

# October 2020

## EMEA Market Structure Monthly

### Microstructure Observations

- The average daily volume in October 2020 in EMEA equities decreased to €32.8B, lower than the previous month by 3.5% (€34B) and lower than October's volume in the previous year by 11.6% (€37.1B).
- The median quote size at the European Best Bid and Offer (EBBO) decreased in October 2020, the STOXX 50 decreased by 10% and STOXX 600 decreased by 3% 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 35% during intraday trading (8:30 to 16:00 BST).
- Median spreads did not change significantly in October 2020 relative to the previous month. Median spreads in STOXX 50 symbols did not change and STOXX 600 symbols decreased by less than 1%. Current median spreads are still wider by 24% in both STOXX 50 and 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 October 2020, relative to previous month.
- The market share distribution between primary exchanges, primary auctions, MTFs, FBA, dark and RFQ venues changed in October 2020 relative to the prior month. Primary auctions execution decreased by 2.2% from 22.1% to 18.9% and dark executions increase by 1.4% from 8.9% to 10.3%.
- In the dark block space, Turquoise Plato lost 2% in large in scale (LIS) market share, while Liquidnet and Virtu POSIT both gained 1% in October 2020 relative to the prior month.

### Market Structure News

#### Share Trading Obligations (STO) Update

The European Securities and Markets Authority (ESMA) has clarified its guidance on symbols with European ISINs, which trade on UK trading venues in local currency (pound sterling), will now not be subject to the EU's STO rules. Separately, utilising temporary powers granted by HMT, the UK's Financial Conduct Authority (FCA) has confirmed that it will not implement a UK specific STO for GB ISINs post the end of the Brexit transition period.

Therefore, as we approach 1 January 2021, the majority of UK based venues are now in a position to trade European stocks on their own European based venues and the likely outcome would be that EU27/EEA symbols will be executed on EU based venues and UK symbols will continue to be executed on the UK based venues but can trade on EU venues if required.

<https://www.esma.europa.eu/press-news/esma-news/esma-sets-out-final-position-share-trading-obligation-0>

<https://www.fca.org.uk/news/statements/fca-statement-share-trading-obligation>

#### The European Central Bank (ECB) Are Working on a Digital Euro €

Christine Lagarde, President of the ECB has said "The euro belongs to Europeans and we are its guardian. We should be prepared to issue a digital euro, should the need arise." The ECB has confirmed they will be working on a digital euro which will be introduced alongside cash.

<https://www.ecb.europa.eu/euro/html/digitaleuro.en.html>

#### Turquoise Plato Trade At Last Goes Live

On October 19, Turquoise Plato Trade At Last order type went live. This order type allows participants to submit conditional orders after the closing auctions for an additional 10 minutes. The trading price will reference the close price. Virtu algos support this offering and aggregates similar offering from other venues.

<https://www.lseg.com/markets-products-and-services/our-markets/turquoise/turquoise-trading-services/turquoise-plato-trade-last>

