

March 2023

EMEA Market Structure Monthly

MICROSTRUCTURE OBSERVATIONS

- In March 2023, the average daily volume in EMEA equities increased to €49.9B, 7.5% higher than previous month (€46.4B); however, much below March 2022's volume, a decrease of 23% (€64.3B).
- The median quote size at the European Best Bid and Offer (EBBO) in March decreased for STOXX 50 by 13% and increased for STOXX 600 by 4% during the intraday trading period (08:30 to 16:00 GMT) compared to the previous month.
- Median quoted spreads at the EBBO increased 10% compared to the previous month; STOXX 50 increased to 3.3bps and STOXX 600 symbol spreads increased to 5.4bps during the intraday trading period.
- Volatility levels increased significantly compared to the previous month; STOXX 50 volatility increased 25% and STOXX 600 volatility increased 22% during intraday trading.
- The market share distribution between venue types changed minimally compared to the previous month. Primary Auctions' market share increased 1.3%. Primary venues' market share increased 0.2% and MTF lit market share didn't change. Dark venues' market share decreased 0.4% and Frequent Batch Auctions ("FBA") venues' market share decreased 1.1% relative to the previous month.
- POSIT and Cboe Dark market share increased 1% each while Turquoise Dark and Liquidnet market share decreased 1% each, compared to previous month.
- In March, the closing auction volume increased as a percentage of the daily volume; STOXX50 closing auction volume was up 1.7% to 27.4% and STOXX600 was up 2.9% to 29.7%.

EMEA MARKET STRUCTURE NEWS

UK Chancellor Presented his Spring Budget on Wed 15th of March

The UK's Chancellor of the Exchequer Jeremy Hunt has presented his spring budget for 2023 to the UK Parliament on Wednesday the 15th of March. In the budget the Chancellor presented his plans to deliver on three of the five key priorities set out by the Prime Minister: halve inflation, grow the economy and get debt falling. The government had to increase borrowing in recent years to support households and businesses through the COVID-19 pandemic and energy crisis. Public debt now stands at almost £2.5 trillion, or 98.9% of GDP

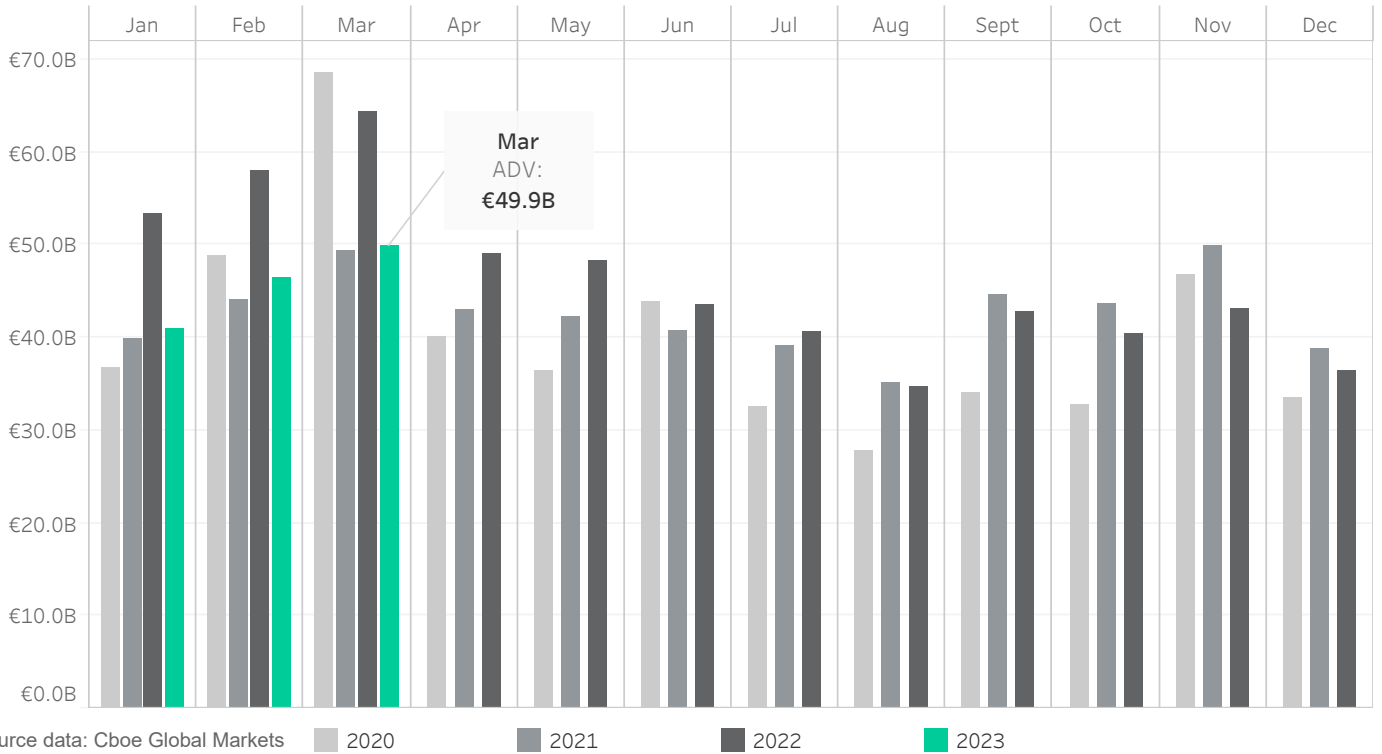
Are European Markets Ready For The U.S. Move to T+1 Settlement?

