

# May 2024

## EMEA Market Structure Monthly

### MICROSTRUCTURE OBSERVATIONS

- EMEA equities daily turnover dropped 10.8% MoM to €39.8B.
- Lit volume shifted to auctions (28.9% of total) due to the MSCI rebalance, whilst Dark remained steady at 10.2% and Periodic Auctions at 7.7%.
- Touch quote sizes reduced MoM but remained towards the highs observed YTD, whilst one-minute volatility also dropped MoM.

### EMEA MARKET STRUCTURE NEWS

#### **ESMA Recommendations for More Attractive Capital Markets**

The European Securities and Markets Authority (ESMA) published their position paper including 20 recommendations to strengthen EU capital markets. The proposals were mainly in 3 categories: EU Citizens, EU companies, and EU regulation and supervision. Key proposals included the development of basic long term investment products and improved financial education resources

<https://www.esma.europa.eu/press-news/esma-news/esma-makes-recommendations-more-effective-and-attractive-capital-markets-eu>

#### **FCA Stresses Importance of Market Input for Rulemaking Process**

At the recent 'City Week' event, Sarah Pritchard stressed the importance of a calm approach to market reforms. Emphasizing the importance of industry consultation from regulators to avoid unintended consequences. She went on to say the "one size fits all" approach does not work. The FCA will allow asset managers to bundle payments for third party research and trade execution. Then FCA remains focused on avoiding 'regulating for regulating's sake' and instead will focus on an outcome driven approach.

<https://www.thetradenews.com/when-it-comes-to-capital-market-regulation-market-input-is-essential-to-avoid-taking-a-hammer-to-crack-a-nut-says-fca/>

#### **US Migration to T+1 Settlement Successful**

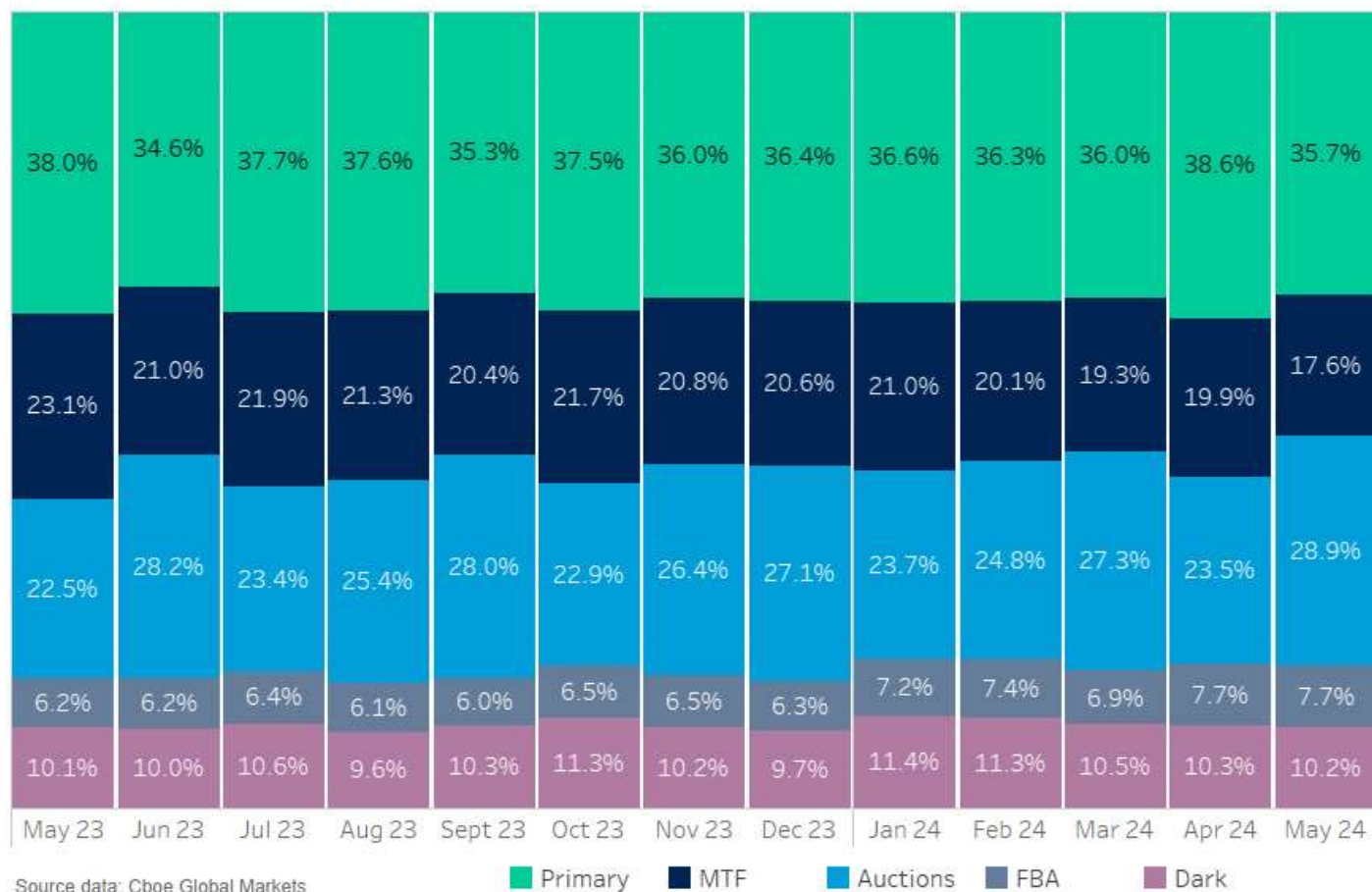
On May 28th, US, Mexico and Canada shifted to a T+1 settlement cycle. Affirmation rates maintained at roughly 95%. Overall there were no major issues as CTM allocations Rate boasted 99%.