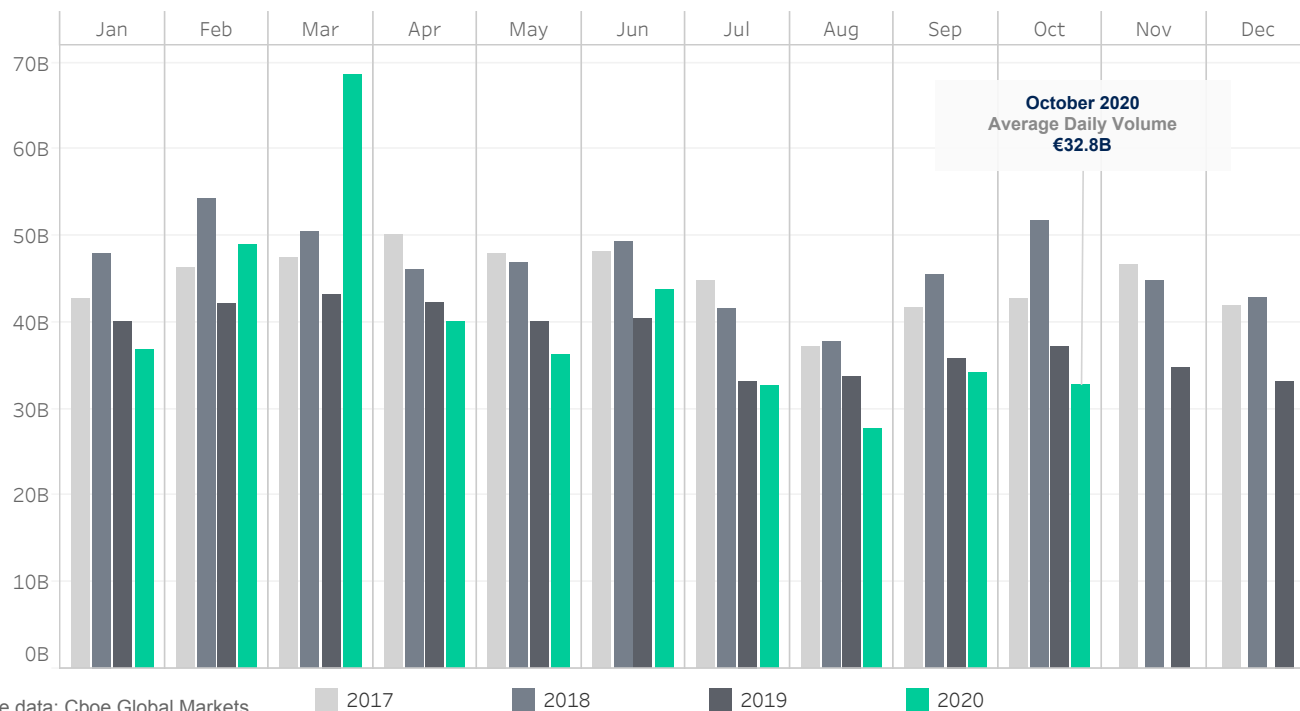
#### Euronext Technical Issue Causes Trading Halts for Three Hours and Fails to Close

On October 19, Euronext suffered a technical issue which halted trading at 8:49 GMT in all instruments and resumed nearly 3 hours later in cash equities and derivatives though warrants and certificates did not resume. Some glitches persisted and affected the closing auctions for many instruments causing the exchange to cancel all trades that occurred after 16:30 GMT.

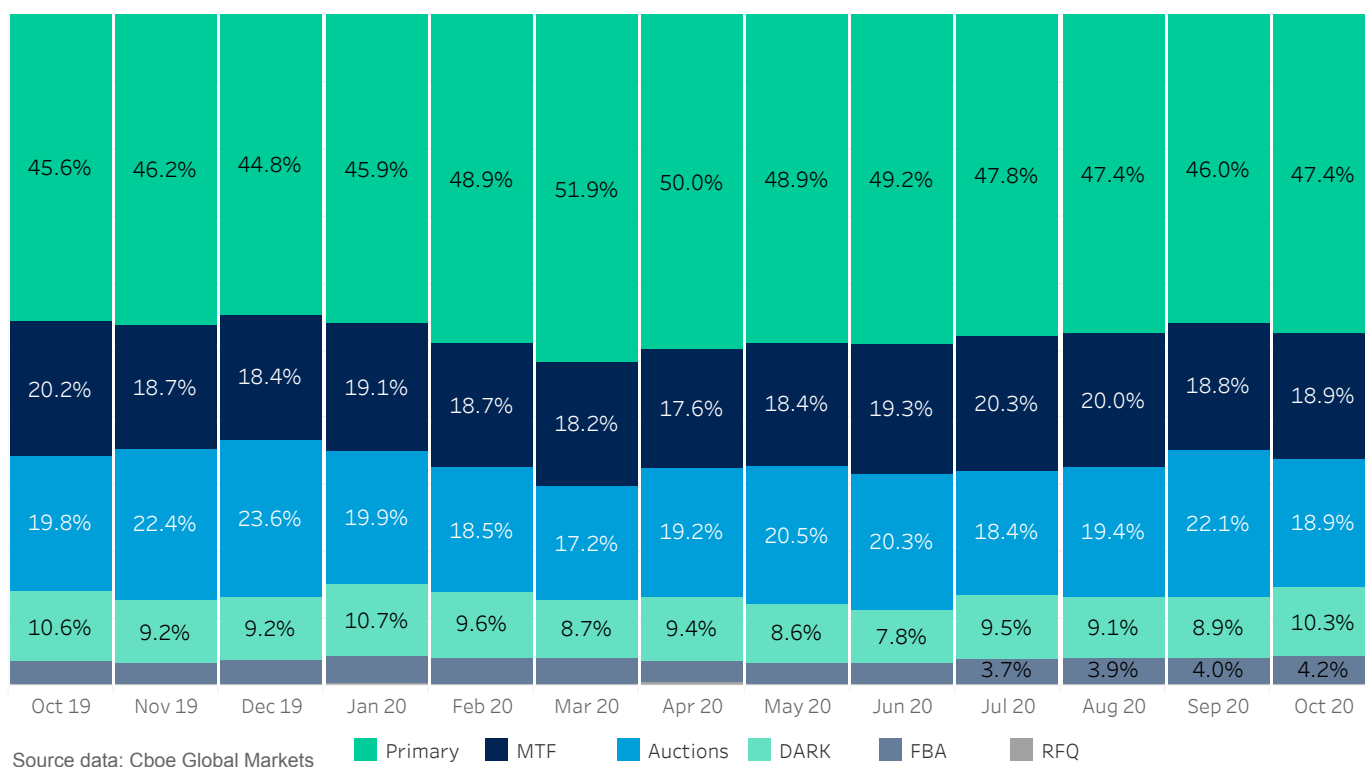
<https://www.bloomberg.com/news/articles/2020-10-19/euronext-says-trading-halted-in-all-products-on-technical-issue>



