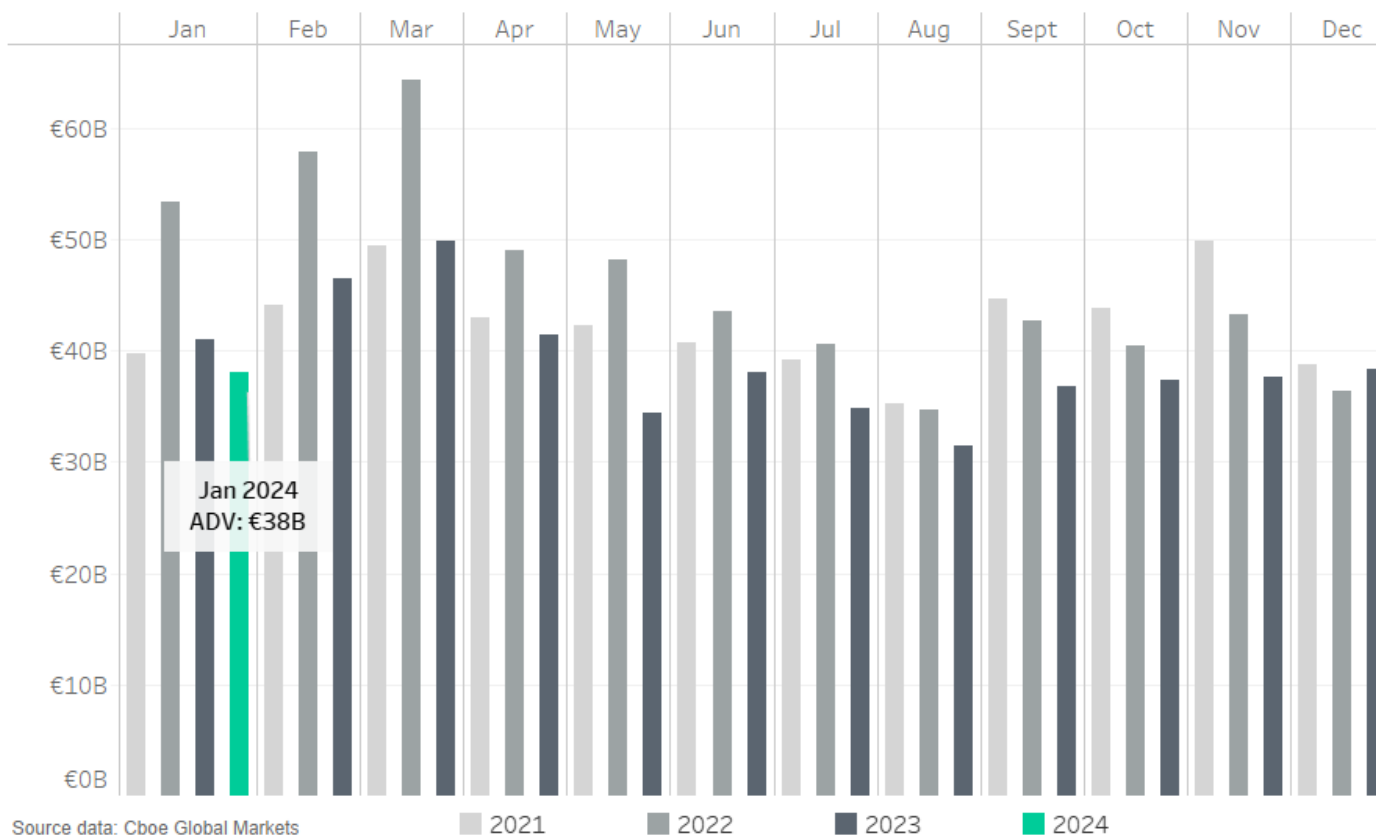
<https://www.thetradenews.com/european-parliaments-approval-of-mifid-mifir-revisions-a-starting-gun-for-change/>

