

# March 2021

## EMEA Market Structure Monthly



### MICROSTRUCTURE OBSERVATIONS

- In March 2021, the average daily volume in EMEA equities increased to €49.4B, higher than the previous month by 12% (€44.1B) and below March 2020's volume by 28% (€68.6B).
- The median quote size at the European Best Bid and Offer (EBBO) increased in March. The STOXX 50 increased by 6.8% and STOXX 600 by 6.2% during the intraday trading period (08:30 to 16:00 GMT). Year over year quote sizes at the EBBO were more than 50% higher than in March 2020 for intraday trading.
- Median spreads did not change significantly in March 2021, relative to the previous month. Median spreads in STOXX 50 were 3.1bps and STOXX 600 symbols were 4.5bps. Year over year, median spreads in STOXX 50 and STOXX 600 symbols were more than 50% lower compared to March 2020 levels for intraday trading.
- The market share distribution between primary exchanges, primary auctions, multilateral trading facilities (MTFs), frequent batch auctions (FBAs), Dark and request for quote (RFQ) venues changed very little in March 2021 relative to the prior month. Primary auction executions increased by 3.4% from 19.5% to 22.9% due to quadruple witching auctions on 19 of March.
- Dark liquidity decreased in March relative to prior month from 10.9% to 9.9%. Market share in block liquidity has not changed significantly in the main conditional venues Cboe LIS (-1%) and POSIT MTF (+1%).

### EMEA MARKET STRUCTURE NEWS

#### Moody's Fined €3.7M by the European Securities and Markets Authority

The European Securities and Markets Authority (ESMA) fined five European and UK based entities in the Moody's Group for a total of €3.7M for breaches of Credit Rating Agencies Regulation (CRAR) regarding independence and the avoidance of shareholder conflicts of interest.

<https://www.esma.europa.eu/press-news/esma-news/esma-fines-moody%E2%80%99s-%E2%82%AC37-million-conflicts-interest-failures>

#### UK's Financial Conduct Authority publish update on Double Volume Cap

Late last year the Financial Conduct Authority (FCA) reduced the Large-In-Scale (LIS) threshold to €15K for UK stocks trading on UK venues. Last month, the FCA announced it would not automatically apply the double volume cap (DVC), currently applied to all equities trading, on UK venues. Additional developments are possible if an equivalence arrangement is agreed between the EU and the UK, however this is looking increasingly unlikely.

<https://www.fca.org.uk/news/statements/update-double-volume-cap>

#### Deliveroo IPO, the Highest Valuation in London since 2011 Plunged 26%

Food delivery app, Deliveroo, set its opening price at the lowest range of its target, providing an opening valuation of approximately €8.91. In the first few minutes of trading, the stock dropped more than 30% due to low support from British investors who raised ESG-type concerns over the company's corporate governance and social responsibility relating to Deliveroo's drivers.

<https://www.cnn.com/2021/03/31/deliveroo-ipo-amazon-backed-firm-starts-trading-in-london-today.html>

