



European Dark Trading

Analysing European dark pools

December 2012



Fidessa

Trade / Invest / Inform



What is covered in this report?

Regulatory changes and technological innovation have completely reshaped the equity markets and the role of new trading venues has become a significant one. With ever-growing market share, dark pools have become an inevitable part of today's trading landscape. In these reports we aim to provide a comparative analysis of the major dark pools in Europe.

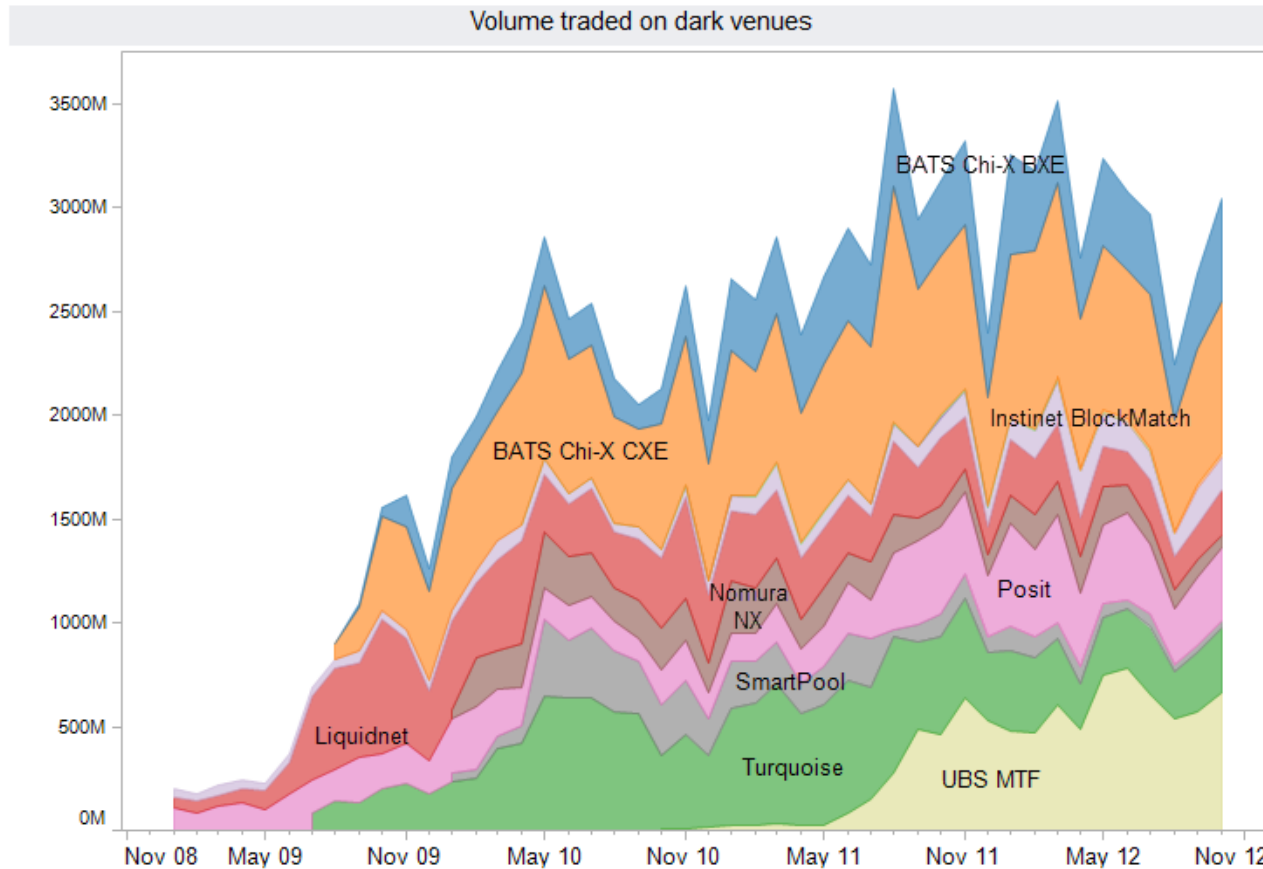
In this report you will find:

- An overview of the European equity market: comparison across trading categories
- Dark pool performance: Q2, Q3 2012
- A feature on UBS MTF

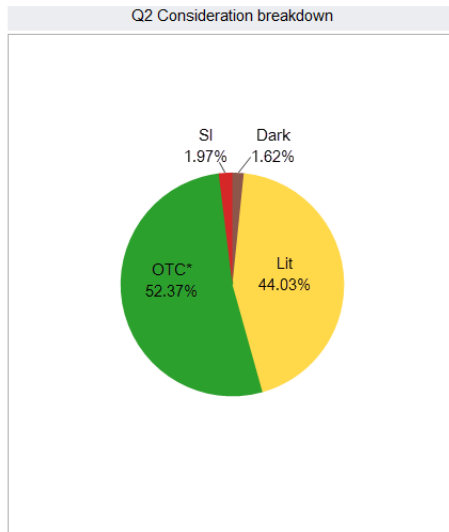
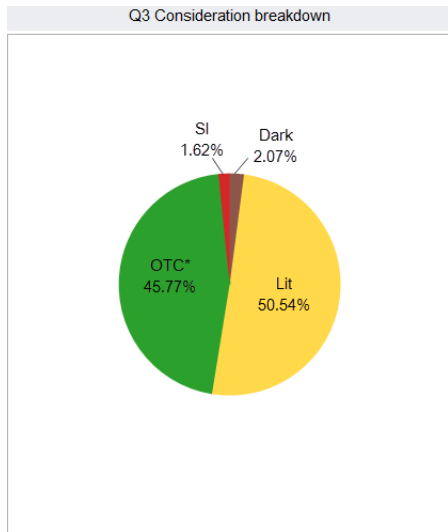
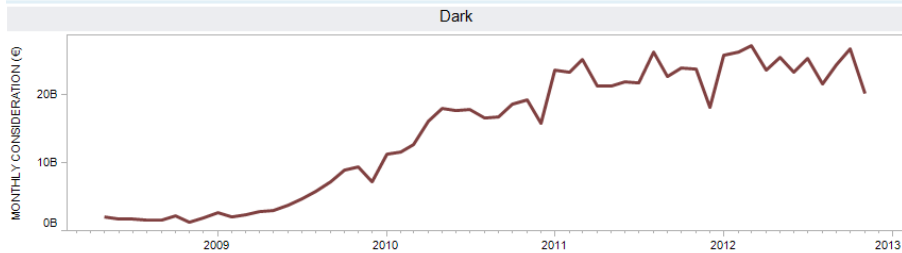
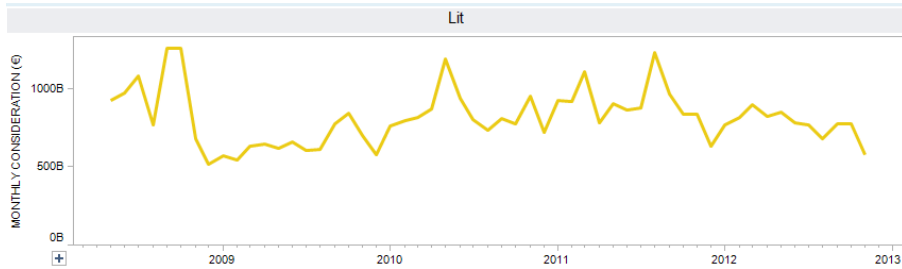
Venues included: BATS Chi-X BXE, BATS Chi-X CXE, Blink MTF, BlockCross, Nordic@Mid (including Copenhagen, Helsinki, Stockholm), Instinet BlockMatch, Liquidnet, Nomura NX, Posit, SIX Swiss, SmartPool, Turquoise, UBS MTF.

Dark venues over time

There has been a steady rise in dark pool trading over time with UBS MTF and BATS Chi-X currently sitting on top.



