

Déjà-vuTrading

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The Derivatives Industry

European banks retreat from client clearing

Deutsche Bank, Credit Suisse and Barclays have all substantially reduced their client clearing business in listed derivatives in the face of regulatory pressures.

<http://www.thetradenews.com/Sell-side/European-banks-downsizing-role-in-client-clearing/>

AMF publishes report on HFT

The French regulator has published a report on the impact of High Frequency Trading on CAC40 shares. According to Opalesque, the report found HFTs are a benefit to the market as they reduce bid/offer spreads among other advantages. However, Leap Rate note that HFTs consume more liquidity than they provide, particularly in periods of volatility.

http://www.opalesque.com/663068/In_detailed_study_French_regulator_AMF_find_positive306.html

<http://www.leaprate.com/2017/01/high-frequency-traders-consume-more-liquidity-than-they-provide-according-to-the-amf/>

Exchanges, MTFs and CCPs

Euronext bids €510 million for LCH.Clearent SA

Euronext has made a formal bid for the French-based clearing house currently part of the LSE. The all cash bid is reliant upon the proposed merger of the LSE and Deutsche Boerse being approved by the authorities.

<http://www.thetradenews.com/Trading-Venues/Euronext-makes-%E2%82%AC510-million-bid-for-LCH-Clearent-SA/>

CBOE and BATS shareholders approve merger

The \$3.2 billion merger of CBOE and BATS has been supported by both sets of shareholders.

http://www.thetradenews.com/Trading-Venues/Shareholders-approve-CBOE/Bats-merger/?ref_id=8589939651

LCH has record year for clearing swaps

LCH saw a 25% increase in the number of trades it cleared in 2016. 3.8 million trades were processed by the clearing house, with a nominal value of \$655 trillion.

http://www.thetradenews.com/Post-trade/LCH-sees-record-swaps-clearing-activity-in-2016/?ref_id=8589939651

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Regulation

More fines for spoofing – this time it's Citigroup

The CFTC have been fine \$25 million by the US regulator the CFTC, for spoofing the US Treasury futures market on the CME.

<https://www.bloomberg.com/news/articles/2017-01-19/citigroup-agrees-to-pay-25-million-over-spoofing-allegations>

Asset managers struggling with costs and implementation of MiFID II

Complying with the new MiFID II regulations is proving particularly onerous for asset managers as this will be the first time that they will have to deal with many of the forthcoming rules.

<https://www.ft.com/content/ba243304-e224-11e6-9645-c9357a75844a>

BREXIT

HSBC to move jobs to Paris

HSBC have announced that they will move 1,000 staff in their global banking and markets division from London to Paris. This should take place in about two years when the United Kingdom leaves the European Union.

http://www.reuters.com/article/us-davos-meeting-hsbc-idUSKBN1520SO?utm_campaign=trueAnthem:+Trending+Content&utm_content=587f7d1904d3013cea3477db&utm_medium=trueAnthem&utm_source=twitter

Outgoing CFTC head predicts derivatives battle between UK and EU

Timothy Massad has said that he thinks that the EU may enforce stringent rules on the UK if Britain seeks an equivalence regime to retain access to the EU market post-Brexit.

<https://www.ft.com/content/cc085d38-c349-11e6-9bca-2b93a6856354>

Industry Events

23 rd February 2017	The Evolution of Prop Trading	London
http://www.fow.com/events/details/9123/the-evolution-of-professional-trading/details.html		
4 th April 2017	Trade Amsterdam	Amsterdam
http://www.fow.com/events/fow-trading-amsterdam/details.html		

Average Daily Volumes per exchange

Euronext	December	0.5 million	(+5.7% y.o.y)
Eurex	December	7.5 million	(-1.0% y.o.y.)

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ICE/LIFFE	December	4.9 million	(+0.5% y.o.y.)
CME	December	15.0 million	(+15.3 % y.o.y.)

https://derivatives.euronext.com/en/reports-statistics/derivatives/monthly-statistics?archive=this_year
http://www.eurexchange.com/blob/2833164/797847046a670a7179762d9b431fcc7/data/monthlystat_201612.pdf
<http://ir.theice.com/press/press-releases/all-categories/2017/01-05-2017-133049504>
http://www.cmegroup.com/media-room/press-releases/2017/1/04/cme_group_reachedrecordaveragedailyvolumeof156millioncontracts.html

And finally...

A couple of stories from The Netherlands

'Amsterdam Trader' blog shuts down

After eight years of commenting about the trading industry from a Dutch perspective, the author of the blog has written his last entry and finally revealed his identity.

<http://www.amsterdamtrader.com/>

AFM accidentally posts George Soros's short positions

The Dutch regulator managed to post George Soros's short positions on its website on 26th January.

<https://www.bloomberg.com/news/articles/2017-01-26/dutch-regulator-accidentally-posted-soros-s-short-positions>

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