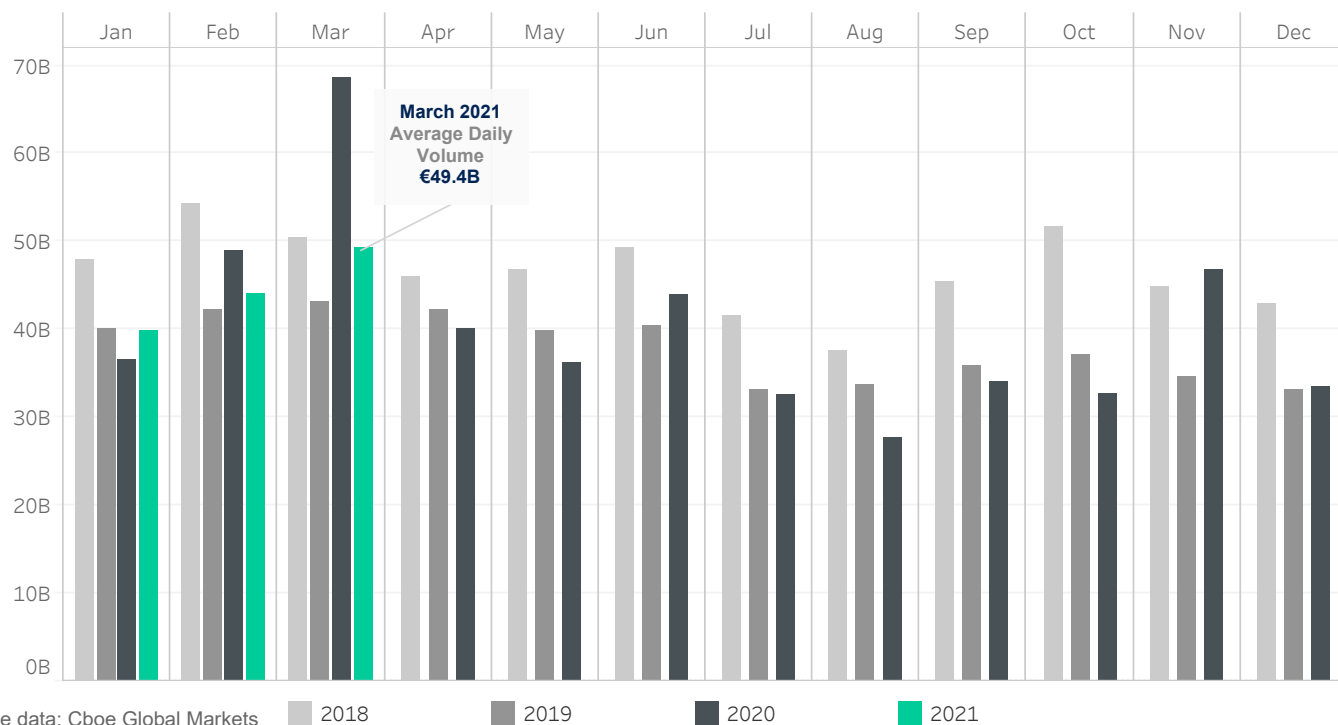
#### Best Execution Reports to be Suspended

ESMA issued a public statement supporting the suspension of the obligation to publish RTS 27 Reports. The reason for the suspension was lack of clarity and limited meaningful information that investors can derive from these files.

