

August 2022

EMEA Market Structure Monthly

MICROSTRUCTURE OBSERVATIONS

- In August 2022, the average daily volume in EMEA equities decreased to €34.7B, 15% lower than July (€40.6B) and below August 2021's volume by 1.5% (€35.1B).
- The median quote size at the European Best Bid and Offer (EBBO) increased by 2% in August for STOXX 50 and STOXX 600 during the intraday trading period (08:30 to 16:00 GMT).
- Median spreads in STOXX 50 decreased by 12% to 3.2bps while STOXX 600 symbol spreads decreased by 15% to 5.4bps in August, during the intraday trading period.
- August's volatility levels decreased significantly, STOXX 50 decreased by 35% and STOXX 600 decreased by 23% during intraday trading. Volatility levels were higher than in August 2021 by over 40%.
- The market share distribution between venues changed slightly from the prior month. Primary lit market share decreased by 1.1%, FBA venues market share decreased by 0.5% while primary auctions increased by 1.9% mainly due to the rebalance at the end of the month.
- Cboe's dark market share decreased by 2% while Turquoise's increased by 2%.
- Cboe's large-in-scale market share decreased by 1%, while Turquoise's increased by 1%.
- Although MSCI rebalanced at the end of August, the closing auction percentage of the daily volume for both STOXX50 and STOXX600 fell to 22.5% and 21.1%, respectively.

EMEA MARKET STRUCTURE NEWS

New Pricing Scheme Introduced by Turquoise Lit Markets

From 1 September, Turquoise, the pan-European MTF, will be charging 0.3bps for aggressive trading and 0bps for passive trading. Members of the MTF who subscribe to the Liquidity Incentive Scheme will benefit from a lower tiered aggressive fee and a tiered rebate starting at 0.15bps for the passive fee.

<https://www.lseg.com/markets-products-and-services/our-markets/turquoise/turquoise-tariff-schedule>

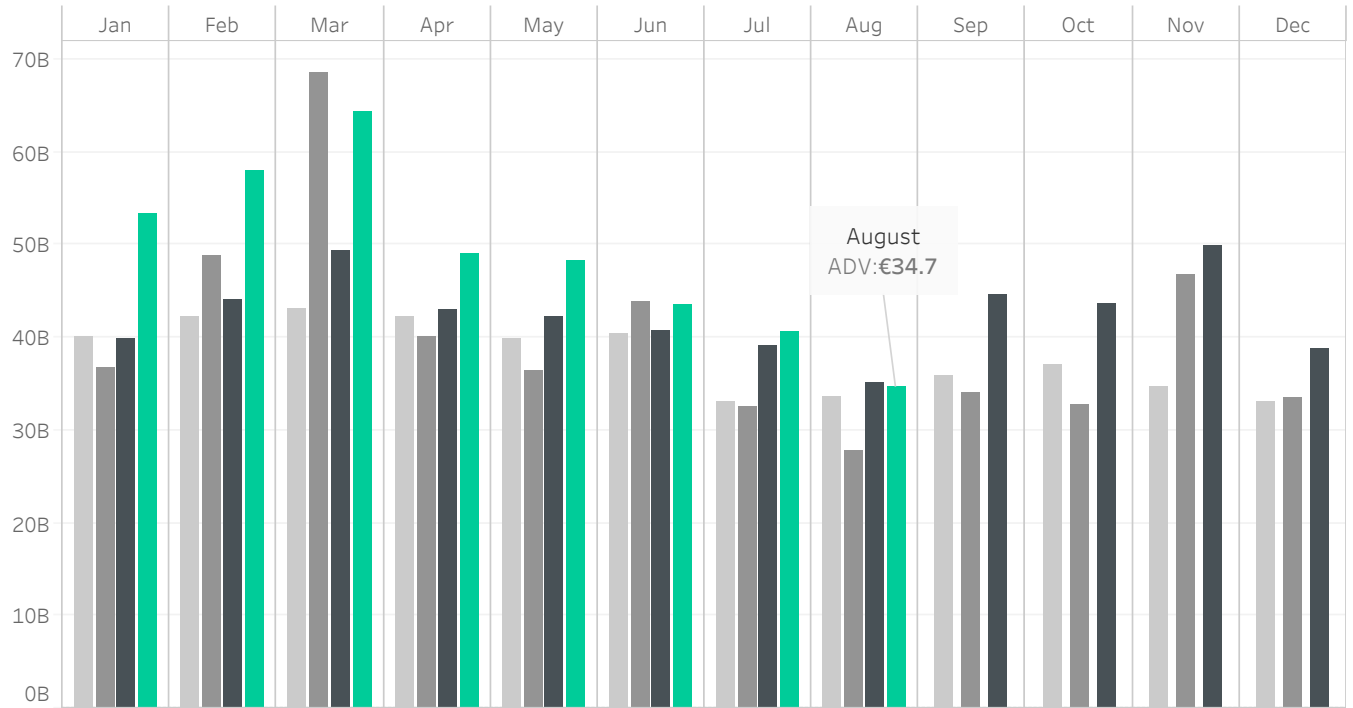
European Securities and Markets Authority Reports on High-Risk Environment

