

April 2021

EMEA Market Structure Monthly

MICROSTRUCTURE OBSERVATIONS

- In April 2021, the average daily volume in EMEA equities decreased to €43B, lower than the previous month by 13% and above April 2020's volume by 7.5%
- The median quote size at the European Best Bid and Offer (EBBO) has decreased in April. The STOXX 50 decreased by 13% and STOXX 600 decreased by 0.5% during the intraday trading period (08:30 to 16:00 BST). Last month, quote sizes at the EBBO were 11% higher than in April 2020 during intraday trading.
- Median spreads decreased significantly in April, more than 16% relative to the previous month. Median spreads in STOXX 50 were 2.1bps and STOXX 600 symbols were 3.8bps. Last month, median spreads in STOXX 50 and STOXX 600 symbols were 50% lower compared to April 2020 levels for intraday trading.
- The market share distribution between primary exchanges, primary auctions, multi-lateral trading facilities (MTFs), frequent batch auctions (FBA), dark and request for quote (RFQ) venues changed very little in April 2021 relative to the prior month. FBAs were at their highest last month 4.6% of total market share, an increase of 0.7% from last month.
- Dark liquidity market share (9.9%) did not change in April relative to the prior month. Cboe Europe market share increased last month by 2% of dark and block liquidity as well. Conditional venues Liquidnet and POSIT MTF were each down (-1%).

EMEA MARKET STRUCTURE NEWS

UK Chancellor Proposed Reforms to Dark Volume Caps

The UK Chancellor, Rishi Sunak, has ambitions to reform the UK capital markets regime and enhance the UK's competitive advantages. Speaking at Fintech Week, the Chancellor alluded to several initiatives including reforms to listing and proposals to delete the share trading obligations and double volume caps.

<https://www.gov.uk/government/news/ambitious-plans-to-boost-uk-fintech-and-financial-services-set-out-by-chancellor>

Borsa Italiana Officially Joins Euronext

On 29 April, Euronext completed its acquisition of Borsa Italiana Group from the London Stock Exchange Group. Borsa Italiana Group operates the leading regulated cash and derivatives markets in Italy, owning 62.5% of MTS, the largest venue for European government bond trading.

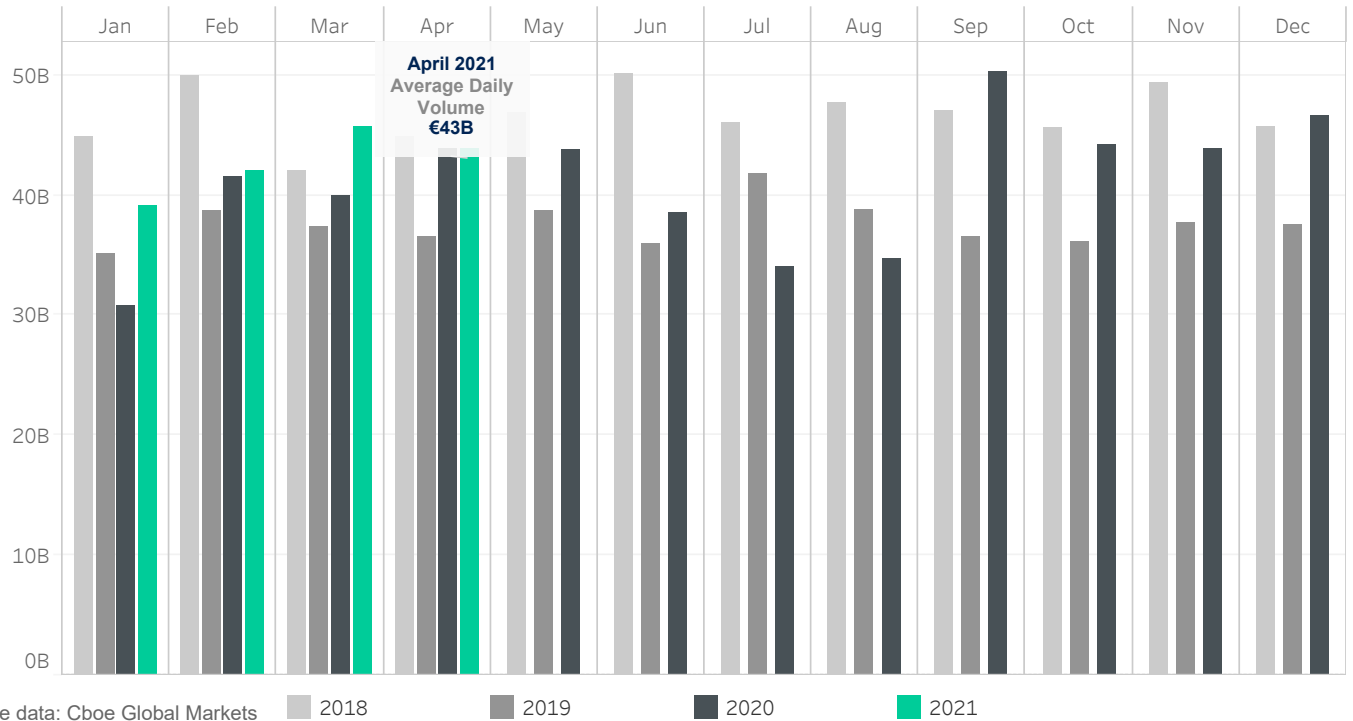
<https://www.euronext.com/en/about/media/euronext-press-releases/acquisition-borsa-italiana-group-and-q1-2021-results>