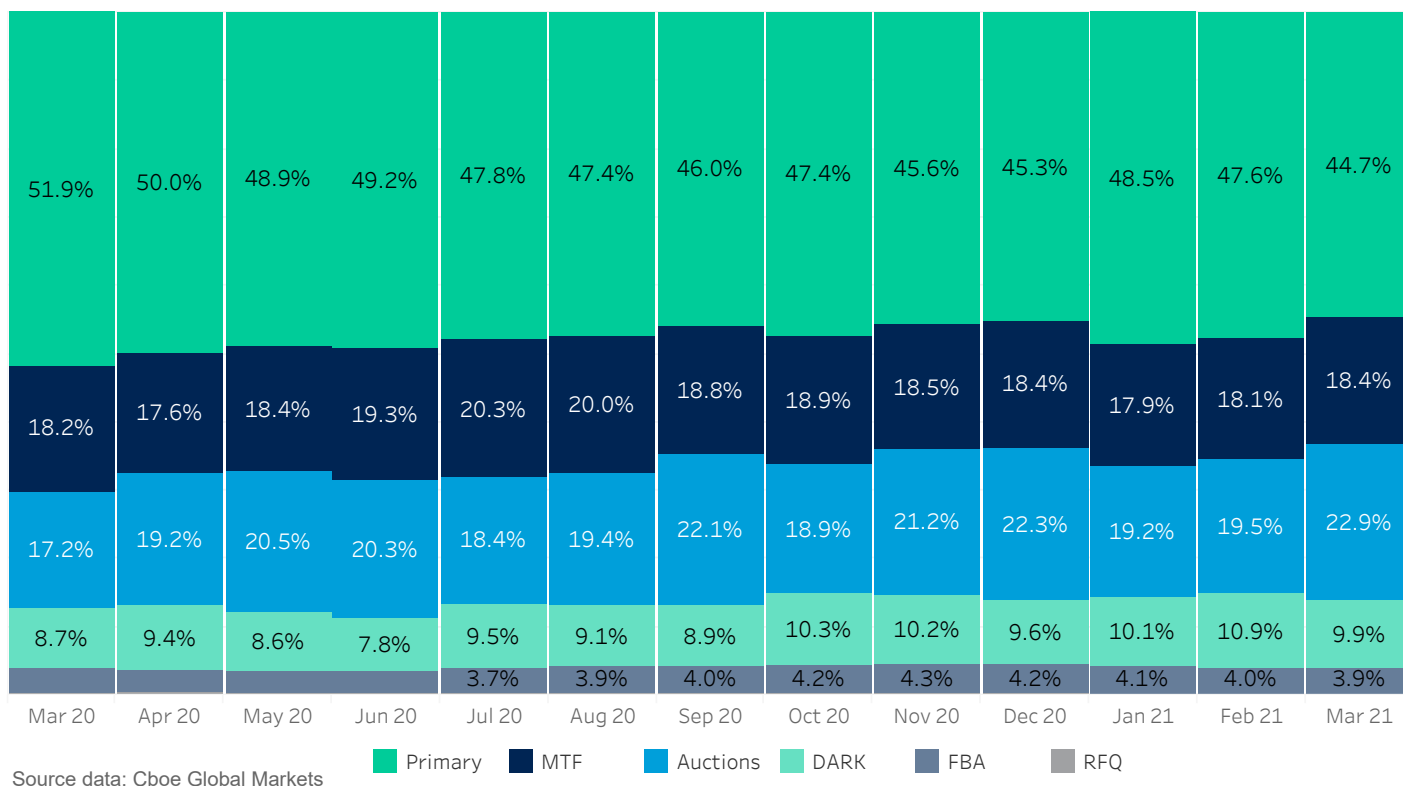
<https://www.esma.europa.eu/press-news/esma-news/esma-promotes-coordinated-action-suspension-best-execution-reports>