At the FIX EMEA Trading Conference in March 2023, the shift to T+1 settlement in the U.S. was a hot topic of discussion. The benefit of reduces counterparty risk was well understood; however, the issue of time zones is a concern that needs to be resolved. The U.S. Securities and Exchange Commission's confirmation to implement the accelerated settlement time from 28 May 2024 gives little time for the UK and EU to follow suit.

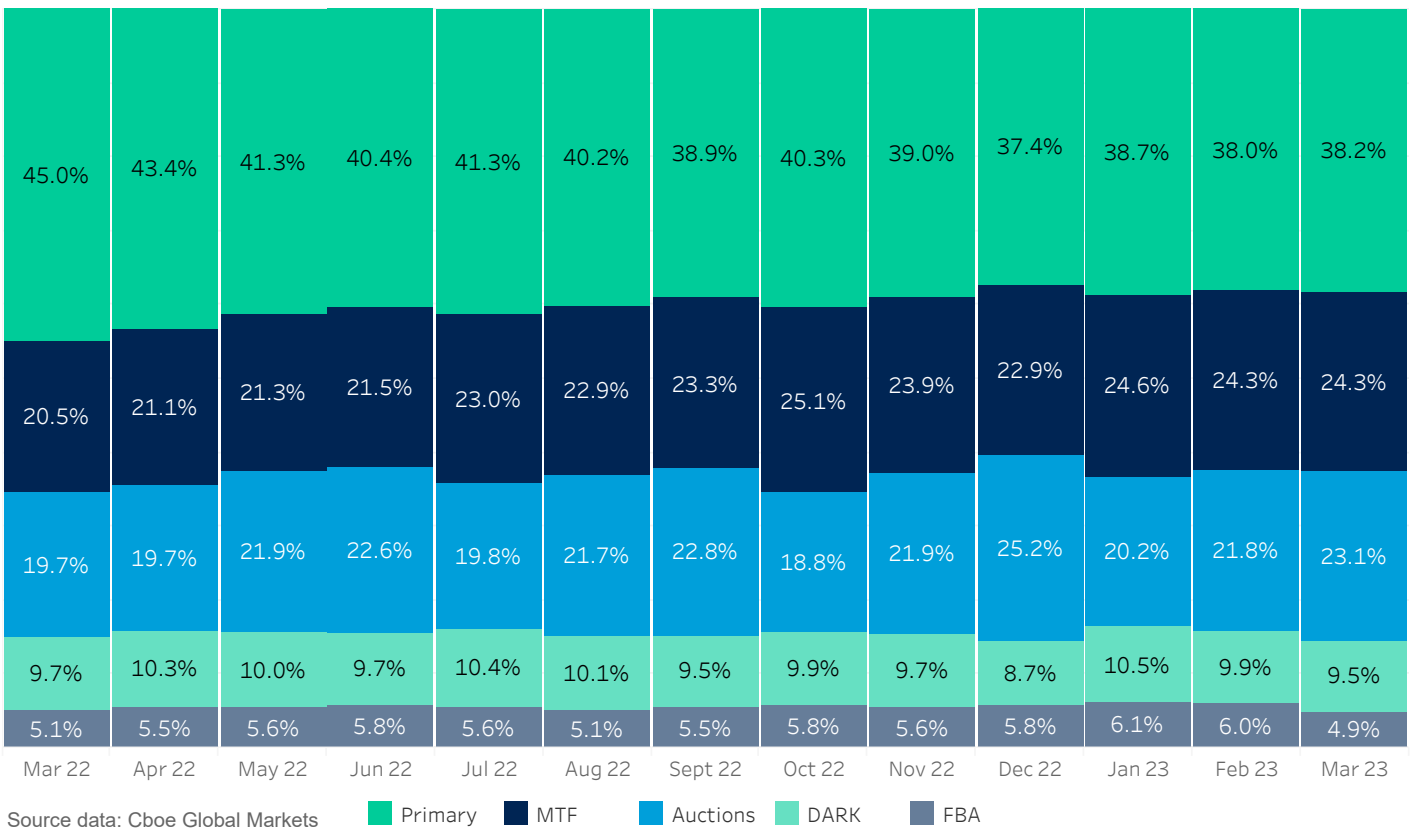
Financial Conduct Authority Published Finding of Trade Data Review

