

# Déjà-vuTrading

## NEWSLETTER

N° 4 / 2018

### The Derivatives Industry

#### **Banks need to find alternatives for Libor benchmarks**

With the demise of LIBOR as the industry-standard benchmark for interest rates, banks need to be dealing with the transition to alternatives now to avoid market disruption.

<https://www.ft.com/content/ebfb4a40-46d0-11e8-8ee8-cae73aab7ccb>

#### **The exchange-traded derivatives market in the EU valued at €200 trillion**

An ESMA report shows that the ETD market in the EU has an average daily value of €1.3 trillion.

<https://www.esma.europa.eu/press-news/esma-news/esma-data-shows-eu-exchange-traded-derivatives-market-volumes-%E2%82%AC200tn>

#### **Former UBS trader accused of spoofing is acquitted**

Andre Flotron, a former precious metals trader, has been found not guilty of manipulating futures markets. He is the first person charged with spoofing to be acquitted.

<https://www.bloomberg.com/view/articles/2018-04-27/brexit-failure-looks-more-likely-every-day>

### Exchanges, MTFs and CCPs

#### **ICE agrees to buy Chicago Stock Exchange**

The Intercontinental exchange had agreed to buy the Chicago Stock Exchange. While the price is undisclosed it is believed that the ICE will pay about \$70 million.

<https://www.reuters.com/article/us-chicagostockexchange-m-a-nyse/intercontinental-exchange-to-buy-chicago-stock-exchange-idUSKCN1HC1HR>

#### **ICE to launch Three Month Sonia future on 1<sup>st</sup> June**

The launch of a futures contract based on SONIA (Sterling Overnight Index Average) is planned for June 1<sup>st</sup>.

<https://www.businesswire.com/news/home/20180418005128/en/Intercontinental-Exchange-Announces-June-1-Launch-ICE>

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### **LSE appoints David Schwimmer as new CEO**

David Schwimmer will become the new CEO of the London Stock Exchange on 1<sup>st</sup> August. He joins from Goldman Sachs where he was global head of market structure in New York.

<http://fortune.com/2018/04/13/london-stock-exchange-lse-goldman-sachs-david-schwimmer/>

## **Regulation**

### **CBOEs periodic auctions questioned by French regulator**

The chairman of the French regulator, the AMF, has queried if the periodic auctions used by the CBOE are transparent and MiFID II compliant.

<https://www.thetradenews.com/french-regulator-questions-cboes-periodic-auction/>

### **Non-EU firms finding ways to avoid MiFID II reporting requirements**

Market participants are finding a number of ways to avoid the burden of MiFID II reporting, most notably by redirecting trading to platforms outside of Europe, in particular the US.

[https://www.iflrinsight.com/Articles/109?from=daily&utm\\_source=LMG\\_Daily\\_26/04/2018\\_13%3A30&utm\\_medium=email%20editorial&utm\\_content=Editorial&utm\\_campaign=EN\\_219519&utm\\_term=How%20non-EU%20firms%20are%20side-stepping%20Mifid%20II%20reporting](https://www.iflrinsight.com/Articles/109?from=daily&utm_source=LMG_Daily_26/04/2018_13%3A30&utm_medium=email%20editorial&utm_content=Editorial&utm_campaign=EN_219519&utm_term=How%20non-EU%20firms%20are%20side-stepping%20Mifid%20II%20reporting)

## **BREXIT**

### **London investment banks hopeful that ECB will allow back-to-back trading to manage risk**

Hopes are growing among London-based banks that the ECB will allow global risk management to remain in the UK by allowing the use of back-to-back trades to transfer risk to the head office.

<https://www.ft.com/content/223aff5c-44b4-11e8-803a-295c97e6fd0b>

### **Euronext chief confirms that ISE purchase is part of Brexit strategy**

Stéphane Boujinah, Euronext's CEO has said that his firm's recent purchase of the Irish Stock was part of its plan to win more listings from companies having second thoughts about London following the Brexit decision.

<https://www.ft.com/content/244e9ace-31a9-11e8-b5bf-23cb17fd1498>

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## Average Daily Volumes per exchange

Euronext	March	0.6 million	(+9.1% y.o.y.)
Eurex	March	9.2 million	(+1.9% y.o.y.)
CME	March	20.8 million	(+22.9% y.o.y.)

<https://derivatives.euronext.com/en/reports-statistics/derivatives/monthly-statistics>

<http://www.eurexchange.com/exchange-en/market-data/statistics/monthly-statistics>

[http://www.cmegroup.com/media-room/press-releases/2018/3/02/cme\\_group\\_reacheshighest-evermonthlyvolumeof273millioncontracts.html](http://www.cmegroup.com/media-room/press-releases/2018/3/02/cme_group_reacheshighest-evermonthlyvolumeof273millioncontracts.html)

## And finally...

### How much do people value free online products?

A research paper by the National Bureau of Economic Research suggested that Americans value free e-mail at \$8,400 per year and digital maps at \$3,600 pa.

<https://qz.com/1253379/how-much-would-you-pay-to-use-facebook-google-and-wikipedia-a-new-study-tries-to-find-out/>

Compiled by: Aline Régnier and Simon Butler, 28<sup>th</sup> April 2018

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