

November 2020

EMEA Market Structure Monthly



Microstructure Observations

- The average daily volume in November 2020 for EMEA equities increased to €46.8B, higher than the previous month by 42.6% (€32.8B) and lower than November's volume in the previous year by 34.8% (€34.7B).
- The median quote size at the European Best Bid and Offer (EBBO) increased in November 2020, the STOXX 50 increased by 15% and STOXX 600 increased by 6% during the trading period of 8:30 to 16:00 BST. Current quote sizes at the EBBO are still smaller than they were in January 2020, by over 30% during intraday trading (8:30 to 16:00 BST).
- Median spreads did not change significantly in November 2020 relative to the previous month. Median spreads in STOXX 50 symbols decreased by 3% and STOXX 600 symbols decreased by 4%. Current median spreads are still wider by 26% in STOXX 50 and by 17% STOXX 600 symbols compared to January 2020 levels for intraday trading.
- Intraday volatility of STOXX 50 and STOXX 600 symbols, on average, has not changed in November 2020, relative to previous month.
- The market share distribution between primary exchanges, primary auctions, MTFs, FBA, dark and RFQ venues did not change significantly in November 2020 relative to the prior month. Primary auctions execution increased by 2.3% from 18.9% to 21.2% while intraday trading on primary exchanges decreased by similar amount.

Market Structure News

Deutsche Börse Launches Xetra Trade-at-Close

The European exchange launched Xetra Trade-at-Close (XTAC), a new opportunity for executing at the official closing price, which supports all instruments trading on Xetra including equities and ETPs. Key benefits include:

- Trading at a fixed price without participating in the price formation process in the closing auction
- Additional opportunities to close out positions before the end of the trading session
- Interacting with additional liquidity in exchange trading

Additional exchanges, running the same matching engine technology, such as the Vienna and Czech stock exchanges will also support XTAC. Virtu's Oasis strategy supports trading at XTAC.

<https://deutsche-boerse.com/dbg-en/media/press-releases/Xetra-Trade-at-Close-enables-trading-at-the-official-closing-price-2346762>

Aquis Exchange Launches New Incentives for Market Makers

Aquis has launched an incentive campaign to reward top performing market makers in a bid to narrow spreads and boost liquidity on its market growth stocks. Market makers who provide two-way prices in retail sizes and spreads no wider than 5% could collectively earn up to 19.9% of Aquis Stock Exchange equity during the three-year term of the programme.

<https://www.aquis.eu/aquis-stock-exchange-reward-market-makers-equity-scheme-narrow-spreads>

DAX Index to Expand From 30 to 40 Companies

The German stock exchange operator announced that its index will be expanding by 10 additional members. Additional requirements and stricter reporting were put in place to increase the quality of the DAX indices on the back of Wirecard AG debacle.

<https://www.marketwatch.com/story/dax-index-to-be-expanded-to-40-members-2020-11-24>