ETF Liquidity Is Moving from RFQ to On Exchange

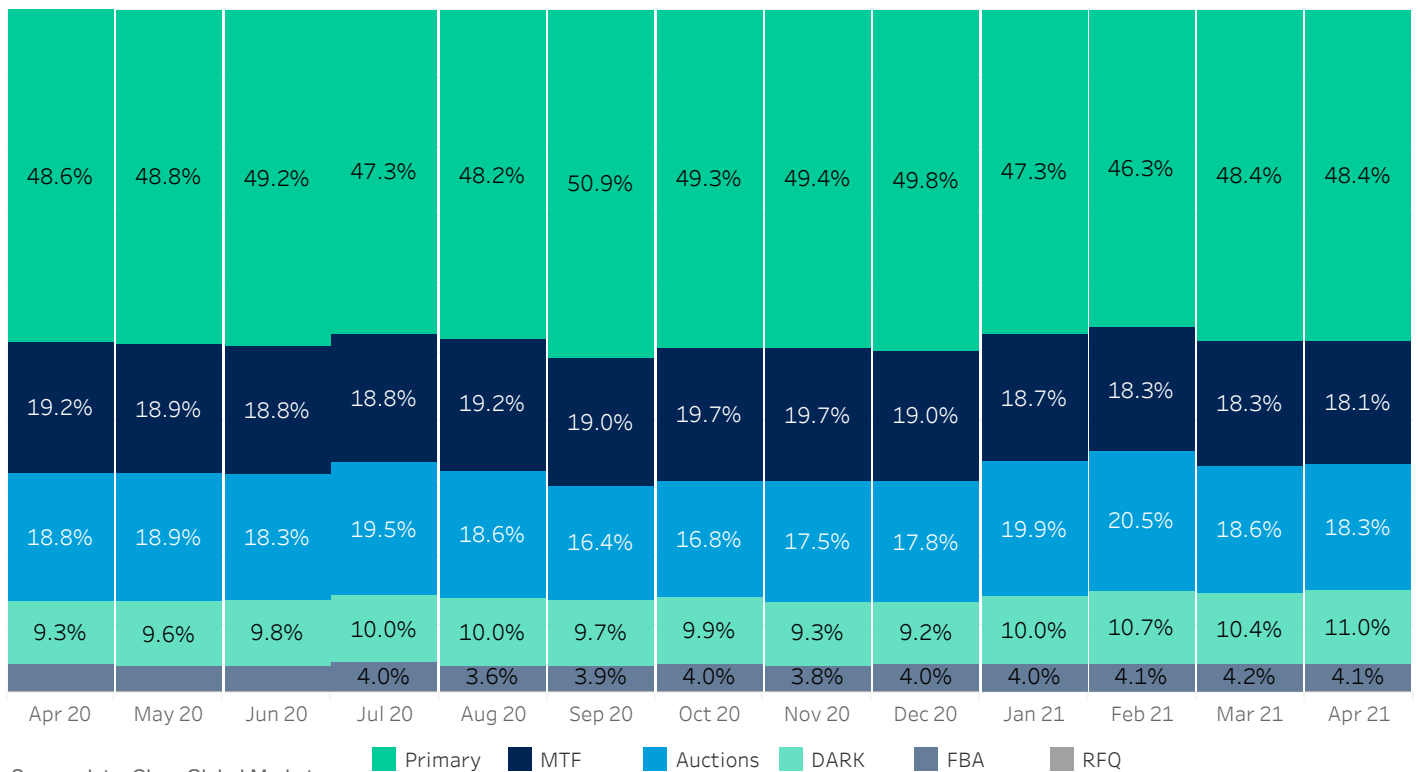
In 2020, we saw increased volume from retail clients who trade ETFs on-exchange. Euronext's Head of ETFs, Briec Louchard, confirmed retail volumes are still high in 2021. Retail volumes in ETFs nearly doubled in 2020 and overall ETF trading on exchange volumes had increased 40% year on year.