## Average Daily Market Volume

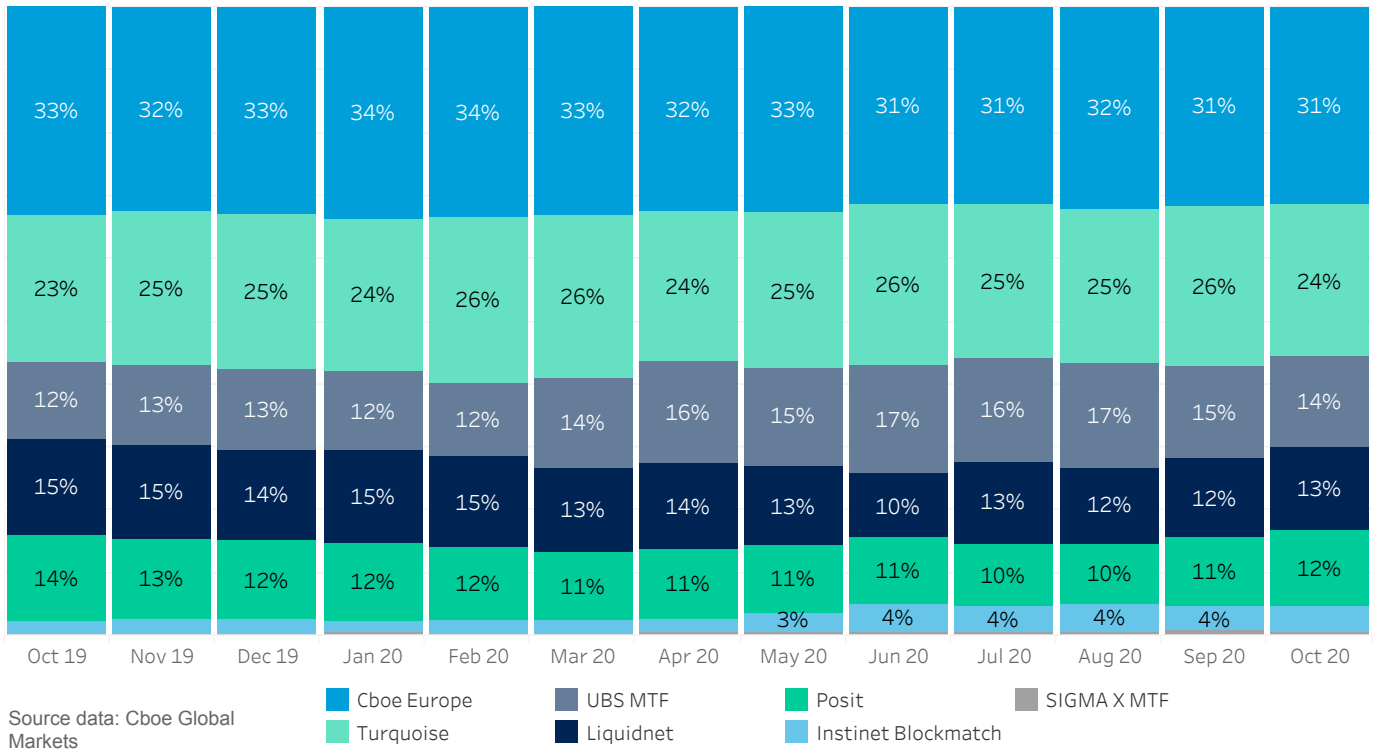


## Venue Type Market Share

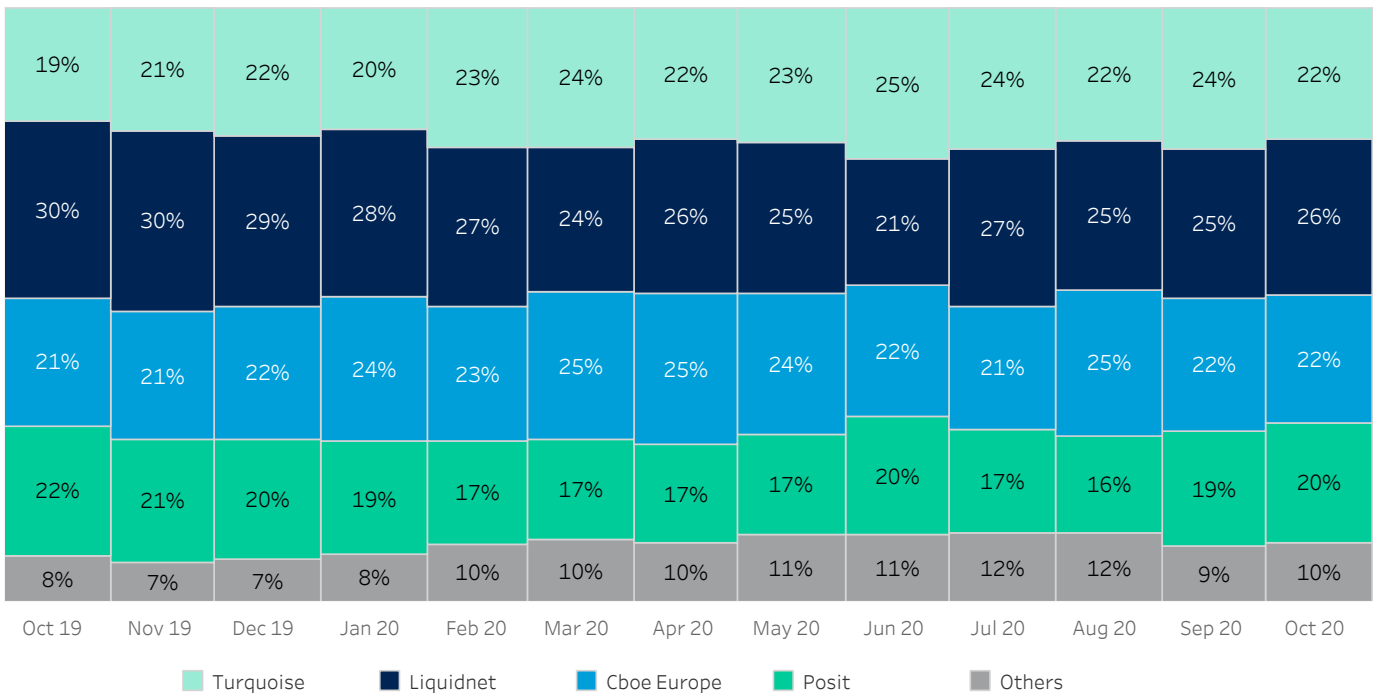




## Dark Market Share



## Block Market Share





## Quotesize in Notional USD

		4Q 19			1Q 20			2Q 20			3Q 20			4Q 20
		Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20
8:00 - 8:30	Stoxx50	37.0K	40.5K	42.1K	43.7K	41.2K	20.2K	21.8K	23.0K	27.2K	28.7K	29.4K	29.3K	26.9K
	Stoxx600	13.7K	15.0K	15.5K	16.1K	15.5K	10.0K	9.9K	10.1K	12.1K	12.5K	12.9K	12.5K	12.1K
8:30 - 16:00	Stoxx50	64.6K	72.1K	69.2K	69.4K	66.0K	22.5K	31.3K	33.7K	40.5K	42.3K	43.0K	43.6K	39.2K
	Stoxx600	22.5K	24.8K	25.2K	26.5K	24.6K	11.4K	13.3K	14.4K	17.3K	17.6K	18.2K	17.7K	17.2K
16:00 - 16:30	Stoxx50	92.6K	103.4K	98.9K	99.3K	96.4K	27.8K	39.1K	42.5K	51.8K	57.3K	61.4K	58.4K	54.5K
	Stoxx600	32.0K	35.5K	36.2K	36.7K	35.8K	13.0K	15.9K	18.1K	22.1K	23.2K	24.3K	22.5K	22.5K

