

European Dark Trading Analysis

October 2013



Fidessa
Trade / Invest / Inform



What is covered in this report?

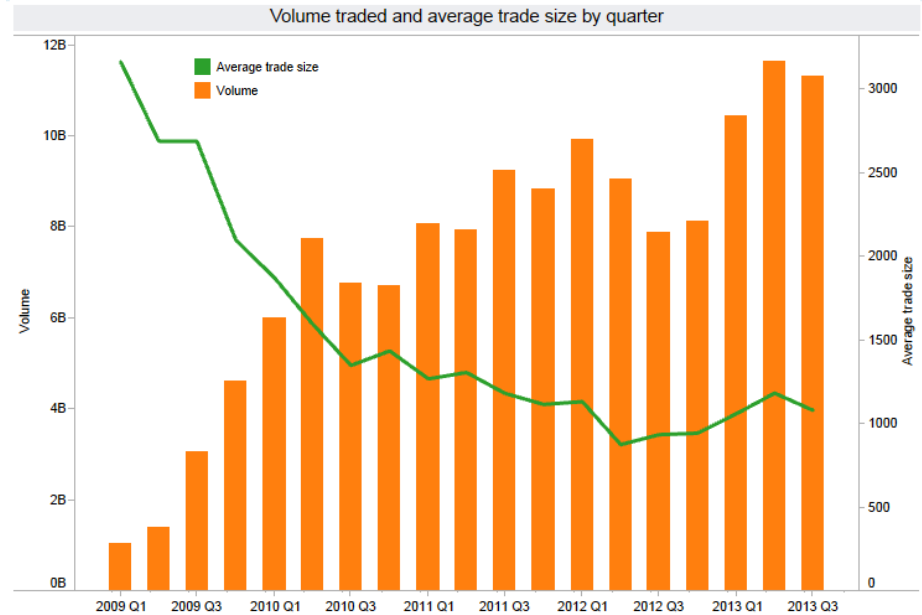
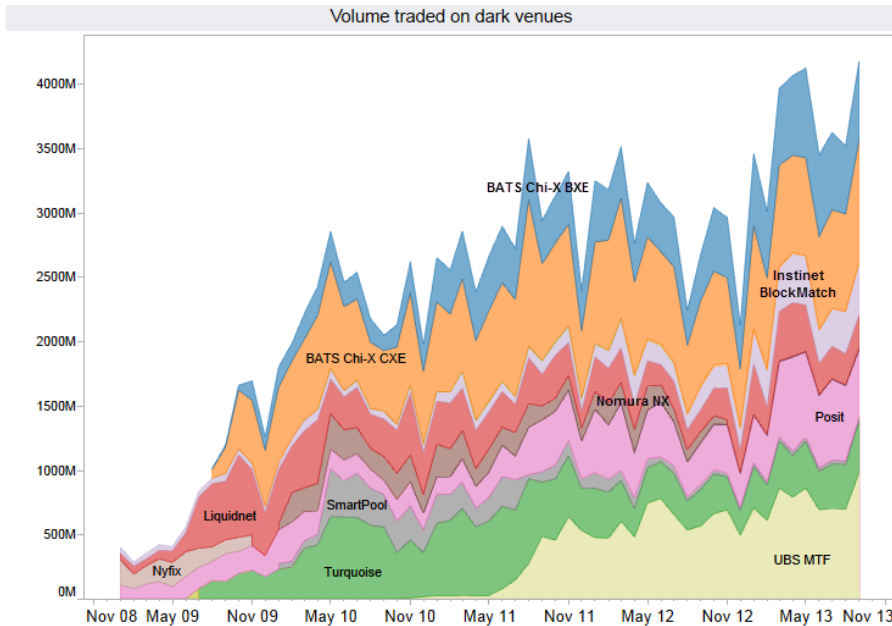
Welcome to the latest issue of Fidessa's European Dark Trading report, in which we provide a comparative analysis of the performance of some of the major dark pools in Europe over Q2 and Q3 2013.