Market landscape



| | Q2 | Q3 |
|--|---------|---------|
| Number of stocks traded LIT and DARK | 54,437 | 55,878 |
| Number of stocks traded DARK | 12,661 | 12,279 |
| Number of stocks traded with >5% DARK | 543 | 629 |
| Total LIT and DARK consideration (billion) | € 2,526 | € 2,275 |
| Total DARK consideration (billion) | € 72 | € 71 |
| Average LIT trade value | € 6,656 | € 7,247 |
| Average DARK trade value | € 6,084 | € 7,316 |

The total consideration traded on dark pools has risen continuously since 2008.

2.07% of total consideration of major European indices** was traded on dark pools in Q3, an increase on the previous quarter.

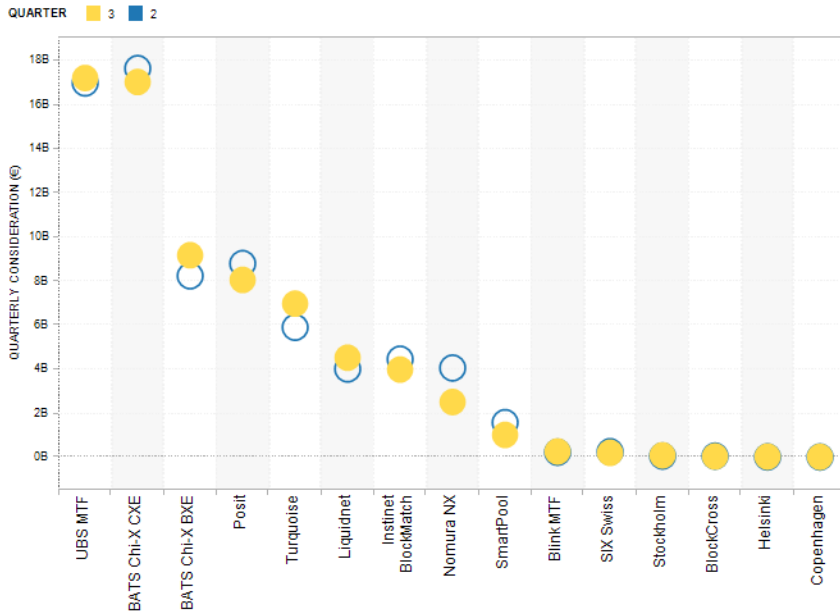
More stocks traded over 5% of their value on dark venues in Q3 than in Q2.

The average trade value on dark pools has increased compared to Q2.

* OTC figures are as quoted on Fidessa Fragulator®

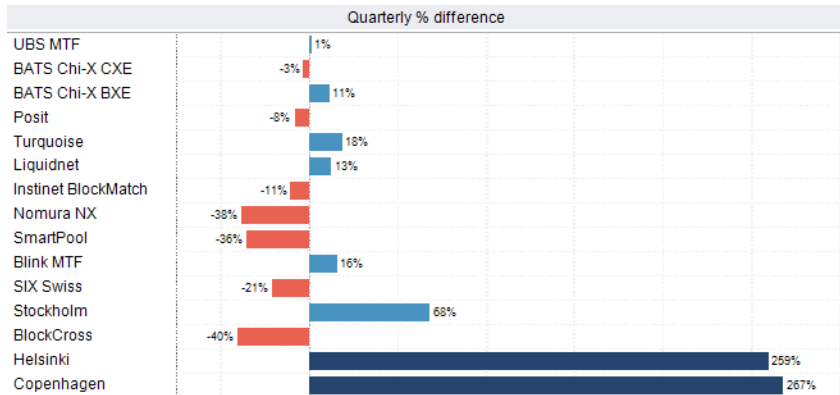
** Major European indices include: AEX, BEL 20, CAC 40, DAX, FTSE 100, FTSE 250, FTSE MIB, IBEX, ISEQ, OMX C20, OMX S30, OSLO OBX, PSI 20, SMI