<https://www.thetradenews.com/affirmation-rates-reach-nearly-95-on-double-settlement-day-at-dtcc/>

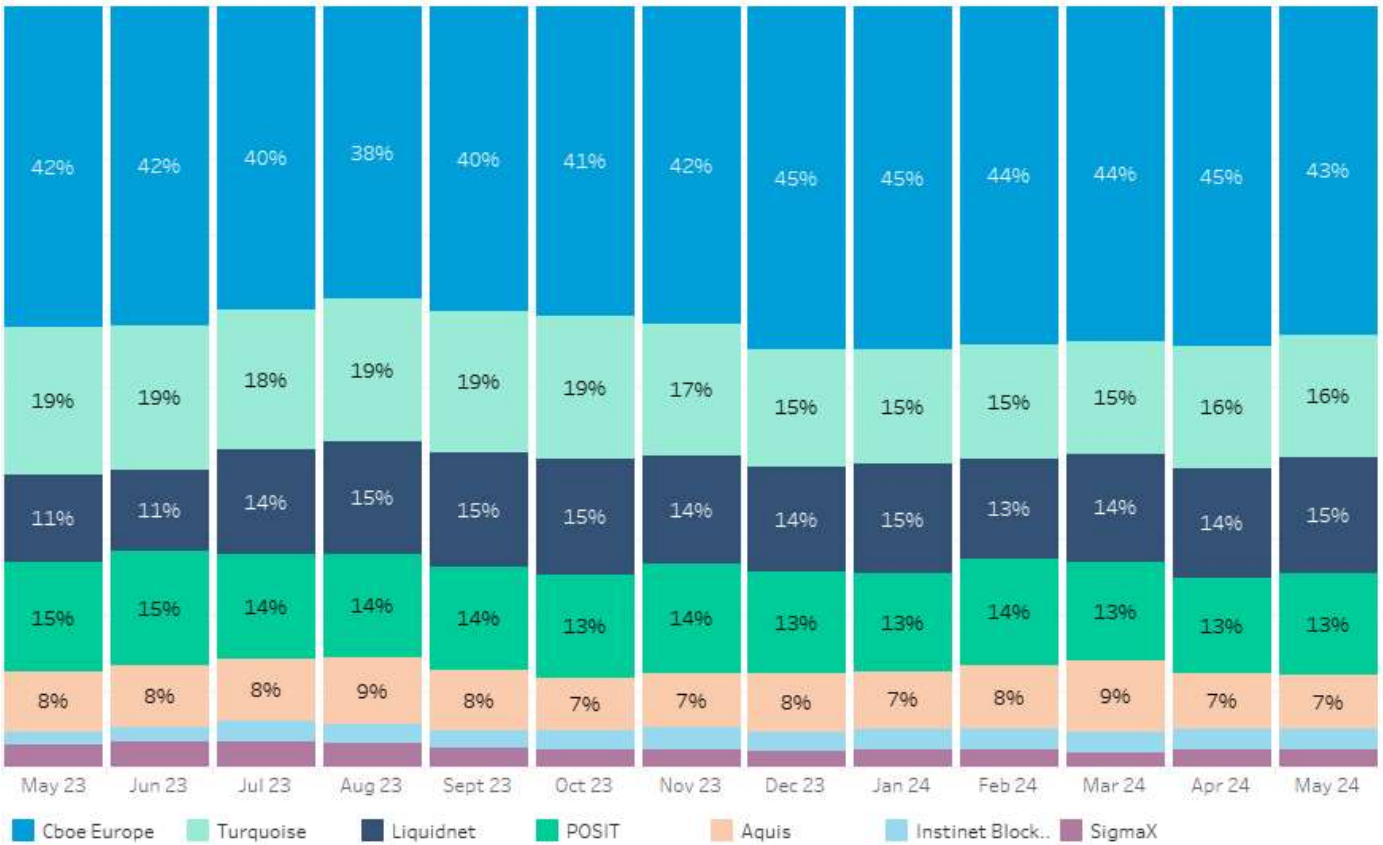
## Average Daily Market Volume



## Venue Type Market Share

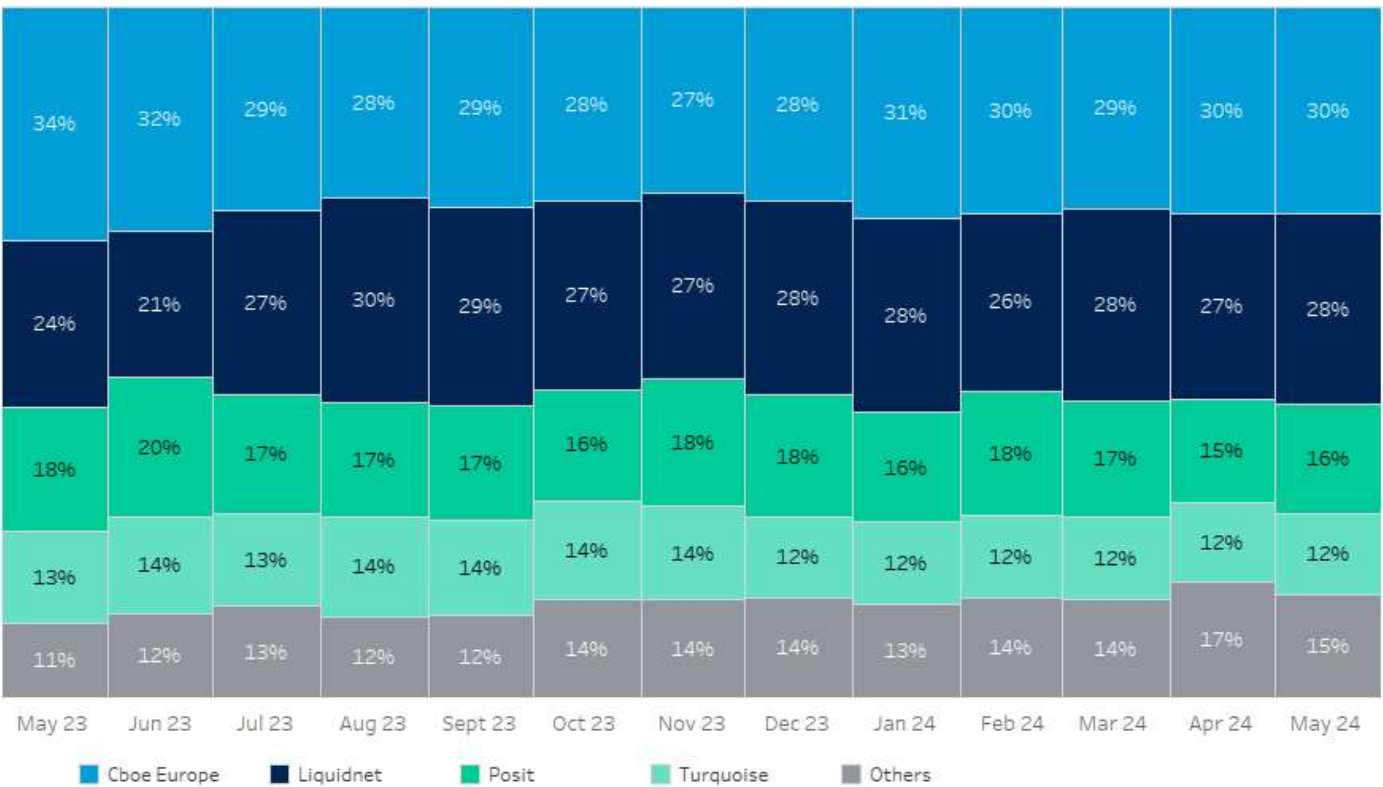


## European Dark Market Share



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

		2Q 23		3Q 23			4Q 23			1Q 24			2Q 24	
		May 23	Jun 23	Jul 23	Aug 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24
8:00 - 8:30	Stoxx50	29.3K	25.8K	27.9K	28.0K	25.1K	23.5K	25.8K	25.6K	24.4K	25.2K	27.5K	33.0K	28.5K
	Stoxx600	14.3K	13.5K	13.0K	12.4K	12.1K	11.1K	11.5K	12.1K	11.7K	12.0K	12.7K	13.7K	13.6K
8:30 - 16:00	Stoxx50	39.4K	34.2K	39.0K	39.9K	36.5K	37.3K	38.2K	38.7K	36.4K	40.6K	43.0K	54.4K	43.0K
	Stoxx600	18.0K	17.6K	17.1K	16.2K	16.1K	15.3K	15.4K	16.7K	16.8K	16.9K	18.5K	20.5K	19.7K
16:00 - 16:30	Stoxx50	47.3K	41.8K	48.1K	51.5K	51.6K	51.8K	51.5K	53.8K	48.4K	55.4K	60.8K	70.2K	58.8K