## Spread Bps

8:00 - 8:30	Stoxx50	4.0	3.7	3.5	3.5	3.8	11.2	8.6	6.9	6.6	5.8	5.5	5.5	5.7
	Stoxx600	7.5	6.9	6.5	6.6	7.4	19.5	15.9	12.5	11.5	9.9	9.4	9.2	9.4
8:30 - 16:00	Stoxx50	2.8	2.6	2.6	2.6	2.8	5.9	4.5	4.0	3.9	3.5	3.2	3.4	3.4
	Stoxx600	4.6	4.2	4.1	4.1	4.4	9.7	7.7	6.5	6.2	5.5	5.1	5.1	5.0
16:00 - 16:30	Stoxx50	2.3	2.2	2.2	2.2	2.3	4.2	3.9	3.5	3.3	3.0	2.7	2.9	2.9
	Stoxx600	3.9	3.6	3.7	3.7	3.7	7.0	6.5	5.6	5.1	4.6	4.3	4.4	4.2

## One Minute Volatility Bps

8:00 - 8:30	Stoxx50	10.9	9.6	8.3	9.5	11.3	37.3	23.1	19.1	20.4	15.1	15.0	15.9	16.8
	Stoxx600	11.9	10.7	9.1	9.9	11.7	34.0	23.7	19.5	19.8	14.7	14.5	15.0	16.0
8:30 - 16:00	Stoxx50	4.5	3.7	3.7	4.0	4.8	20.1	10.5	9.3	9.8	6.9	6.0	7.0	7.0
	Stoxx600	4.7	4.1	3.8	3.9	4.6	15.9	9.3	8.3	8.5	6.2	5.4	6.1	6.0
16:00 - 16:30	Stoxx50	4.7	3.6	3.8	3.9	4.4	19.1	12.4	11.2	11.2	7.5	6.1	8.1	7.3
	Stoxx600	4.4	3.6	3.6	3.6	4.0	15.5	10.1	9.4	9.0	6.2	5.3	6.5	5.8