A second Trends, Risks and Vulnerabilities Report (TRV) for 2022 has been published by the European Securities and Markets Authority (ESMA). ESMA warns that the risks associated with the securities markets and asset management remain very high. The Russian war on Ukraine against a backdrop of increasing inflation and negative real returns presents liquidity risk for exposed counterparties.

<https://www.esma.europa.eu/press-news/esma-news/russian-war-adds-uncertainty-and-volatility-eu-financial-markets>

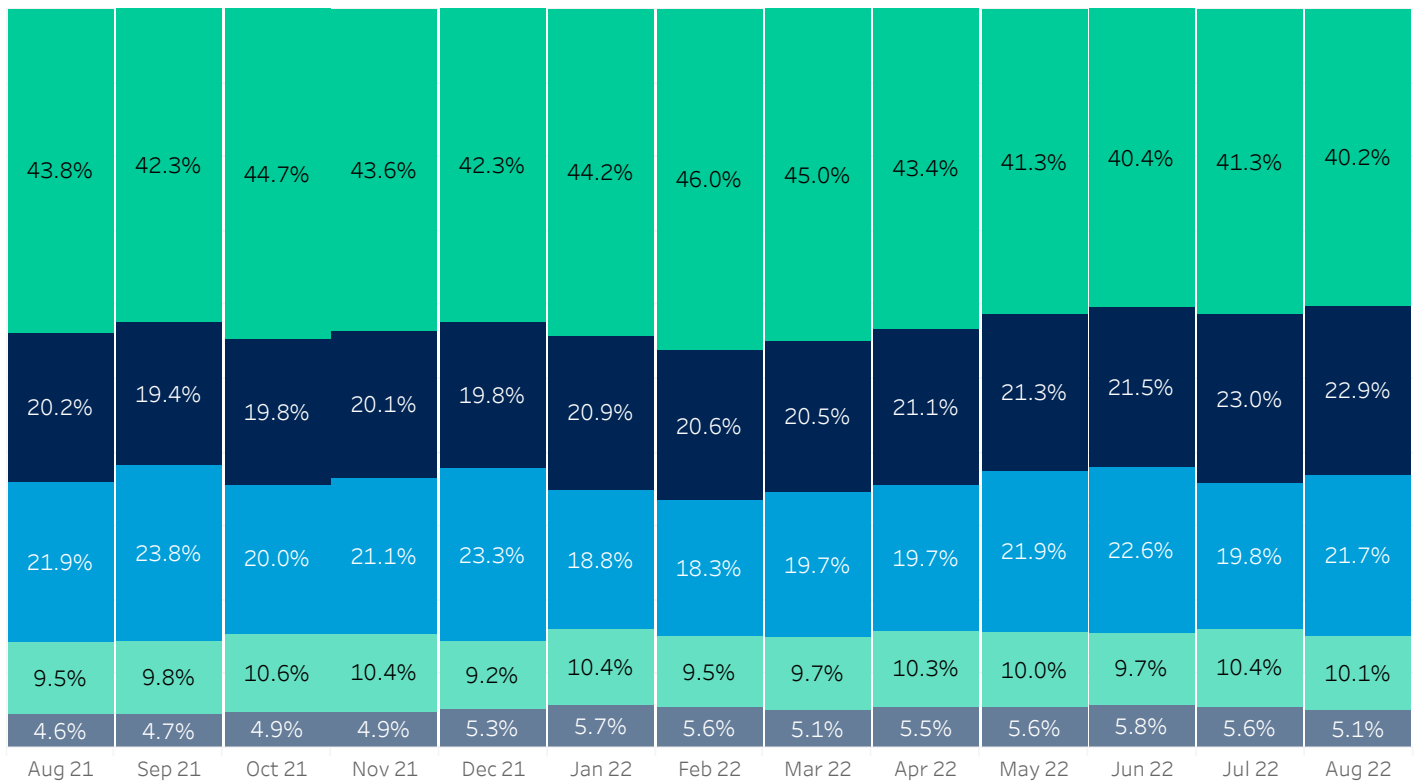


Average Daily Market Volume



Source data: Cboe Global Markets 2019 2020 2021 2022

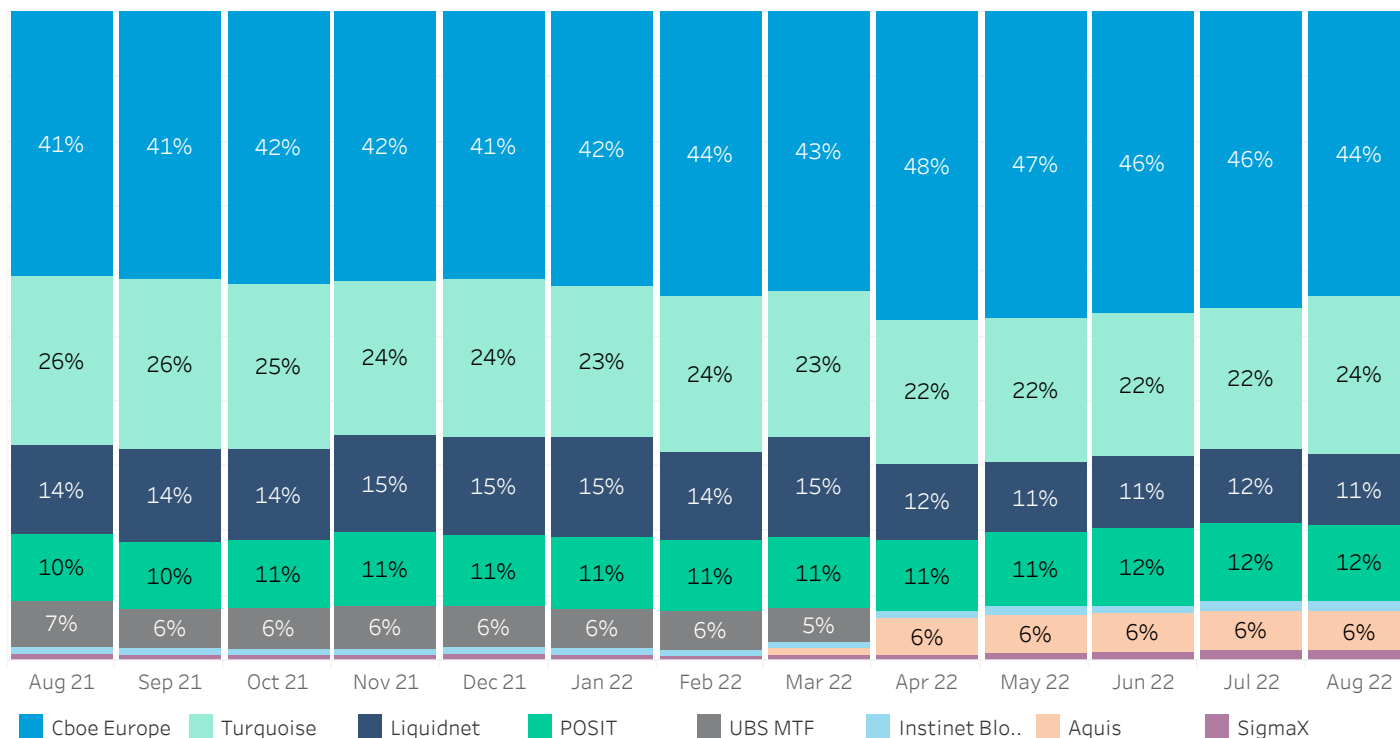
Venue Type Market Share



Source data: Cboe Global Markets Primary MTF Auctions DARK FBA

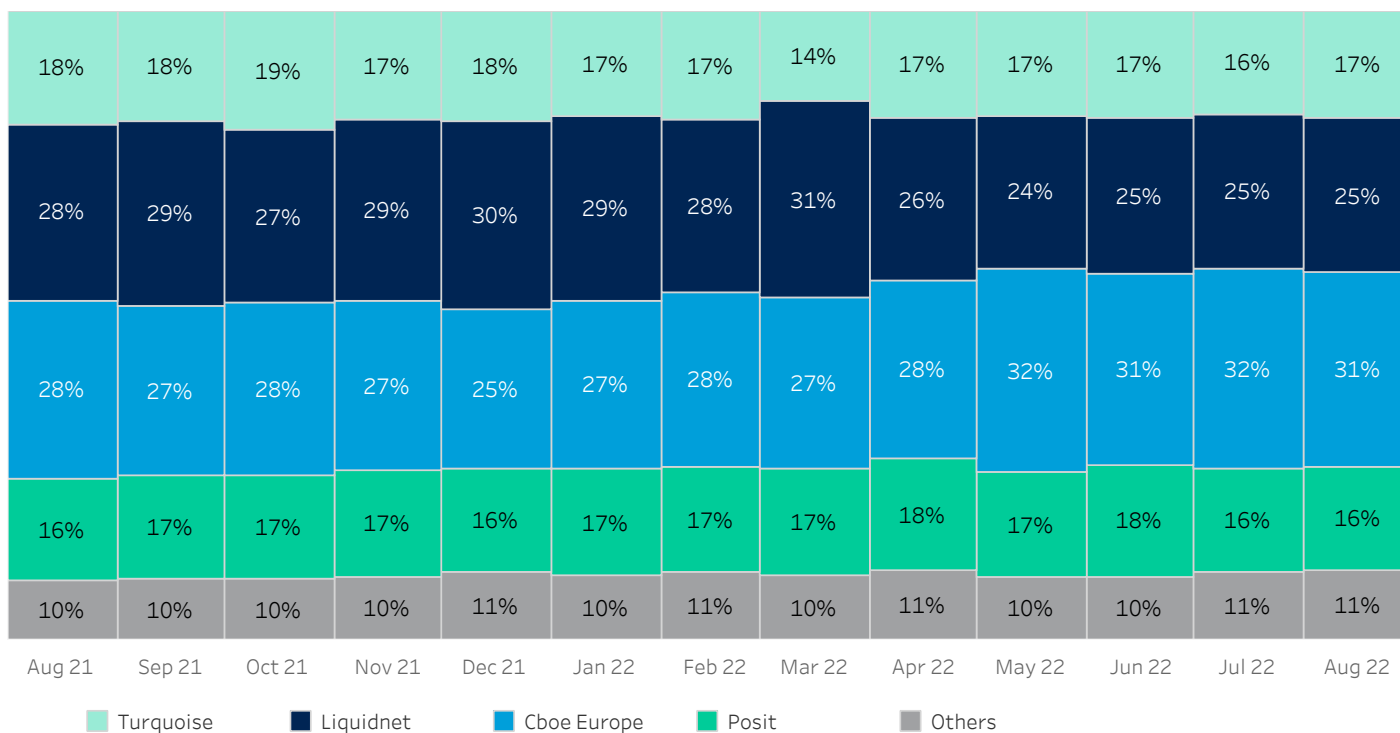