Quarterly performance



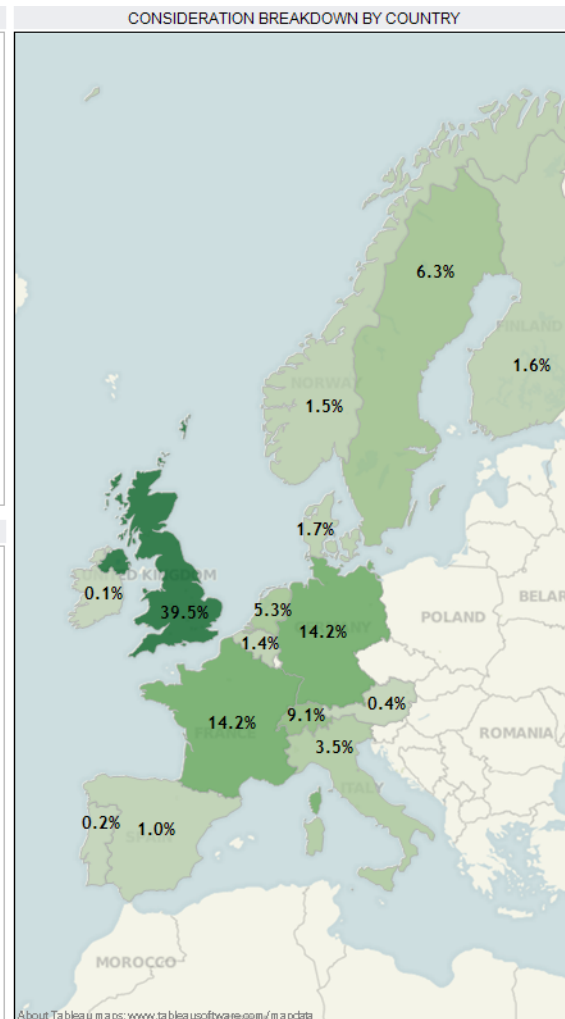
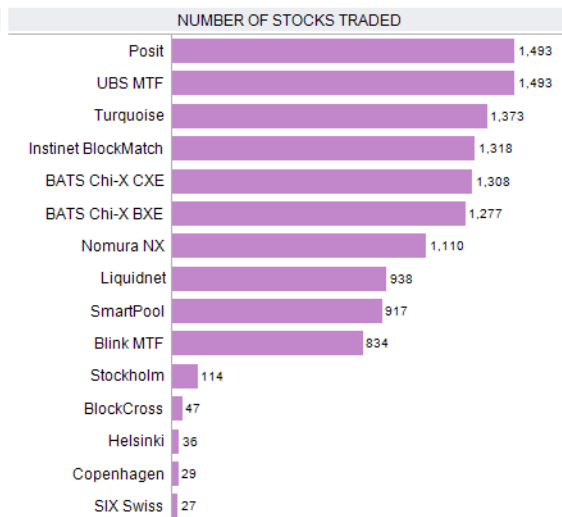
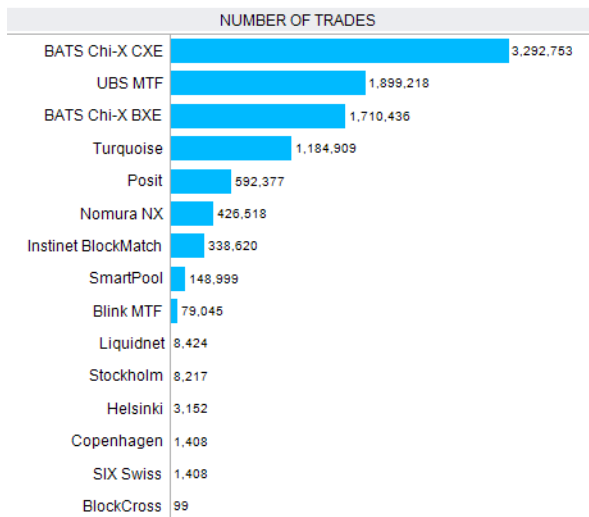
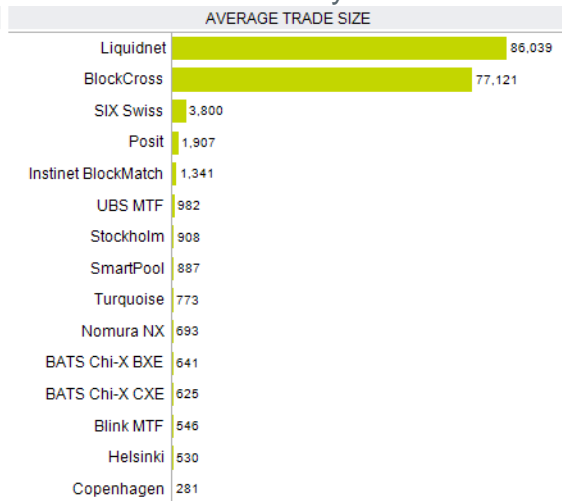
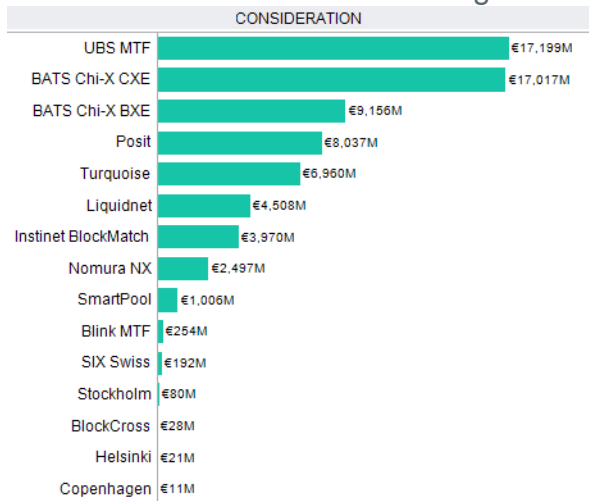
UBS MTF and BATS Chi-X together account for more than the total consideration of all the remaining venues combined.