Regulators Increase Focus on Pre-Trade Controls in the EU

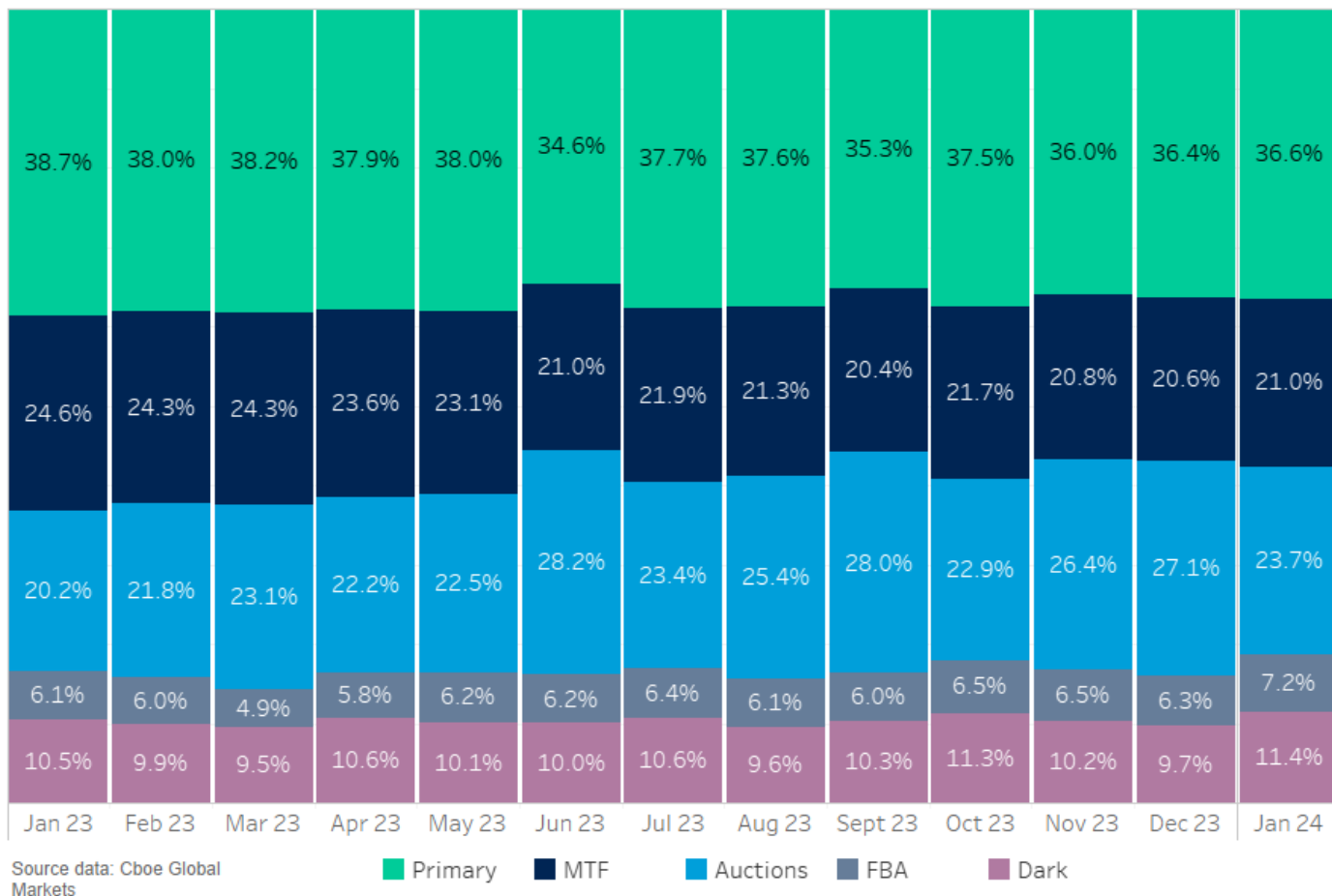
In response to concerns stemming from the May 2021 "Flash Crash," ESMA and the National Competent Authorities (NCAs) announced the launch of a Common Supervisory Action (CSA). This CSA is designed to assess the implementation of pre-trade controls to prevent erroneous orders and trades from being placed by Investment Firms that operate trading algorithms.