## Average Daily Market Volume

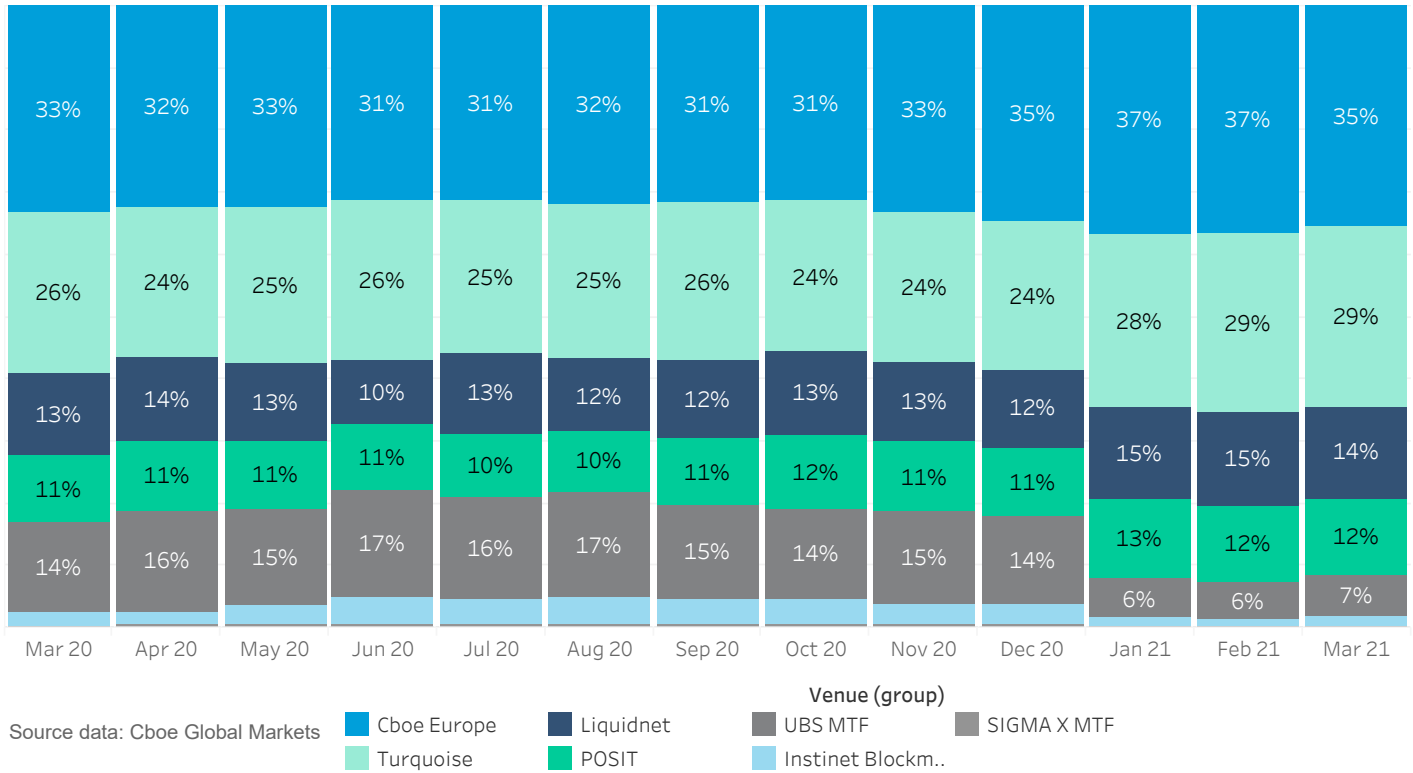


## Venue Type Market Share

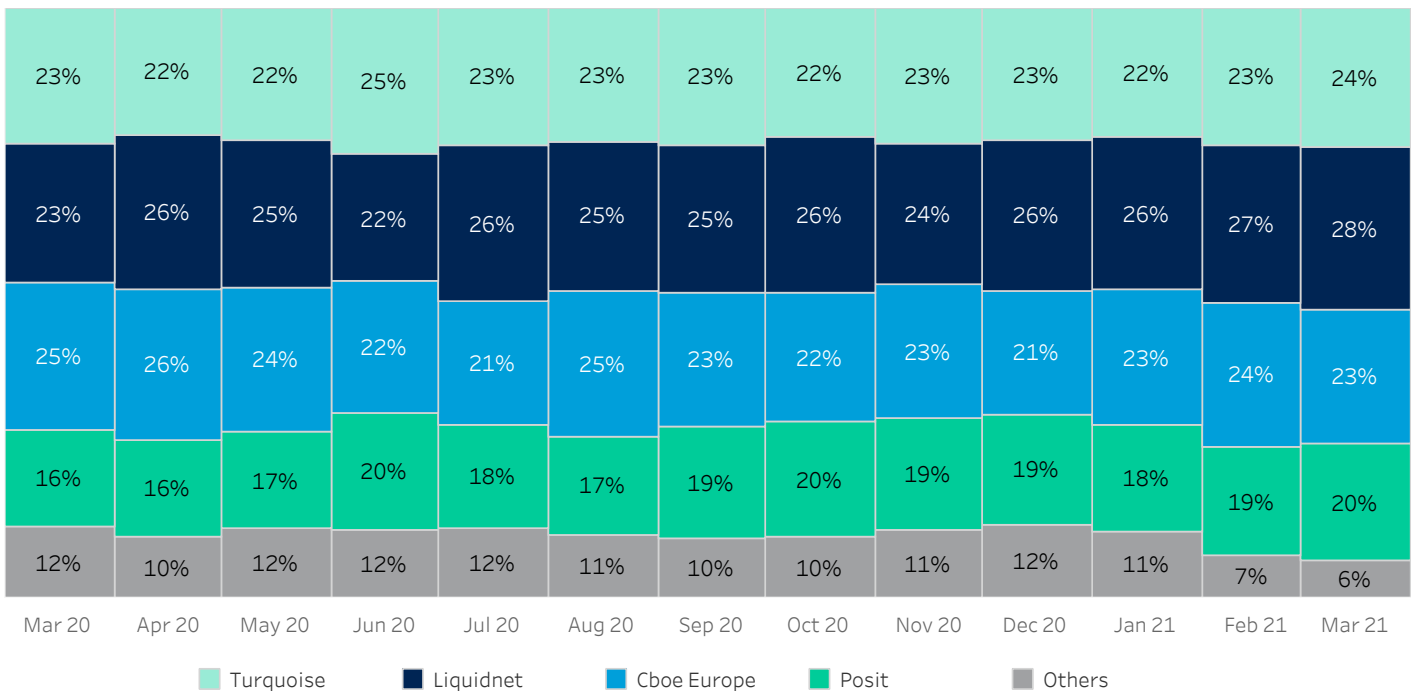




## Dark Market Share



## Block Market Share





## Quotesize in Notional USD

		1Q 20	2Q 20				3Q 20			4Q 20			1Q 21		
		Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	
8:00 - 8:30	Stoxx50	20.2K	21.8K	23.0K	27.2K	28.7K	29.4K	29.3K	26.6K	29.9K	32.2K	25.3K	25.5K	26.3K	
	Stoxx600	10.0K	9.9K	10.1K	12.1K	12.5K	12.9K	12.5K	12.0K	12.6K	13.4K	11.1K	11.0K	11.4K	
8:30 - 16:00	Stoxx50	22.5K	31.3K	33.7K	40.5K	42.3K	43.0K	43.6K	38.9K	45.4K	50.6K	38.4K	37.8K	40.4K	
	Stoxx600	11.4K	13.3K	14.4K	17.3K	17.6K	18.2K	17.7K	17.1K	18.4K	20.3K	15.9K	16.2K	17.2K	
16:00 - 16:30	Stoxx50	27.8K	39.1K	42.5K	51.8K	57.3K	61.4K	58.4K	54.1K	63.2K	67.2K	46.9K	46.7K	51.1K	
	Stoxx600	13.0K	15.9K	18.1K	22.1K	23.2K	24.3K	22.5K	22.3K	24.8K	26.2K	19.0K	19.1K	21.3K	