Dark Market Share



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

		3Q 21		4Q 21			1Q 22			2Q 22			3Q 22	
		Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22
8:00 - 8:30	Stoxx50	20.0K	18.7K	19.1K	18.0K	18.5K	18.8K	16.3K	17.3K	18.3K	17.9K	21.0K	16.8K	19.2K
	Stoxx600	11.0K	10.6K	10.4K	10.1K	10.6K	10.4K	9.6K	10.1K	11.0K	10.5K	10.0K	9.5K	10.2K
8:30 - 16:00	Stoxx50	34.4K	32.7K	33.3K	32.0K	33.6K	33.8K	29.7K	23.1K	25.8K	26.4K	33.9K	26.0K	26.6K
	Stoxx600	17.0K	16.7K	17.0K	16.3K	17.0K	17.0K	15.5K	12.6K	14.0K	13.3K	12.9K	11.9K	12.2K
16:00 - 16:30	Stoxx50	40.2K	37.8K	39.7K	38.1K	39.3K	37.9K	35.1K	28.3K	33.3K	33.1K	39.8K	31.3K	31.4K
	Stoxx600	19.4K	19.1K	19.9K	18.9K	19.0K	19.1K	18.6K	14.6K	17.0K	16.0K	15.4K	14.6K	14.7K

Spread Bps

8:00 - 8:30	Stoxx50	4.1	3.9	4.1	4.2	4.2	4.0	4.5	5.3	4.9	5.0	5.4	5.9	5.0