<https://www.thetradenews.com/european-regulators-launch-pre-trade-algorithmic-trading-supervisory-action-in-the-wake-of-flash-crash/>

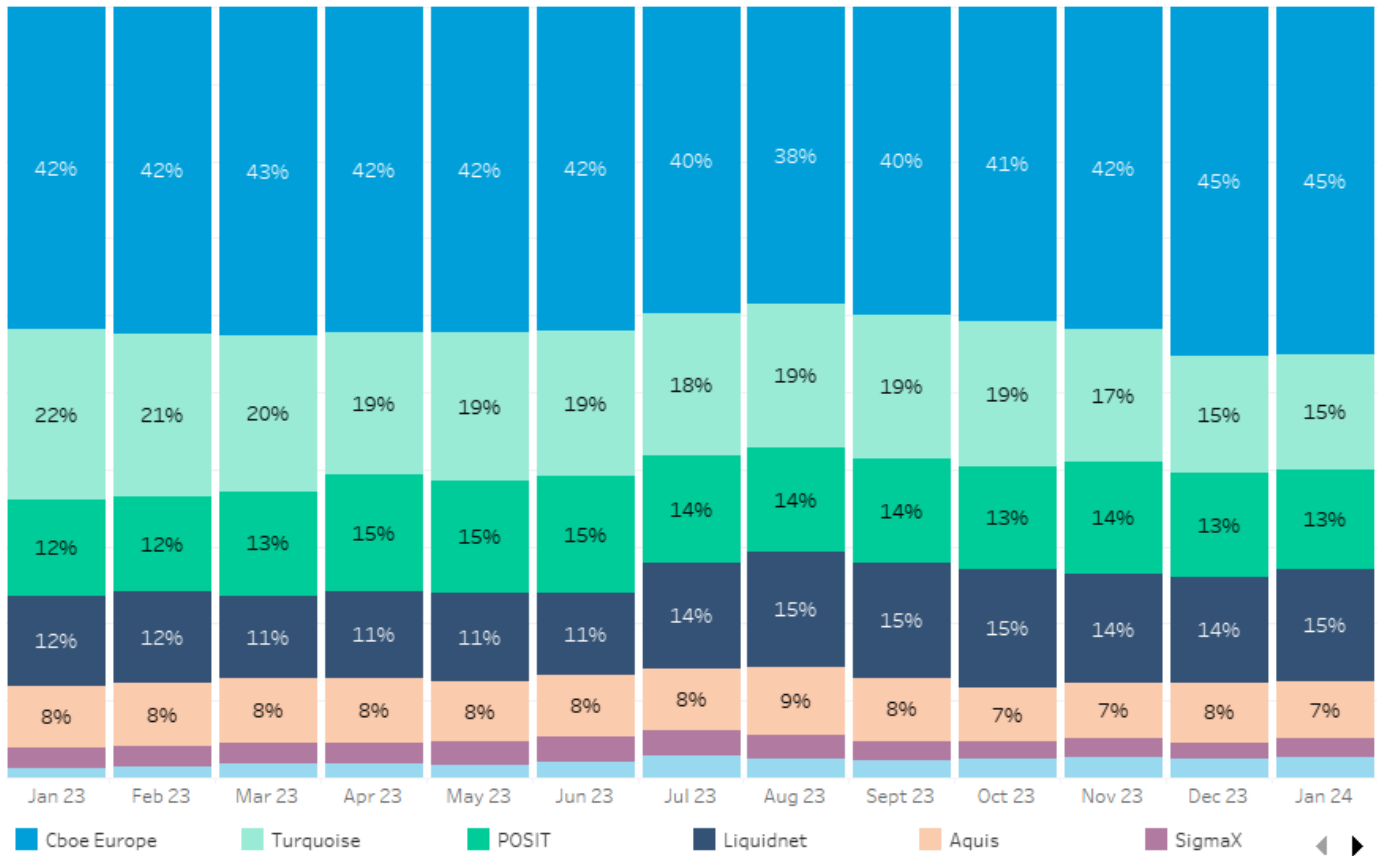
Average Daily Market Volume



Venue Type Market Share

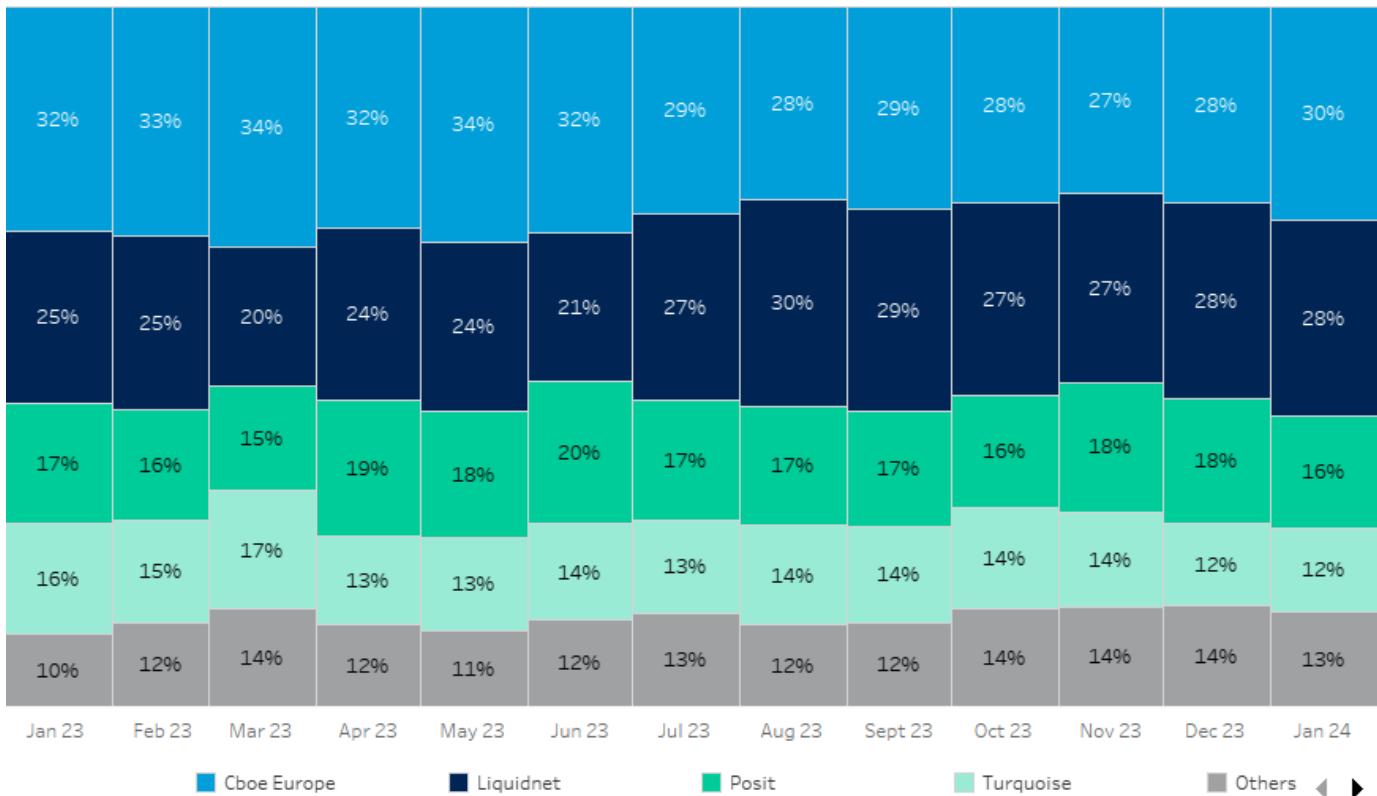


European Dark Market Share



Source data: Cboe Global Markets

European Block Market Share



Quotesize in Notional USD

		1Q 23			2Q 23			3Q 23			4Q 23			1Q 24
		Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 24
8:00 - 8:30	Stoxx50	29.8K	32.1K	27.7K	31.3K	29.3K	25.8K	27.9K	28.0K	25.1K	23.5K	25.8K	25.6K	24.4K
	Stoxx600	13.7K	14.1K	14.5K	15.2K	14.3K	13.5K	13.0K	12.4K	12.1K	11.1K	11.5K	12.1K	11.7K
8:30 - 16:00	Stoxx50	40.6K	44.2K	38.5K	42.1K	39.4K	34.2K	39.0K	39.9K	36.5K	37.3K	38.2K	38.7K	36.4K
	Stoxx600	16.7K	17.4K	18.1K	19.1K	18.0K	17.6K	17.1K	16.2K	16.1K	15.3K	15.4K	16.7K	16.8K