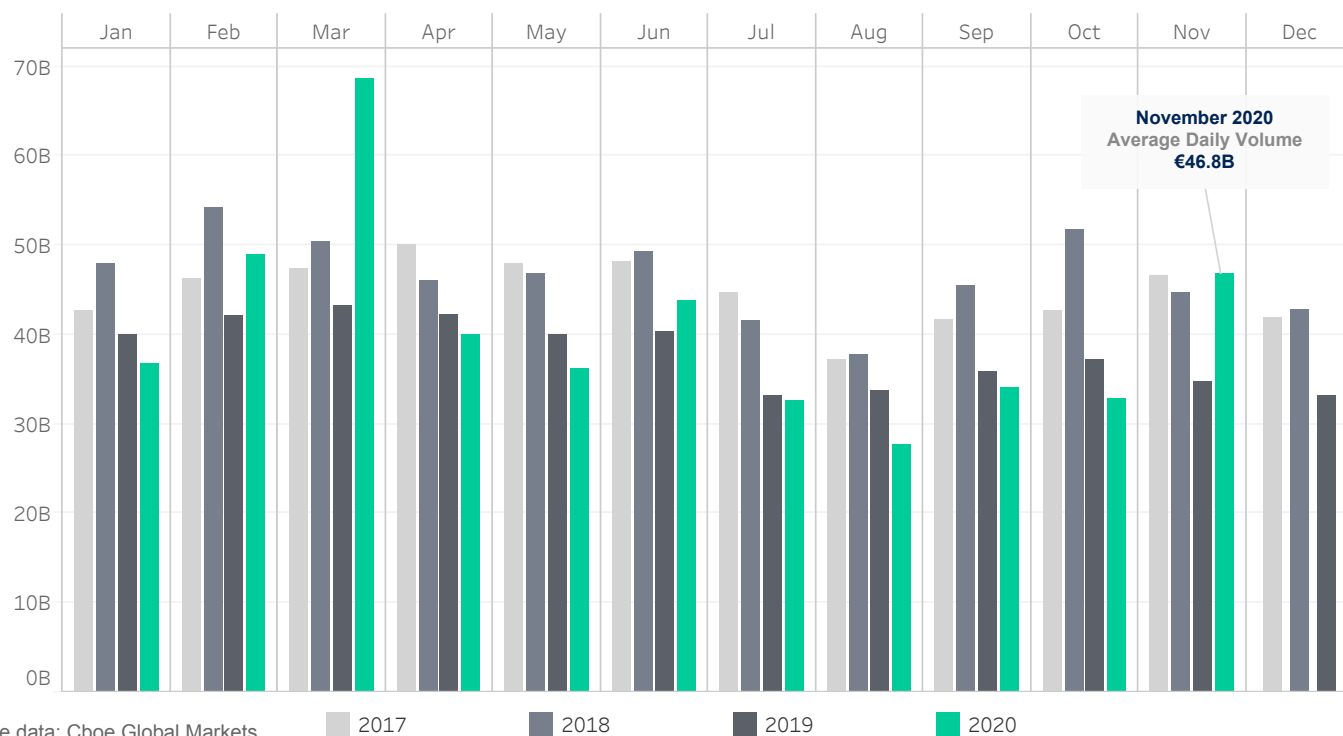
ESMA Prepares for a No-Deal Brexit With Plans to Delay MiFID II Calculations

The European Securities and Markets Authority issued a statement addressing the changes to be implemented at the end of the transition period on 31 December 2020. Submission of UK financial