## Percent ADV by Time of Day

Open	Stoxx50	0.7%	0.8%	0.8%	0.9%	0.9%	1.0%	1.1%	1.0%	1.0%	0.9%	0.8%	0.9%	1.1%
	Stoxx600	0.3%	0.3%	0.4%	0.5%	0.5%	0.8%	0.7%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%
8:00 - 8:30	Stoxx50	9.5%	10.4%	9.7%	11.2%	9.7%	10.3%	11.2%	11.5%	11.8%	11.1%	11.6%	10.6%	11.1%
	Stoxx600	7.5%	8.1%	7.1%	8.3%	8.1%	8.3%	9.1%	9.2%	9.1%	8.9%	9.7%	9.1%	9.1%
16:00 - 16:30	Stoxx50	23.9%	19.3%	20.2%	19.5%	20.9%	25.7%	22.8%	19.3%	19.0%	19.7%	19.9%	19.4%	20.7%
	Stoxx600	19.3%	18.7%	19.3%	18.8%	19.6%	17.2%	14.8%	17.7%	18.0%	18.3%	19.0%	17.5%	17.7%
Close	Stoxx50	26.1%	26.7%	27.3%	24.5%	24.8%	21.1%	25.0%	23.2%	22.4%	22.0%	24.0%	24.8%	24.2%
	Stoxx600	25.6%	25.7%	28.1%	26.6%	25.6%	21.1%	24.6%	23.5%	23.1%	23.7%	23.9%	25.1%	26.1%

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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