	Stoxx600	7.2	7.0	7.6	8.1	7.8	8.2	8.8	10.1	9.1	9.4	9.6	10.4	9.2
8:30 - 16:00	Stoxx50	2.3	2.3	2.3	2.4	2.5	2.5	2.7	3.2	3.0	3.0	3.4	3.6	3.2
	Stoxx600	4.0	4.0	4.2	4.5	4.5	4.7	5.0	5.8	5.2	5.6	5.9	6.3	5.4
16:00 - 16:30	Stoxx50	2.0	2.0	2.0	2.1	2.2	2.2	2.3	2.7	2.5	2.6	2.8	3.0	2.7
	Stoxx600	3.4	3.5	3.5	3.8	4.0	4.1	4.1	4.7	4.4	4.7	4.8	5.1	4.5

One Minute Volatility Bps

8:00 - 8:30	Stoxx50	10.5	11.9	12.7	12.9	12.1	14.8	17.6	22.3	18.2	16.5	16.9	22.3	14.6
	Stoxx600	9.8	11.0	11.8	12.5	11.0	14.1	16.5	21.5	17.3	16.3	16.2	18.2	14.1
8:30 - 16:00	Stoxx50	4.5	5.3	5.2	5.6	5.3	6.6	7.8	10.0	7.3	7.3	7.6	10.2	6.6
	Stoxx600	4.2	4.8	4.9	5.2	4.9	5.9	6.7	8.5	6.5	6.8	6.8	7.7	5.9
16:00 - 16:30	Stoxx50	4.2	5.1	4.7	4.9	5.6	6.7	7.0	9.5	7.2	8.4	8.1	9.2	6.9
	Stoxx600	3.8	4.4	4.1	4.5	4.8	5.5	5.5	7.3	6.0	7.0	6.5	6.8	5.4