Inside this issue:

- An overview of the European equity market: winners and losers at a glance
- Dark pool performance: 6 months' view
- Feature: Analysis of the top traded stocks on dark pools

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

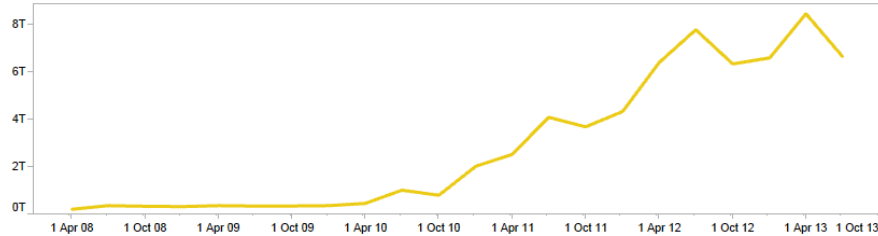
Performance analysis over time



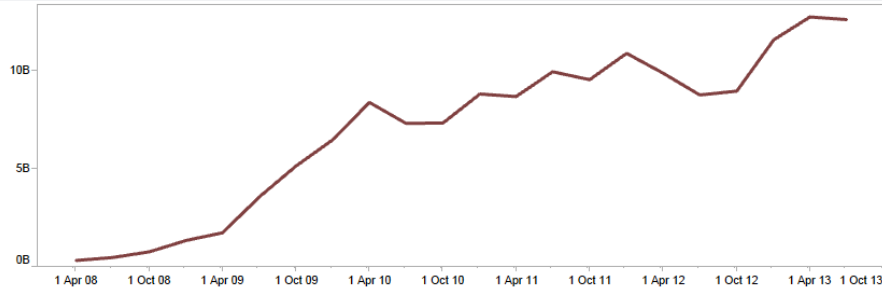
The last 6 months saw a **record high volume** traded on European dark venues, up 35% on the same period last year, and little fluctuation in average trade size.

Market landscape

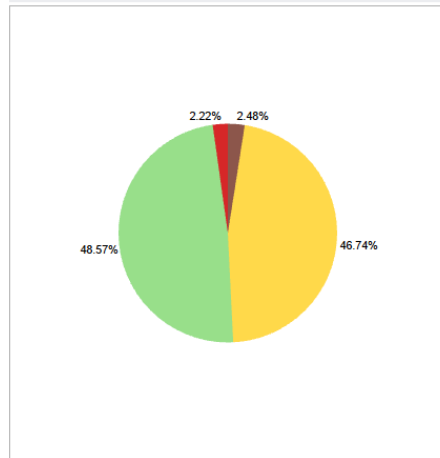
Lit volume traded by quarter



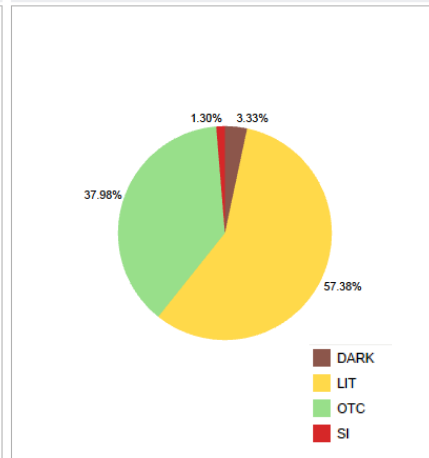
Dark volume traded by quarter



Q2 2013



Q3 2013



	Q2 & Q3 2012	Q2 & Q3 2013
Total lit and dark consideration (billion)	€ 4,801	€ 4,875
Total dark consideration (billion)	€ 143	€ 207
Average lit trade value	€ 6,923	€ 7,252
Average dark trade value	€ 6,639	€ 9,150
Average dark trade value excl. Liquidnet	€ 6,225	€ 8,546
Number of stocks traded dark	2,085	2,123

Over the last 6 months, **total consideration** (lit and dark) grew by 2% compared to the same period in 2012, while **dark** (only) grew by 45%. Average **value** traded on dark pools was €9,150, or €8,546 if we exclude Liquidnet.