Nordic@Mid still has a very small market share, but it has nonetheless shown a significant quarterly growth. After its re-launch in May 2012 this dark pool, built in conjunction with the Nordic trading community (Copenhagen, Helsinki, Stockholm), adopted the price size priority basis and removed the minimum order size previously applicable to the Swedish market. Orders are matched at the mid-point price of the primary exchange using MiFID's reference price waiver.



Overview of the European dark market, Q3 2012

We are seeing a shift towards venues such as BATS Chi-X which trade smaller average trade size. They achieve high total consideration due to the large number of smaller trades they attract.

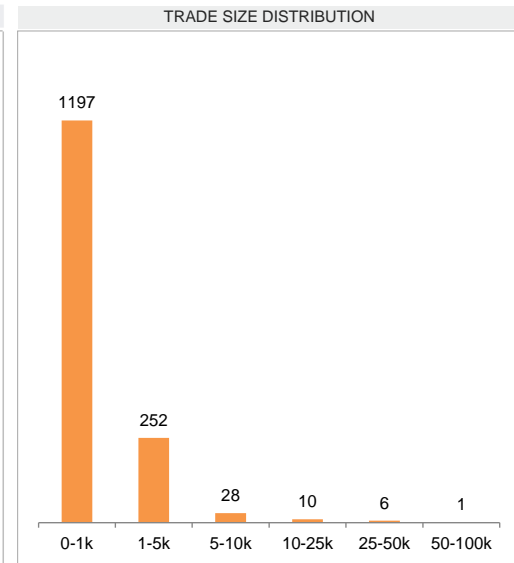
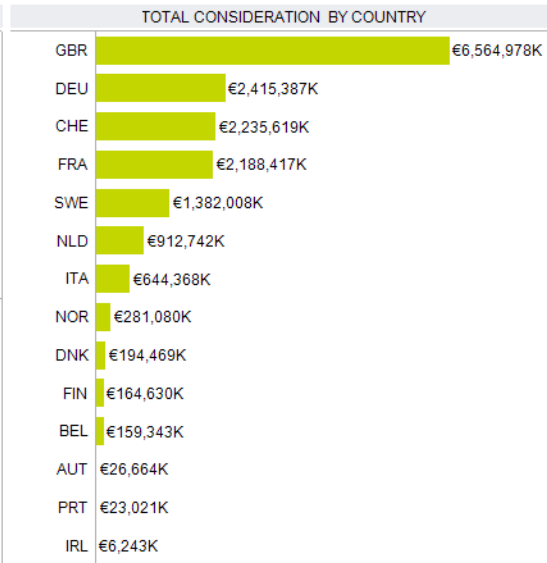
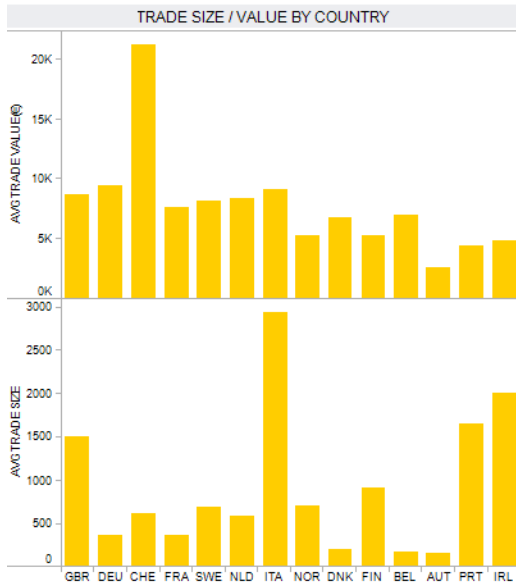