## Spread Bps

8:00 - 8:30	Stoxx50	11.2	8.6	6.9	6.6	5.8	5.5	5.5	5.6	5.3	4.6	5.3	5.1	4.6
	Stoxx600	19.5	15.9	12.5	11.5	9.9	9.4	9.2	9.5	9.2	8.2	8.9	8.9	7.8
8:30 - 16:00	Stoxx50	5.9	4.5	4.0	3.9	3.5	3.2	3.4	3.4	3.2	3.0	3.2	3.1	3.1
	Stoxx600	9.7	7.7	6.5	6.2	5.5	5.1	5.1	5.0	4.8	4.5	4.7	4.7	4.5
16:00 - 16:30	Stoxx50	4.2	3.9	3.5	3.3	3.0	2.7	2.9	2.9	2.8	2.6	2.7	2.8	2.8
	Stoxx600	7.0	6.5	5.6	5.1	4.6	4.3	4.4	4.2	4.0	4.0	4.0	4.1	3.9

## One Minute Volatility Bps

8:00 - 8:30	Stoxx50	37.3	23.1	19.1	20.4	15.1	15.0	15.9	16.8	15.9	12.8	14.5	14.4	12.2
	Stoxx600	34.0	23.7	19.5	19.8	14.7	14.5	15.0	16.0	15.9	13.0	14.0	14.0	12.2
8:30 - 16:00	Stoxx50	20.1	10.5	9.3	9.8	6.9	6.0	7.0	7.0	6.9	5.1	6.1	5.6	5.5
	Stoxx600	15.9	9.3	8.3	8.5	6.2	5.4	6.1	6.0	6.1	4.9	5.3	5.2	5.1
16:00 - 16:30	Stoxx50	19.1	12.4	11.2	11.2	7.5	6.1	8.1	7.3	6.9	5.6	6.6	6.3	5.6
	Stoxx600	15.5	10.1	9.4	9.0	6.2	5.3	6.5	5.8	5.9	5.0	5.5	5.5	4.9