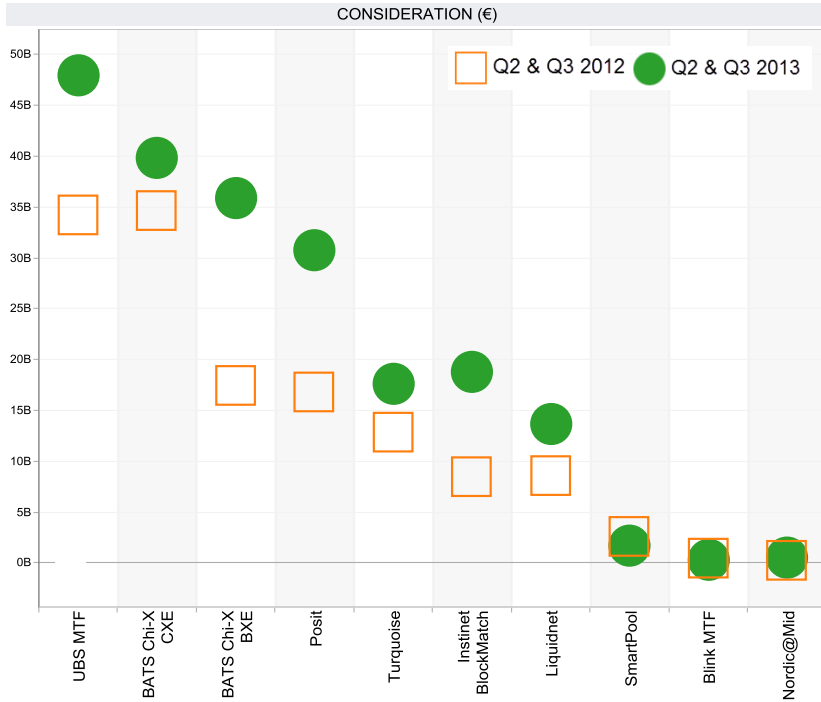
With no significant increase in the **number** of stocks traded in the dark (up by only 2%), the growth in **value** was due to more of the same stocks being traded on dark venues.

Lit volume in the major European indices* decreased slightly over the past two quarters, while **dark volume** remained relatively flat. For these indices, 2.48% of total consideration was traded on dark pools in Q2, rising to 3.33% in Q3.

*Major European indices include: AEX, BEL 20, CAC 40, DAX, FTSE 100, FTSE 250, FTSE MIB, IBEX, ISEQ, OMX C20, OMX S30, OMX H25, OSLO OBX, PSI 20, SMI.

Note: OTC figures are as quoted on Fidessa Fragulator®

Venue performance

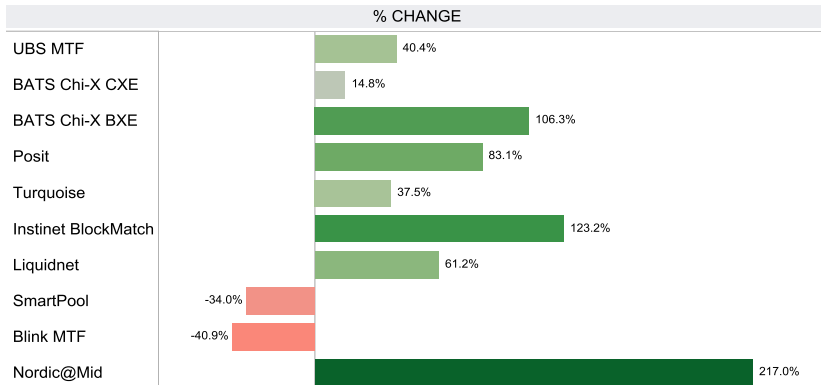


UBS MTF maintains its lead position in this group.