	Stoxx600	23.4K	23.3K	22.9K	21.3K	22.7K	20.4K	21.6K	23.3K	23.4K	23.8K	26.2K	29.1K	28.5K

## Spread Bps

8:00 - 8:30	Stoxx50	5.5	5.3	5.2	4.8	4.7	4.6	4.7	4.6	4.5	4.6	4.7	6.0	5.7
	Stoxx600	8.4	8.0	8.1	8.1	7.9	8.5	8.3	7.7	7.8	7.9	7.9	8.8	8.3
8:30 - 16:00	Stoxx50	3.4	3.3	3.4	3.3	3.2	3.3	3.1	3.0	3.1	3.0	3.1	4.1	3.8
	Stoxx600	5.1	5.0	5.1	5.1	5.0	5.6	5.2	4.9	4.9	4.9	4.8	5.5	5.1
16:00 - 16:30	Stoxx50	3.1	3.1	3.1	3.0	2.7	2.8	2.6	2.6	2.6	2.6	2.6	3.8	3.5
	Stoxx600	4.4	4.5	4.5	4.6	4.4	4.9	4.5	4.4	4.2	4.2	4.2	4.8	4.6

## One Minute Volatility Bps

8:00 - 8:30	Stoxx50	12.4	11.4	11.4	10.4	10.2	12.2	10.4	9.3	10.8	10.8	9.8	11.3	9.1
	Stoxx600	11.1	10.2	10.4	9.6	9.4	11.7	10.5	9.6	10.1	10.6	10.2	11.1	9.1
8:30 - 16:00	Stoxx50	5.1	5.1	5.0	5.3	5.2	6.1	4.7	4.3	4.8	4.6	4.6	5.2	4.5
	Stoxx600	4.6	4.5	4.5	4.5	4.6	5.6	4.8	4.2	4.4	4.3	4.3	4.8	4.2