16:00 - 16:30	Stoxx50	49.1K	47.8K	45.3K	49.5K	47.3K	41.8K	48.1K	51.5K	51.6K	51.8K	51.5K	53.8K	48.4K
	Stoxx600	20.2K	21.3K	22.4K	24.1K	23.4K	23.3K	22.9K	21.3K	22.7K	20.4K	21.6K	23.3K	23.4K

Spread Bps

8:00 - 8:30	Stoxx50	4.7	4.5	5.0	5.4	5.5	5.3	5.2	4.8	4.7	4.6	4.7	4.6	4.5
	Stoxx600	8.3	7.7	8.4	8.3	8.4	8.0	8.1	8.1	7.9	8.5	8.3	7.7	7.8
8:30 - 16:00	Stoxx50	3.2	3.0	3.3	3.4	3.4	3.3	3.4	3.3	3.2	3.3	3.1	3.0	3.1
	Stoxx600	4.9	4.9	5.4	5.1	5.1	5.0	5.1	5.1	5.0	5.6	5.2	4.9	4.9
16:00 - 16:30	Stoxx50	2.8	2.6	2.9	3.1	3.1	3.1	3.1	3.0	2.7	2.8	2.6	2.6	2.6
	Stoxx600	4.1	4.2	4.6	4.5	4.4	4.5	4.5	4.6	4.4	4.9	4.5	4.4	4.2

One Minute Volatility Bps

8:00 - 8:30	Stoxx50	11.6	12.4	14.1	12.3	12.4	11.4	11.4	10.4	10.2	12.2	10.4	9.3	10.8
	Stoxx600	12.0	11.4	12.8	11.7	11.1	10.2	10.4	9.6	9.4	11.7	10.5	9.6	10.1
8:30 - 16:00	Stoxx50	5.4	5.5	6.9	5.5	5.1	5.1	5.0	5.3	5.2	6.1	4.7	4.3	4.8
	Stoxx600	4.9	4.9	6.0	4.8	4.6	4.5	4.5	4.5	4.6	5.6	4.8	4.2	4.4