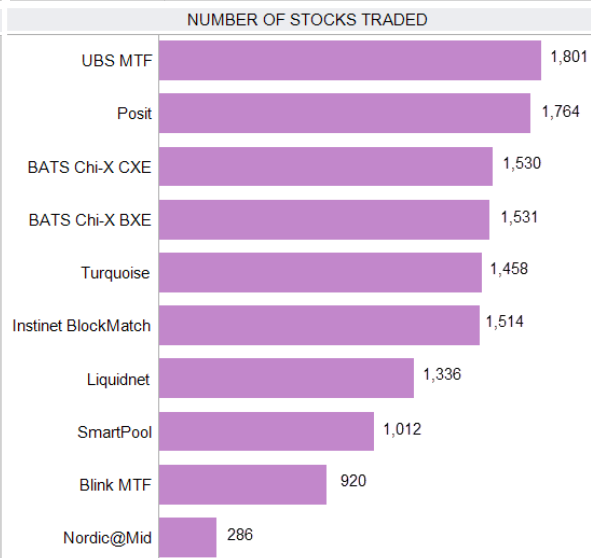
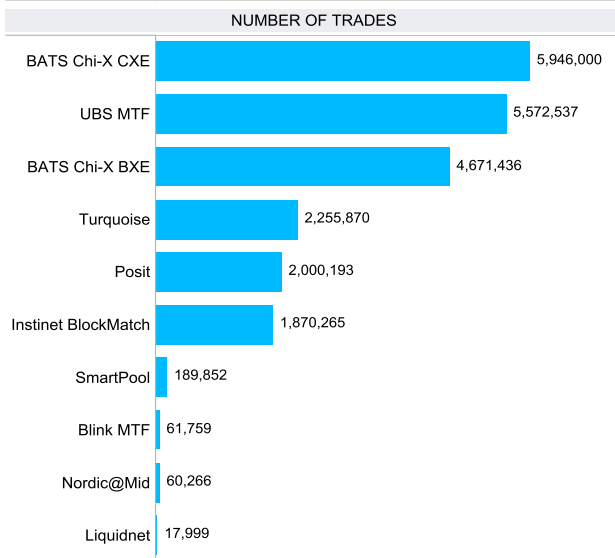
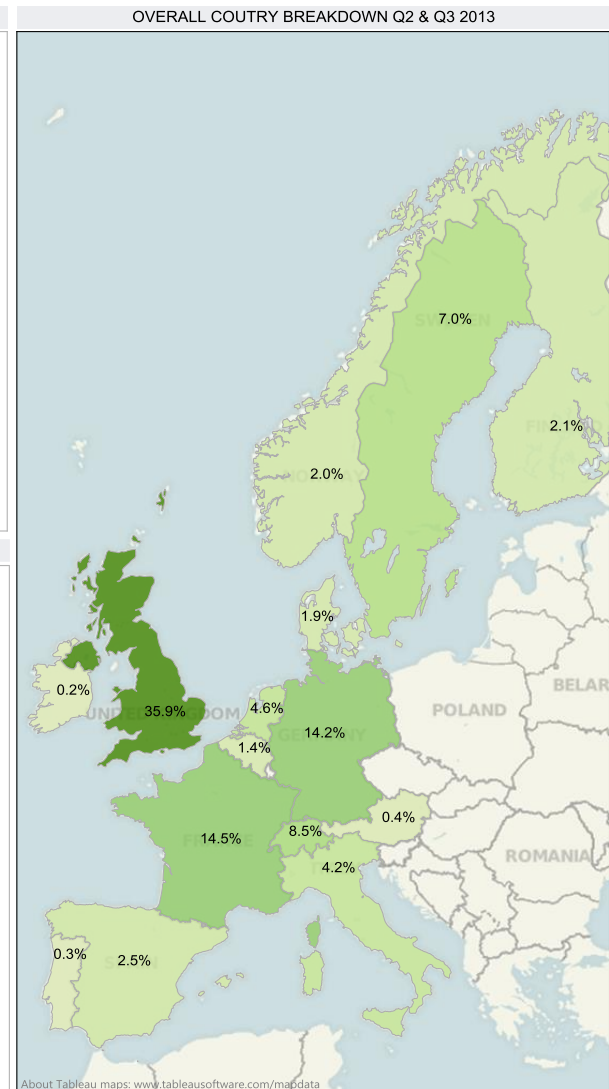
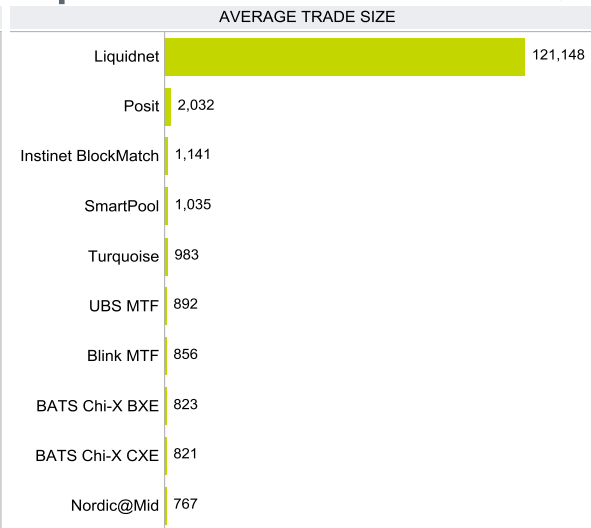
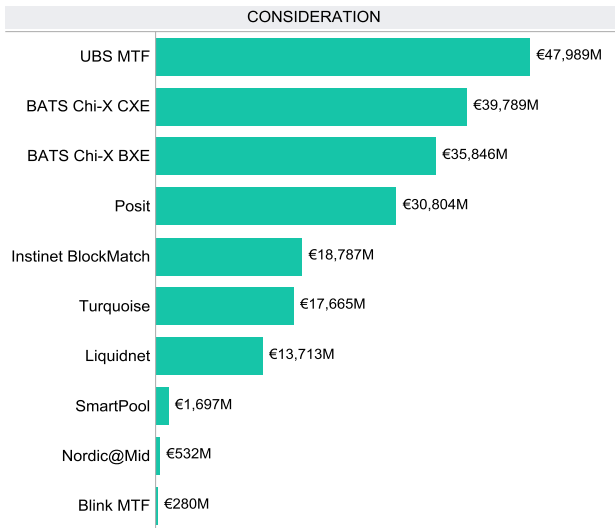
Although positioned at the bottom in terms of total consideration traded, Nordic@Mid has made significant gains in the last 6 months, more than doubling its turnover.