The UK Financial Conduct Authority (FCA) published it's finding from the investigation into trading market data. In summary, the FCA found issues with pricing, limited choice of switching vendors, complex pricing and licensing, and delayed data. Based on the findings of this review, the FCA will prioritize two pieces of further work - the development of a consolidated tape and the launch of the Wholesale Data Market Study.

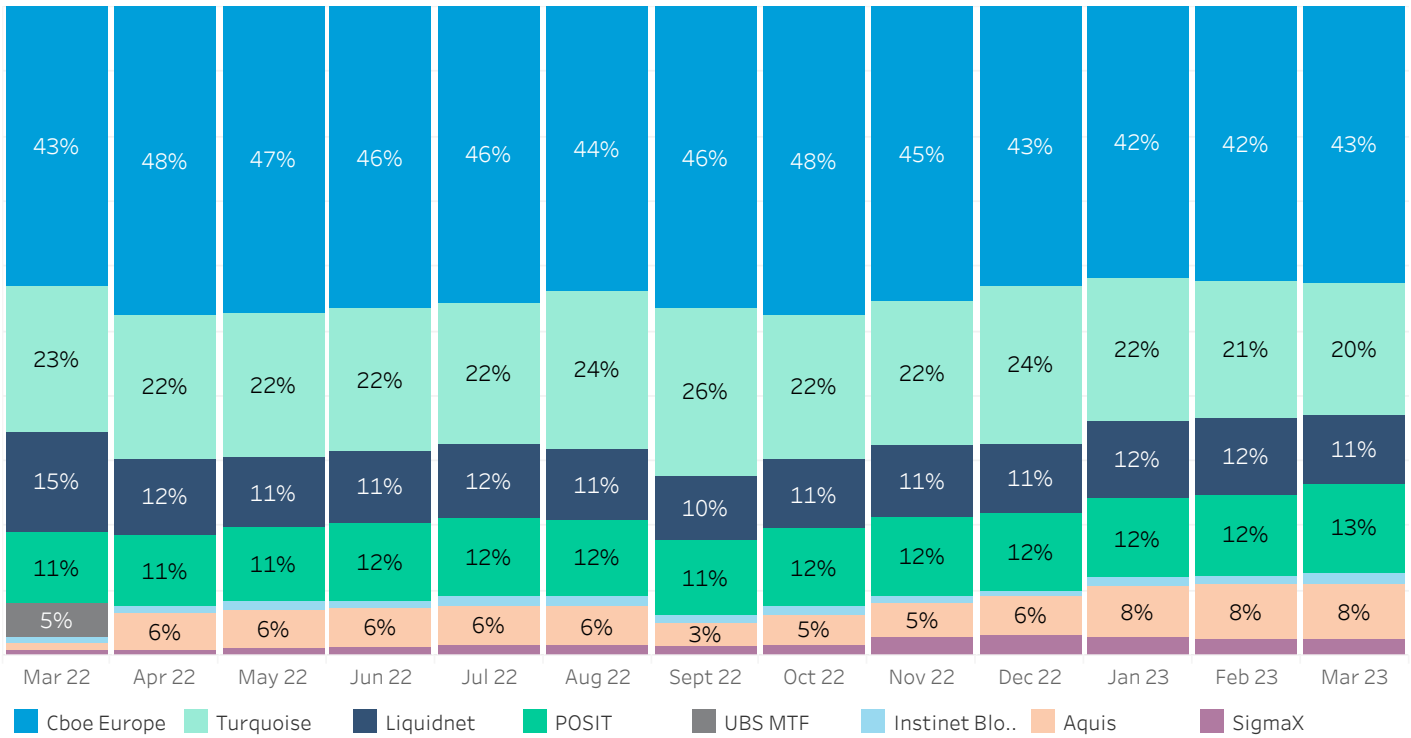
Average Daily Market Volume



Venue Type Market Share

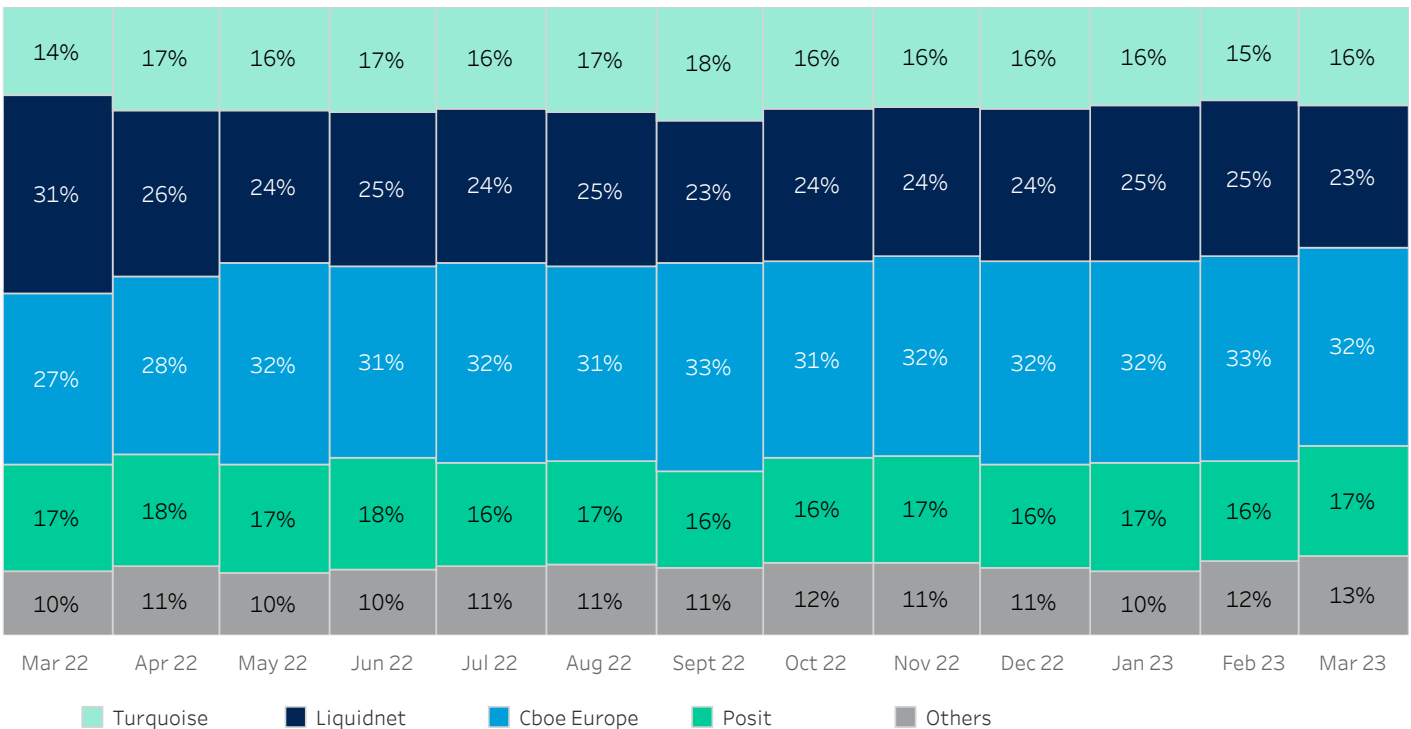


Dark Market Share



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

		1Q 22	2Q 22				3Q 22			4Q 22			1Q 23		
		Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sept 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	
8:00 - 8:30	Stoxx50	17.5K	18.5K	18.1K	21.0K	16.8K	19.2K	18.3K	18.0K	23.6K	25.9K	29.8K	32.1K	27.7K	
	Stoxx600	10.3K	11.1K	10.7K	10.1K	9.6K	10.3K	11.1K	9.9K	10.8K	12.3K	13.7K	14.1K	14.5K	