## Percent ADV by Time of Day

Open	Stoxx50	1.0%	1.1%	1.0%	1.0%	0.9%	0.8%	0.9%	1.1%	1.1%	1.0%	1.4%	1.1%	1.2%
	Stoxx600	0.8%	0.7%	0.6%	0.5%	0.5%	0.5%	0.4%	0.5%	0.5%	0.5%	0.8%	0.6%	0.6%
8:00 - 8:30	Stoxx50	10.3%	11.2%	11.5%	11.8%	11.1%	11.6%	10.6%	11.1%	11.1%	10.7%	10.5%	9.0%	7.2%
	Stoxx600	8.3%	9.1%	9.2%	9.1%	8.9%	9.7%	9.1%	9.1%	8.8%	8.6%	9.3%	7.9%	7.3%
16:00 - 16:30	Stoxx50	25.7%	22.8%	19.3%	19.0%	19.7%	19.9%	19.4%	20.7%	20.7%	22.5%	23.4%	19.4%	15.9%
	Stoxx600	17.2%	14.8%	17.7%	18.0%	18.3%	19.0%	17.5%	17.6%	18.5%	19.4%	17.8%	15.2%	15.1%
Close	Stoxx50	21.1%	25.0%	23.2%	22.4%	22.0%	24.0%	24.8%	24.2%	23.4%	26.6%	31.5%	24.8%	26.6%
	Stoxx600	21.1%	24.6%	23.5%	23.2%	23.7%	24.0%	25.1%	26.1%	26.3%	29.0%	32.0%	27.0%	27.4%

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



## ABOUT VIRTU

Virtu is a leading financial services firm that leverages cutting-edge technology to provide execution services and data, analytics and connectivity products to its clients and deliver liquidity to the global markets. Leveraging its global market making expertise and infrastructure, Virtu provides a robust product suite including offerings in execution, liquidity sourcing, analytics and broker-neutral, multi-dealer platforms in workflow technology. Virtu's product offerings allow clients to trade on hundreds of venues across 50+ countries and in multiple asset classes, including global equities, ETFs, foreign exchange, futures, fixed income and myriad other commodities. In addition, Virtu's integrated, multi-asset analytics platform provides a range of pre and post-trade services, data products and compliance tools that clients rely upon to invest, trade and manage risk across global markets.

To learn more, contact your sales representative or call our desk at:

**APAC**+852.2846.3553 | **CAN**+1.416.874.0800 | **EMEA**+44.20.7670.4066 | **US**+1.212.444.6250  
info@virtu.com | www.virtu.com

© 2021 Virtu Financial, Inc. All rights reserved. Not to be reproduced or retransmitted without permission. These materials are for informational purposes and are not intended to be used to make trading or investment decisions, they are not intended as an offer to sell or the solicitation of an offer to buy any security or financial product, and are not intended as advice (investment, tax or legal). The information contained herein includes Virtu proprietary information and/or has been taken from sources we believe to be reliable, but we do not represent or warrant that such information is accurate or complete and it should not be relied upon as such.

Securities products and services are offered by the following subsidiaries of Virtu Financial, Inc. In the U.S., Virtu Americas LLC, member FINRA and SIPC; in Canada, Virtu ITG Canada Corp., member Canadian Investor Protection Fund and Investment Industry Regulatory Organization of Canada; in Europe, Virtu ITG Europe Limited, registered in Ireland No. 283940 ("VIEL") (VIEL is authorized and regulated by the Central Bank of Ireland), and Virtu Financial Ireland Limited, registered in Ireland No. 471719 ("VFIL") (VFIL is authorized and regulated by the Central Bank of Ireland). The registered office of VIEL and VFIL is Whitaker Court, Whitaker Square, Sir John Rogerson's Quay, Dublin 2, Ireland; in Asia, Virtu ITG Hong Kong Limited (SFC License No. AHD810), Virtu ITG Singapore Pte Limited (CMS License No. 100138-1), and Virtu ITG Australia Limited (AFS License No. 219582).