Instinet BlockMatch, BATS Chi-X and Posit also performed well.

SmartPool and Blink MTF, on the other hand, saw a drop in turnover over the same period in 2012.



Overview of the European dark market, Q2 & Q3 2013



Note: Liquidnet, as a buy-side crossing network, has an average trade size more than 100 times greater than the average of other venues included in this analysis.

Top traded stocks on dark pools, Q2 & Q3 2013

TOP STOCKS BY CONSIDERATION

	CONSIDERATION (million €)	NUMBER OF TRADES	MARKET SHARE ON DARK POOLS
VODAFONE GROUP PLC	3,077	212,397	7.99%
NESTLE	2,626	92,243	4.88%
SANOFI	2,348	208,028	5.12%
ROCHE GS	2,280	103,966	5.14%
NOVARTIS	2,064	81,913	4.96%
HSBC HLDGS.UK	1,910	199,615	5.81%
GLAXOSMITHKLINE	1,893	141,698	7.20%
SAP AG O.N	1,858	129,192	4.70%
RIO TINTO	1,800	183,339	5.88%
BHP BILLITON	1,724	154,469	6.25%

As expected, the stocks most heavily traded on dark pools include some of the most liquid, with Vodafone at the top of the table.

The proportion of dark consideration traded in these particular stocks represents between 4.7% and 8% of their total value.

The majority (more than 60%) of the value traded was executed on the top three performing dark venues.

	UBS MTF	BATS Chi-X CXE	BATS Chi-X BXE	Posit	Instinet BlockMatch	Turquoise	Liquidnet	Smartpool	Blink MTF
VODAFONE GROUP PLC	19.07%	22.53%	21.08%	13.86%	7.55%	9.25%	5.44%	1.18%	0.04%
NESTLE	30.24%	9.47%	11.25%	17.34%	20.44%	10.43%	n/a	0.67%	0.16%
SANOFI	35.51%	14.67%	14.42%	15.21%	10.52%	8.10%	0.38%	1.07%	0.12%
ROCHE GS	34.27%	10.36%	14.24%	18.48%	16.28%	5.98%	n/a	0.32%	0.07%
NOVARTIS	31.31%	10.74%	11.68%	18.42%	20.55%	6.74%	n/a	0.48%	0.08%
HSBC HLDGS.UK	24.88%	19.18%	19.09%	15.98%	10.62%	6.83%	2.58%	0.79%	0.03%
GLAXOSMITHKLINE	20.62%	21.44%	20.83%	14.65%	12.51%	5.77%	3.64%	0.51%	0.03%
SAP AG O.N	22.36%	22.68%	24.42%	9.33%	6.43%	8.15%	5.41%	1.18%	0.04%
RIO TINTO	23.06%	25.43%	19.72%	8.88%	10.40%	8.85%	2.63%	0.91%	0.11%
BHP BILLITON	22.04%	21.58%	19.35%	10.90%	11.60%	5.72%	8.02%	0.65%	0.15%

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