Percent ADV by Time of Day

Open	Stoxx50	1.0%	1.0%	1.0%	0.9%	0.9%	1.0%	1.0%	0.9%	1.0%	0.8%	0.9%	0.7%	0.7%
	Stoxx600	0.5%	0.6%	0.5%	0.5%	0.6%	0.7%	0.6%	0.5%	0.6%	0.5%	0.5%	0.4%	0.4%
8:00 - 8:30	Stoxx50	7.1%	7.0%	8.5%	9.4%	9.0%	9.9%	9.2%	7.8%	7.5%	7.6%	15.1%	22.2%	14.5%
	Stoxx600	6.5%	7.0%	7.1%	7.3%	6.8%	8.3%	7.9%	7.8%	8.2%	7.7%	8.3%	9.3%	9.6%
16:00 - 16:30	Stoxx50	17.2%	15.2%	11.7%	18.3%	19.4%	16.1%	15.5%	16.9%	14.8%	15.3%	16.2%	16.1%	12.3%
	Stoxx600	13.8%	13.1%	11.5%	12.8%	13.6%	12.7%	12.2%	12.4%	10.6%	11.9%	12.1%	12.7%	13.7%
Close	Stoxx50	26.5%	26.5%	26.6%	25.8%	28.7%	22.2%	21.9%	23.6%	23.5%	23.8%	25.7%	24.4%	22.5%
	Stoxx600	27.7%	26.9%	26.7%	26.3%	29.0%	24.0%	24.5%	23.8%	26.0%	24.2%	26.3%	23.2%	21.1%

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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