16:00 - 16:30	Stoxx50	5.6	5.7	6.6	5.9	5.7	5.8	5.1	5.4	4.8	5.8	4.7	4.3	4.3
	Stoxx600	4.6	4.7	5.1	4.5	4.5	4.4	4.2	4.3	4.2	5.1	4.3	4.0	3.9

Percent ADV by Time of Day

Open	Stoxx50	1.1%	1.0%	1.0%	1.0%	1.0%	1.1%	1.1%	1.0%	1.0%	1.0%	0.9%	1.4%	1.1%
	Stoxx600	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.7%	0.6%
8:00 - 8:30	Stoxx50	6.4%	5.9%	4.8%	2.9%	3.4%	3.0%	4.1%	6.4%	7.3%	4.3%	4.1%	4.0%	4.1%
	Stoxx600	8.8%	8.3%	6.3%	6.5%	6.6%	5.7%	5.7%	5.7%	5.1%	4.8%	4.8%	5.0%	5.1%
16:00 - 16:30	Stoxx50	5.5%	3.3%	4.2%	2.0%	2.8%	2.9%	4.4%	8.4%	11.2%	5.1%	4.8%	4.6%	4.4%
	Stoxx600	13.1%	13.3%	13.2%	13.3%	13.9%	13.6%	14.4%	15.8%	16.1%	14.7%	13.0%	13.7%	12.9%
Close	Stoxx50	23.1%	25.7%	27.4%	26.6%	29.3%	32.6%	29.1%	27.7%	31.5%	28.4%	29.4%	31.9%	30.7%
	Stoxx600	25.9%	26.8%	29.7%	29.8%	30.6%	34.9%	32.4%	32.8%	34.5%	31.9%	33.2%	34.3%	32.9%

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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