8:30 - 16:00	Stoxx50	23.1K	25.8K	26.4K	33.9K	26.0K	26.6K	25.8K	25.1K	34.3K	35.4K	40.6K	44.2K	38.5K	
	Stoxx600	12.6K	14.0K	13.3K	12.9K	11.9K	12.2K	13.4K	11.5K	13.0K	14.9K	16.7K	17.4K	18.1K	
16:00 - 16:30	Stoxx50	28.3K	33.3K	33.1K	39.8K	31.3K	31.4K	29.0K	28.8K	40.9K	42.2K	49.1K	47.8K	45.3K	
	Stoxx600	14.6K	17.0K	16.0K	15.4K	14.6K	14.7K	15.0K	13.8K	16.6K	18.6K	20.2K	21.3K	22.4K	

Spread Bps

8:00 - 8:30	Stoxx50	5.2	4.9	4.9	5.3	5.8	4.9	5.2	5.2	4.7	4.7	4.7	4.5	5.0
	Stoxx600	9.9	8.9	9.2	9.4	10.3	9.1	9.4	9.8	9.0	8.7	8.3	7.7	8.4
8:30 - 16:00	Stoxx50	3.2	3.0	3.0	3.4	3.6	3.2	3.5	3.4	3.1	3.1	3.2	3.0	3.3
	Stoxx600	5.8	5.2	5.6	5.9	6.3	5.4	5.9	6.0	5.3	5.1	4.9	4.9	5.4
16:00 - 16:30	Stoxx50	2.7	2.5	2.6	2.8	3.0	2.7	2.9	2.8	2.6	2.8	2.8	2.6	2.9
	Stoxx600	4.7	4.4	4.7	4.8	5.1	4.5	4.8	4.9	4.3	4.4	4.1	4.2	4.6

One Minute Volatility Bps

8:00 - 8:30	Stoxx50	21.5	17.8	16.2	16.3	21.5	14.2	17.1	16.9	13.4	11.5	11.6	12.4	14.1
	Stoxx600	20.8	16.8	15.9	15.6	17.8	13.8	16.9	17.4	14.8	12.2	12.0	11.4	12.8
8:30 - 16:00	Stoxx50	10.0	7.3	7.3	7.6	10.2	6.6	8.7	8.1	5.9	5.0	5.4	5.5	6.9