instruments related data to ESMA will cease. ESMA's calculations such as dark volume caps will only be performed for instruments active on EU27 trading venues.

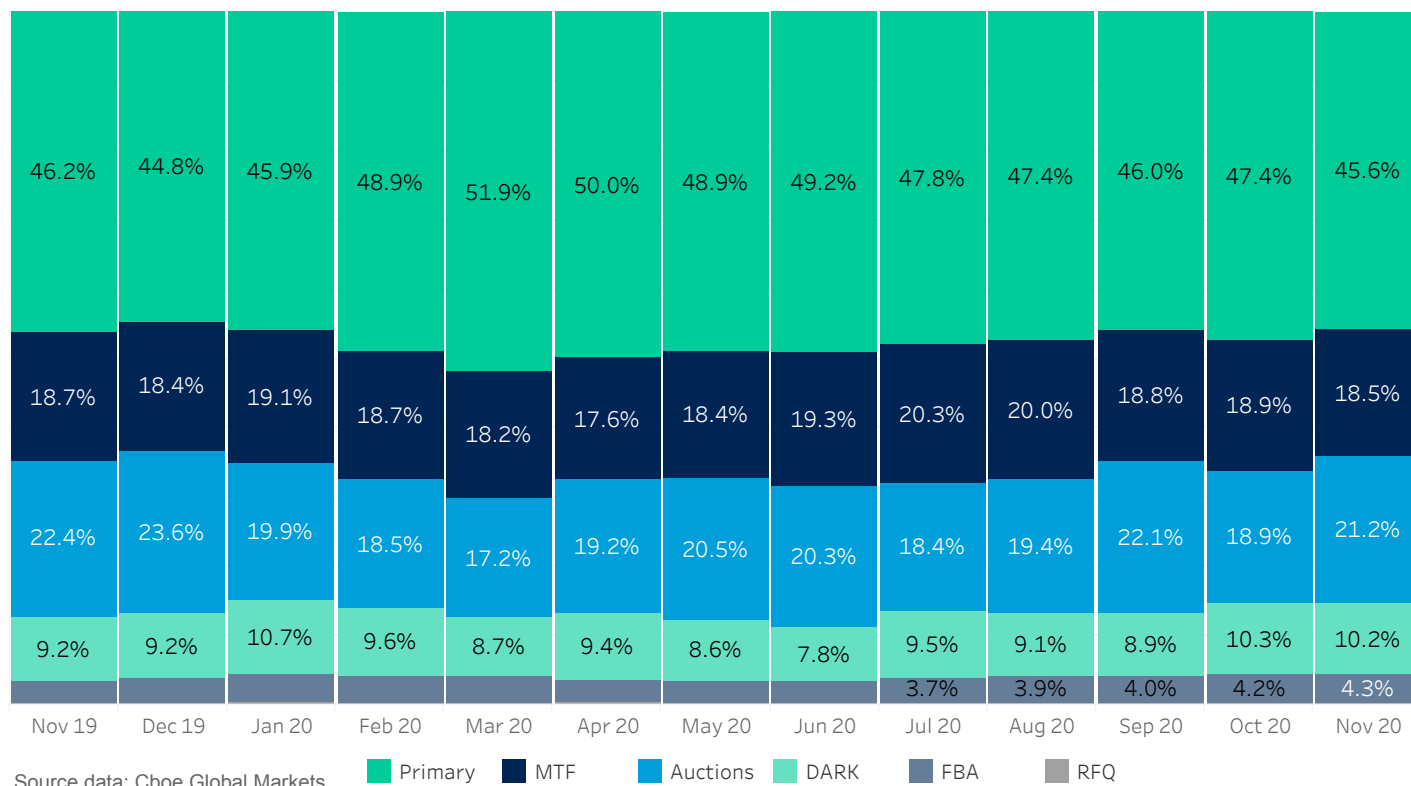
<https://www.esma.europa.eu/press-news/esma-news/esma-updates-brexit-statements-end-uk-transition-period>