<https://www.thetradenews.com/tradetech-etf-volumes-return-to-exchanges-as-retail-trading-surged-in-2020/>

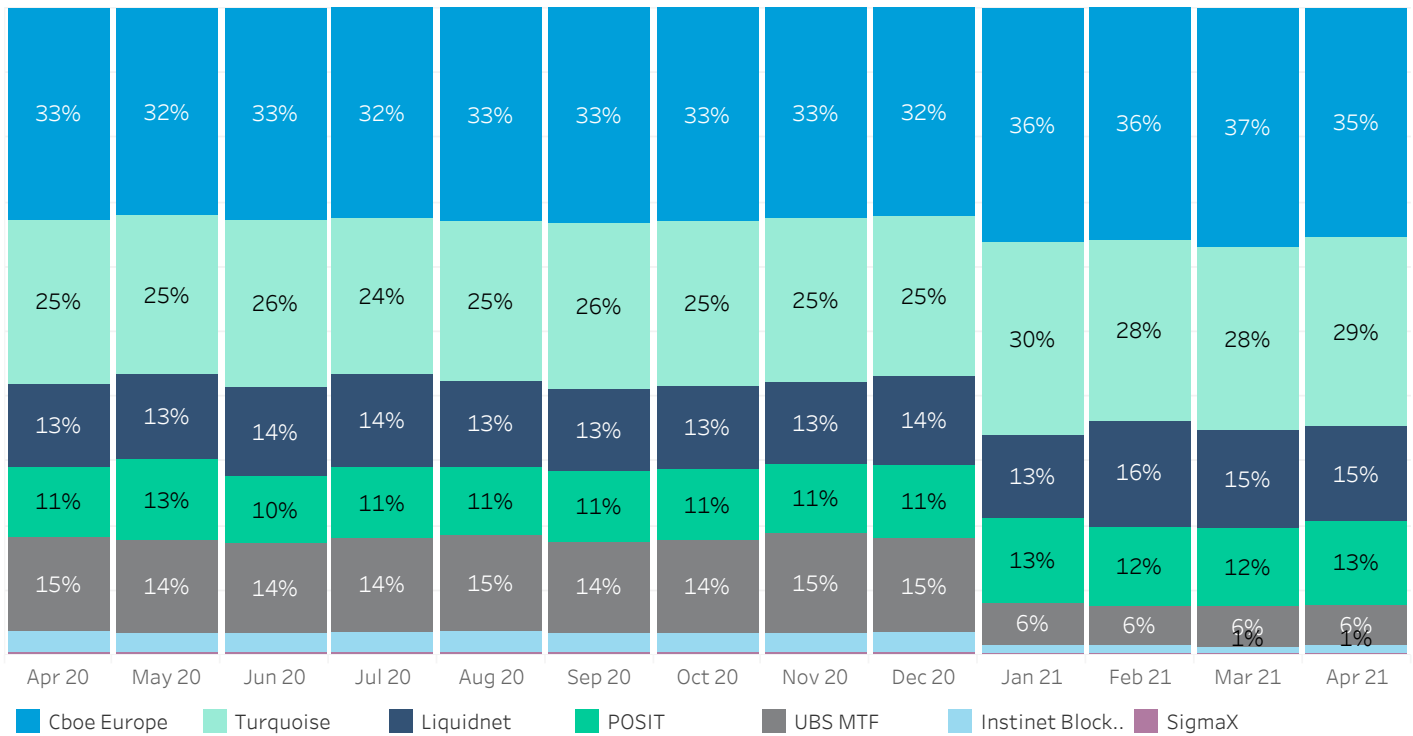
Average Daily Market Volume



Venue Type Market Share

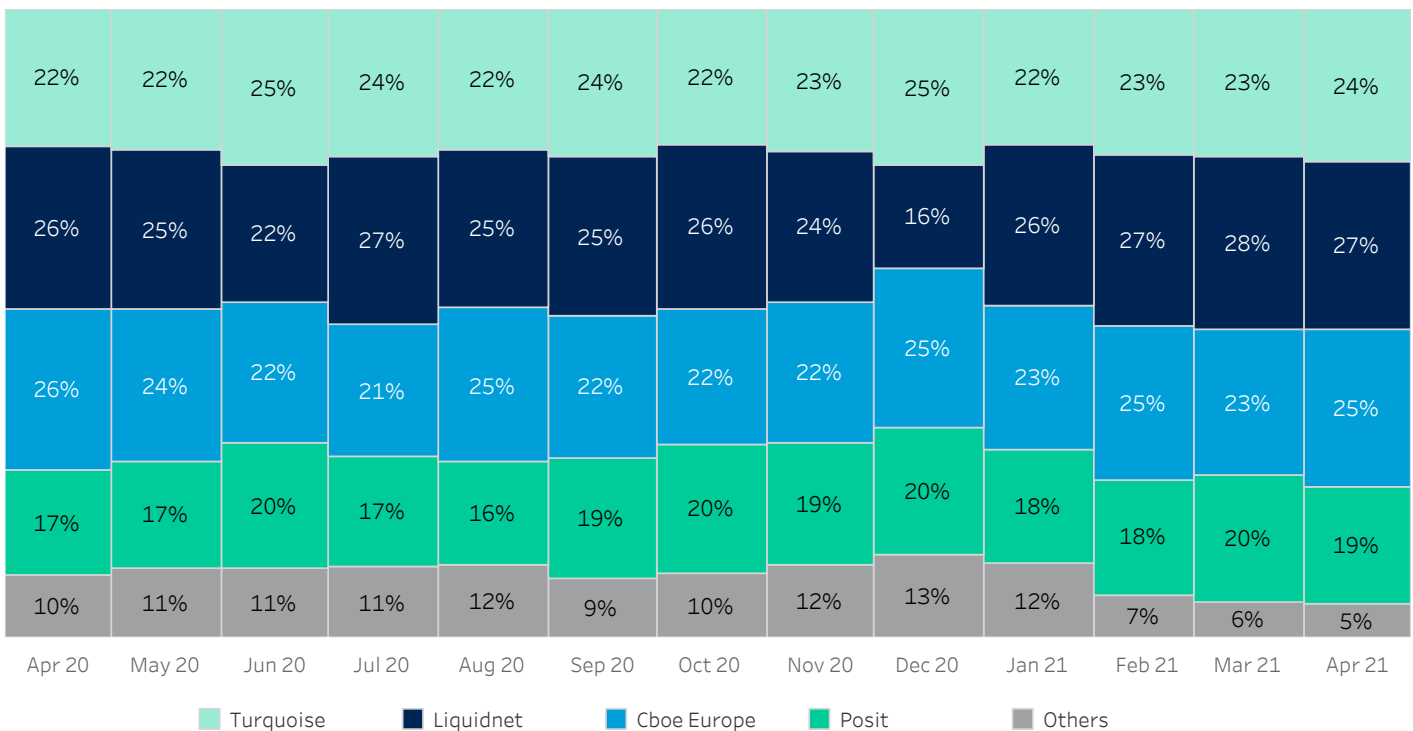


Dark Market Share



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

		2Q 20			3Q 20			4Q 20			1Q 21			2Q 21
		Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21
8:00 - 8:30	Stoxx50	21.8K	23.0K	27.2K	28.7K	29.4K	29.3K	26.6K	29.9K	32.2K	25.3K	25.5K	26.3K	22.1K
	Stoxx600	9.9K	10.1K	12.1K	12.5K	12.9K	12.5K	12.0K	12.6K	13.4K	11.1K	11.0K	11.4K	11.2K
8:30 - 16:00	Stoxx50	31.3K	33.7K	40.5K	42.3K	43.0K	43.6K	38.9K	45.4K	50.6K	38.4K	37.8K	40.4K	35.4K
	Stoxx600	13.3K	14.4K	17.3K	17.6K	18.2K	17.7K	17.1K	18.4K	20.3K	15.9K	16.2K	17.2K	17.1K
16:00 - 16:30	Stoxx50	39.1K	42.5K	51.8K	57.3K	61.4K	58.4K	54.1K	63.2K	67.2K	46.9K	46.7K	51.1K	45.8K