	Stoxx600	8.5	6.5	6.8	6.8	7.7	5.9	7.4	7.6	6.0	5.0	4.9	4.9	6.0
16:00 - 16:30	Stoxx50	9.5	7.2	8.4	8.1	9.2	6.9	8.5	8.5	6.0	5.5	5.6	5.7	6.6
	Stoxx600	7.3	6.0	7.0	6.5	6.8	5.4	6.8	7.0	5.4	4.8	4.6	4.7	5.1

Percent ADV by Time of Day

Open	Stoxx50	0.9%	1.0%	0.9%	0.9%	0.7%	0.7%	0.7%	0.7%	0.7%	0.9%	1.1%	1.0%	1.0%
	Stoxx600	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.3%	0.4%	0.4%	0.6%	0.6%	0.6%
8:00 - 8:30	Stoxx50	6.1%	6.4%	5.8%	11.8%	17.0%	10.9%	11.5%	11.6%	10.1%	7.1%	6.4%	5.9%	4.8%
	Stoxx600	5.7%	6.0%	5.7%	6.1%	7.0%	7.2%	7.9%	7.8%	7.4%	6.5%	8.8%	8.3%	6.4%
16:00 - 16:30	Stoxx50	16.9%	14.8%	15.3%	16.2%	16.1%	12.3%	11.0%	12.2%	10.2%	6.9%	5.5%	3.3%	4.2%
	Stoxx600	12.4%	10.6%	11.9%	12.1%	12.7%	13.7%	12.9%	12.2%	11.8%	11.0%	13.1%	13.3%	13.4%
Close	Stoxx50	23.8%	23.7%	23.8%	25.4%	24.3%	22.4%	20.4%	18.1%	19.4%	23.5%	23.1%	25.7%	27.4%
	Stoxx600	24.2%	26.1%	24.3%	26.3%	23.2%	21.3%	20.5%	18.3%	18.6%	21.5%	25.8%	26.8%	29.7%

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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