Average Daily Market Volume

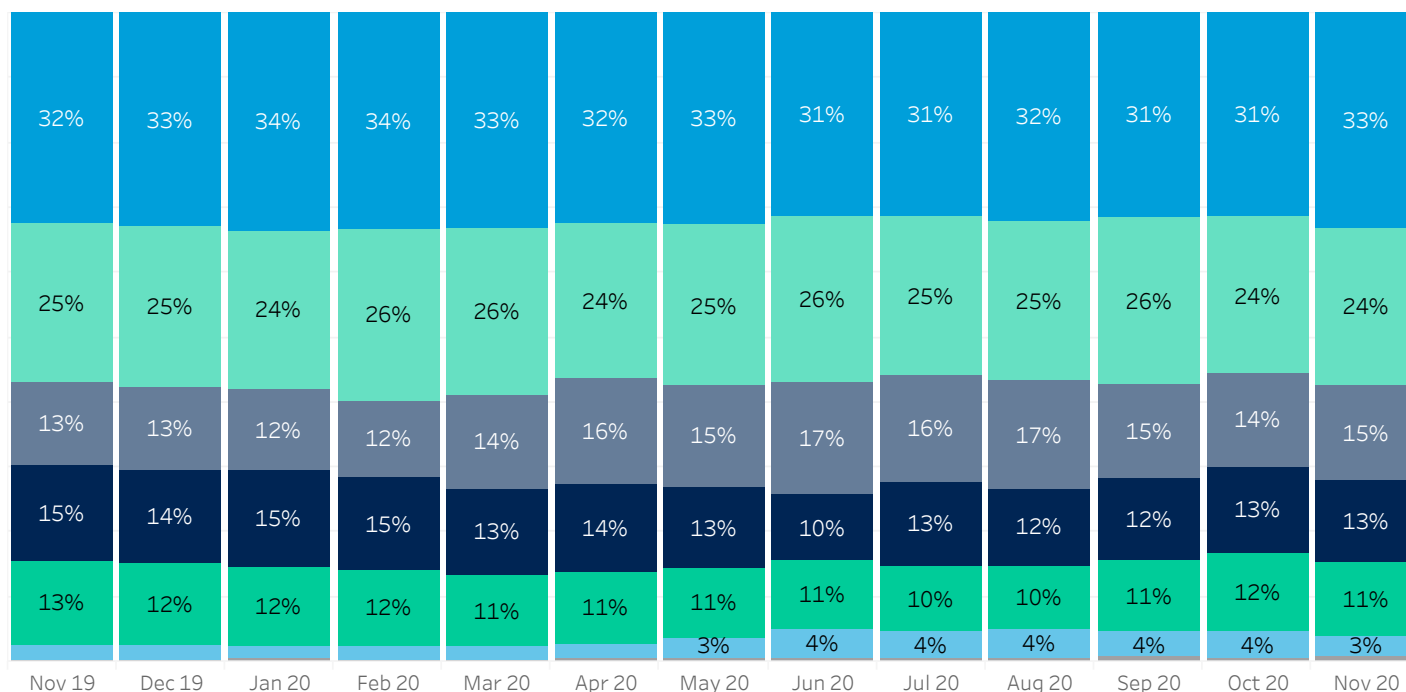


Venue Type Market Share





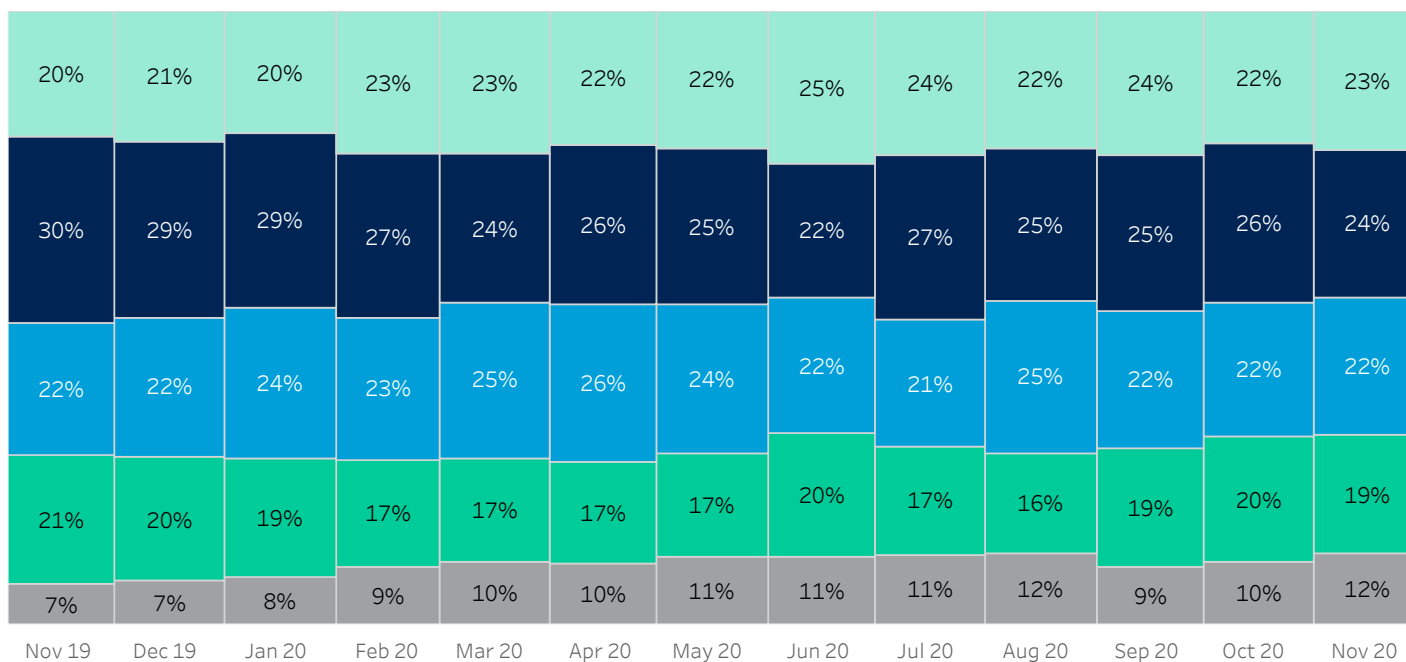
Dark Market Share



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

		4Q 19		1Q 20			2Q 20			3Q 20			4Q 20	
		Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20
8:00 - 8:30	Stoxx50	40.5K	42.1K	43.7K	41.2K	20.2K	21.8K	23.0K	27.2K	28.7K	29.4K	29.3K	26.6K	29.8K
	Stoxx600	15.0K	15.5K	16.1K	15.5K	10.0K	9.9K	10.1K	12.1K	12.5K	12.9K	12.5K	12.0K	12.5K
8:30 - 16:00	Stoxx50	72.1K	69.2K	69.4K	66.0K	22.5K	31.3K	33.7K	40.5K	42.3K	43.0K	43.6K	38.9K	45.0K
	Stoxx600	24.8K	25.2K	26.5K	24.6K	11.4K	13.3K	14.4K	17.3K	17.6K	18.2K	17.7K	17.1K	18.2K
16:00 - 16:30	Stoxx50	103.4K	98.9K	99.3K	96.4K	27.8K	39.1K	42.5K	51.8K	57.3K	61.4K	58.4K	54.1K	62.6K
	Stoxx600	35.5K	36.2K	36.7K	35.8K	13.0K	15.9K	18.1K	22.1K	23.2K	24.3K	22.5K	22.3K	24.5K

Spread Bps

8:00 - 8:30	Stoxx50	3.7	3.5	3.5	3.8	11.2	8.6	6.9	6.6	5.8	5.5	5.5	5.6	5.3
	Stoxx600	6.9	6.5	6.6	7.4	19.5	15.9	12.5	11.5	9.9	9.4	9.2	9.5	9.2
8:30 - 16:00	Stoxx50	2.6	2.6	2.6	2.8	5.9	4.5	4.0	3.9	3.5	3.2	3.4	3.4	3.3
	Stoxx600	4.2	4.1	4.1	4.4	9.7	7.7	6.5	6.2	5.5	5.1	5.1	5.0	4.8
16:00 - 16:30	Stoxx50	2.2	2.2	2.2	2.3	4.2	3.9	3.5	3.3	3.0	2.7	2.9	2.9	2.8
	Stoxx600	3.6	3.7	3.7	3.7	7.0	6.5	5.6	5.1	4.6	4.3	4.4	4.2	4.0