	Stoxx600	15.9K	18.1K	22.1K	23.2K	24.3K	22.5K	22.3K	24.8K	26.2K	19.0K	19.1K	21.3K	20.6K

Spread Bps

8:00 - 8:30	Stoxx50	8.6	6.9	6.6	5.8	5.5	5.5	5.6	5.3	4.6	5.3	5.1	4.6	3.6
	Stoxx600	15.9	12.5	11.5	9.9	9.4	9.2	9.5	9.2	8.2	8.9	8.9	7.8	6.7
8:30 - 16:00	Stoxx50	4.5	4.0	3.9	3.5	3.2	3.4	3.4	3.2	3.0	3.2	3.1	3.1	2.3
	Stoxx600	7.7	6.5	6.2	5.5	5.1	5.1	5.0	4.8	4.5	4.7	4.7	4.5	3.8
16:00 - 16:30	Stoxx50	3.9	3.5	3.3	3.0	2.7	2.9	2.9	2.8	2.6	2.7	2.8	2.8	2.1
	Stoxx600	6.5	5.6	5.1	4.6	4.3	4.4	4.2	4.0	4.0	4.0	4.1	3.9	3.4

One Minute Volatility Bps

8:00 - 8:30	Stoxx50	23.1	19.1	20.4	15.1	15.0	15.9	16.8	15.9	12.8	14.5	14.4	12.2	10.2
	Stoxx600	23.7	19.5	19.8	14.7	14.5	15.0	16.0	15.9	13.0	14.0	14.0	12.2	10.5
8:30 - 16:00	Stoxx50	10.5	9.3	9.8	6.9	6.0	7.0	7.0	6.9	5.1	6.1	5.6	5.5	4.1
	Stoxx600	9.3	8.3	8.5	6.2	5.4	6.1	6.0	6.1	4.9	5.3	5.2	5.1	4.1
16:00 - 16:30	Stoxx50	12.4	11.2	11.2	7.5	6.1	8.1	7.3	6.9	5.6	6.6	6.3	5.6	4.2