Focus: The UBS MTF success story

UBS MTF is among the most successful venues in Europe, achieving a significant market share (1.56% of FTSE 100 for Q3*) in the relatively short time since it began operating.

| TOP STOCKS BY CONSIDERATION | | | |
|-----------------------------------|-------------------|------------------|--------------|
| | CONSIDERATION (€) | NUMBER OF TRADES | MARKET SHARE |
| NOVARTIS N | 443,240,320 | 8,430 | 2.52% |
| NESTLE N | 432,798,045 | 7,512 | 2.05% |
| VODAFONE GRP. ORD USD0.11 3/7 | 329,955,808 | 17,619 | 2.02% |
| HSBC HLDGS.UK ORD \$0.50 (UK REG) | 266,745,801 | 21,140 | 1.76% |
| STAND.CHART. ORD USD0.50 | 261,273,528 | 20,586 | 2.47% |
| RIO TINTO ORD 10P | 250,173,150 | 20,233 | 1.29% |
| RICHEMONT | 245,341,730 | 12,152 | 2.43% |
| GLAXOSMITHKLINE ORD 25P | 243,679,305 | 12,951 | 1.94% |
| ROCHE GS | 226,635,901 | 6,836 | 1.60% |
| BR.AMER.TOB. ORD 25P | 212,983,136 | 15,460 | 1.82% |

| TOP STOCKS BY MARKET SHARE | | | |
|------------------------------|-------------------|------------------|--------------|
| | CONSIDERATION (€) | NUMBER OF TRADES | MARKET SHARE |
| METRIC PROP ORD 1P | 321,748 | 50 | 5.74% |
| SMITHS NEWS ORD 5P | 260,071 | 93 | 4.65% |
| PHOTO-ME INTL. ORD 0.5P | 147,154 | 16 | 4.59% |
| Royal UNIBREW | 2,022,018 | 134 | 4.34% |
| NORTHGATE ORD 50P | 1,116,547 | 407 | 4.06% |
| LAVENDON GROUP ORD 1P | 389,986 | 51 | 3.70% |
| REED ELSEVIER ORD 14 51/116P | 102,702,891 | 9,942 | 3.69% |
| CHARLES TAYLOR ORD 1P | 20,181 | 4 | 3.18% |
| CARILLION ORD 50P | 11,735,982 | 1,787 | 3.10% |
| SAVILLS ORD 2.5P | 1,387,450 | 252 | 3.08% |



Note: Analysis is based on Q3 data
* Lit and dark, excluding SI and OTC

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