One Minute Volatility Bps

8:00 - 8:30	Stoxx50	9.6	8.3	9.5	11.3	37.3	23.1	19.1	20.4	15.1	15.0	15.9	16.8	16.2
	Stoxx600	10.7	9.1	9.9	11.7	34.0	23.7	19.5	19.8	14.7	14.5	15.0	16.0	16.2
8:30 - 16:00	Stoxx50	3.7	3.7	4.0	4.8	20.1	10.5	9.3	9.8	6.9	6.0	7.0	7.0	7.0
	Stoxx600	4.1	3.8	3.9	4.6	15.9	9.3	8.3	8.5	6.2	5.4	6.1	6.0	6.1
16:00 - 16:30	Stoxx50	3.6	3.8	3.9	4.4	19.1	12.4	11.2	11.2	7.5	6.1	8.1	7.3	6.9
	Stoxx600	3.6	3.6	3.6	4.0	15.5	10.1	9.4	9.0	6.2	5.3	6.5	5.8	5.9

Percent ADV by Time of Day

Open	Stoxx50	0.8%	0.8%	0.9%	0.9%	1.0%	1.1%	1.0%	1.0%	0.9%	0.8%	0.9%	1.1%	1.1%
	Stoxx600	0.3%	0.4%	0.5%	0.5%	0.8%	0.7%	0.6%	0.5%	0.5%	0.5%	0.4%	0.5%	0.5%
8:00 - 8:30	Stoxx50	10.4%	9.7%	11.2%	9.7%	10.3%	11.2%	11.5%	11.8%	11.1%	11.6%	10.6%	11.1%	11.1%
	Stoxx600	8.1%	7.1%	8.3%	8.1%	8.3%	9.1%	9.2%	9.1%	8.9%	9.7%	9.1%	9.1%	8.8%
16:00 - 16:30	Stoxx50	19.3%	20.2%	19.5%	20.9%	25.7%	22.8%	19.3%	19.0%	19.7%	19.9%	19.4%	20.7%	20.7%
	Stoxx600	18.7%	19.3%	18.8%	19.6%	17.2%	14.8%	17.7%	18.0%	18.3%	19.0%	17.5%	17.6%	18.5%
Close	Stoxx50	26.7%	27.3%	24.5%	24.8%	21.1%	25.0%	23.2%	22.4%	22.0%	24.0%	24.8%	24.2%	23.4%
	Stoxx600	25.7%	28.0%	26.7%	25.6%	21.1%	24.6%	23.5%	23.2%	23.7%	24.0%	25.1%	26.1%	26.3%

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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