	Stoxx600	10.1	9.4	9.0	6.2	5.3	6.5	5.8	5.9	5.0	5.5	5.5	4.9	4.1

Percent ADV by Time of Day

Open	Stoxx50	1.1%	1.0%	1.0%	0.9%	0.8%	0.9%	1.1%	1.1%	1.0%	1.4%	1.1%	1.2%	1.4%
	Stoxx600	0.7%	0.6%	0.5%	0.5%	0.5%	0.4%	0.5%	0.5%	0.5%	0.8%	0.6%	0.6%	0.6%
8:00 - 8:30	Stoxx50	11.2%	11.5%	11.8%	11.1%	11.6%	10.6%	11.1%	11.1%	10.7%	10.5%	9.0%	7.2%	8.7%
	Stoxx600	9.1%	9.2%	9.1%	8.9%	9.7%	9.1%	9.1%	8.8%	8.6%	9.3%	7.9%	7.3%	7.7%
16:00 - 16:30	Stoxx50	22.8%	19.3%	19.0%	19.7%	19.9%	19.4%	20.7%	20.7%	22.5%	23.4%	19.4%	15.9%	14.7%
	Stoxx600	14.8%	17.7%	18.0%	18.3%	19.0%	17.5%	17.6%	18.5%	19.4%	17.8%	15.2%	15.1%	14.2%
Close	Stoxx50	25.0%	23.2%	22.4%	22.0%	24.0%	24.8%	24.2%	23.4%	26.6%	31.5%	24.8%	26.6%	25.9%
	Stoxx600	24.6%	23.5%	23.2%	23.7%	24.0%	25.1%	26.1%	26.3%	29.0%	32.0%	27.0%	27.4%	28.4%

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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