16:00 - 16:30	Stoxx50	5.7	5.8	5.1	5.4	4.8	5.8	4.7	4.3	4.3	4.3	4.2	5.1	4.6
	Stoxx600	4.5	4.4	4.2	4.3	4.2	5.1	4.3	4.0	3.9	4.0	4.0	4.5	4.1

## Percent ADV by Time of Day

Open	Stoxx50	1.0%	1.1%	1.1%	1.0%	1.0%	1.0%	0.9%	1.4%	1.1%	1.1%	1.1%	1.1%	1.0%
	Stoxx600	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%
8:00 - 8:30	Stoxx50	3.4%	3.0%	4.1%	6.4%	7.3%	4.3%	4.1%	4.0%	4.1%	4.0%	3.5%	3.6%	3.7%
	Stoxx600	6.6%	5.7%	5.7%	5.7%	5.1%	4.8%	4.8%	5.0%	5.1%	4.9%	5.0%	5.1%	4.6%
16:00 - 16:30	Stoxx50	2.8%	2.9%	4.4%	8.4%	11.2%	5.1%	4.8%	4.6%	4.4%	4.0%	3.6%	4.2%	3.9%
	Stoxx600	13.9%	13.6%	14.4%	15.8%	16.1%	14.7%	13.0%	13.7%	12.9%	12.5%	12.5%	13.6%	14.0%
Close	Stoxx50	28.9%	32.6%	29.1%	27.7%	31.5%	28.2%	29.4%	31.7%	30.7%	29.9%	33.3%	30.5%	33.2%
	Stoxx600	30.6%	34.9%	32.4%	32.8%	34.5%	32.0%	33.2%	34.3%	32.9%	34.0%	34.4%	33.7%	36.4%

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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