

# Déjà-vuTrading

## NEWSLETTER N° 5 / 2017

### The Derivatives Industry

#### Is HFT losing its sparkle?

With mergers between HFT companies and some losing money it now seems that only the fastest are profitable; there is no longer any value in being second. As a result these companies' business models are changing.

<http://www.thetradenews.com/Technology/HFT--Not-so-flashy-anymore/?p=1>

#### European Equity Factor Index Futures launched by Eurex

Eurex have launched futures contracts on six iSTOXX Europe Factor Indices, systematic rules-based indices.

<http://www.eurexchange.com/exchange-en/about-us/news/Eurex-launches-first-exchange-traded-European-Equity-Factor-Index-Futures/3006834>

### Exchanges, MTFs and CCPs

#### Brussels planning for life with the City outside the EU

The EU have proposed that their regulators should have powers to vet overseas clearing houses. This could potentially result in these institutions needing to relocate to within the European Union.

<https://www.ft.com/content/18dcf566-5025-11e7-bfb8-997009366969>

### Regulation

#### Code of conduct for research unbundling proposed

Five research providers have created a code of conduct aimed at establishing transparency on the valuation and pricing of research in order to allow asset managers to meet MiFID II regulations.

<https://www.investmentweek.co.uk/investment-week/news/3010771/asset-manager-code-of-conduct-for-mifid-ii-research-unbundling-unveiled>

#### As the Financial Transaction Tax loses support in Europe, it comes onto the agenda in the UK

While the French, Belgian and German governments appear to be growing colder on their wish to introduce a Financial Transaction Tax, the Labour party has announced their intention to introduce one in Britain if they get elected.

<https://www.ft.com/content/c87d3a72-388c-11e7-821a-6027b8a20f23>

<http://geopolis.francetvinfo.fr/tobin-or-not-tobin-la-taxe-sur-les-transactions-financieres-s-eloigne-143877> (in French)

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## **Easing of trade reporting requirements planned by EC**

The European Commission is making plans to reduce the reporting requirements for exchange traded derivatives.

<https://www.financemagnates.com/institutional-forex/regulation/european-commission-preparing-reduce-emir-obligations/>

## **Brussels looks to close potential MiFID II loophole on 'dark pool' trading**

The European Commission is considering amending MiFID rules amid fears that banks and HFT companies will create their own private trading networks.

<https://www.ft.com/content/33d3ddee-5647-11e7-9fed-c19e2700005f?mhq5j=e1>

## **BREXIT**

### **JP Morgan to move City jobs to EU**

JP Morgan have announced that they will transfer staff from London to locations in the EU in order to preserve access to the single market.

<https://www.bloomberg.com/news/articles/2017-05-03/jpmorgan-to-move-hundreds-of-staff-to-three-eu-offices-on-brexite>

### **ESMA chief asks for tighter supervision of euro denominated clearing in the UK**

Steven Maijor, the chairman of the European Securities and Markets Authority has said that, in order to ensure risks to the financial stability of the euro zone are minimised, clearing houses outside of the EU would need to be more tightly supervised.

<http://uk.reuters.com/article/us-britain-eu-derivatives-idUKKBN1851CM>

### **European regulators to prevent 'Letterbox' companies from providing access to their markets**

ESMA have proposed nine conditions concerning the relocation of regulated companies from the UK based on the premise that they should not benefit from an EU passport while "essentially performing all substantial activities or functions outside the EU27"

<https://www.ft.com/content/b69433ac-45ec-11e7-8519-9f94ee97d996>

### **Governor of the Banque de France supports Euro clearing moving to EU**

François Villeroy de Galhau has declared that the it is no longer adequate that the biggest clearers of Euro-denominated products be regulated by the Bank of England.

<https://www.ft.com/content/7816d0f9-9389-3b77-abd6-86f3eb41bc27>

## **Industry Events**

6<sup>th</sup> September 2017      FOW Regulation 2017

London

<https://globalinvestorgroup.com/event/1/fow-regulation-2017>

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## Average Daily Volumes per exchange

Euronext	April	0.6 million	(+16.9% y.o.y.)
Eurex	April	7.7 million	(+9.1% y.o.y.)
ICE/LIFFE	April	5.8 million	(+26.6% y.o.y.)
CME	April	16.3 million	(+17.8 % y.o.y.)

[https://derivatives.euronext.com/en/reports-statistics/derivatives/monthly-statistics?archive=this\\_year](https://derivatives.euronext.com/en/reports-statistics/derivatives/monthly-statistics?archive=this_year)

[http://www.eurexchange.com/blob/3052438/c4ed6cf820bcc77b09cc1cae6887aa3e/data/monthlystat\\_201705.pdf](http://www.eurexchange.com/blob/3052438/c4ed6cf820bcc77b09cc1cae6887aa3e/data/monthlystat_201705.pdf)

<http://ir.theice.com/ir-resources/supplemental-information>

[http://www.cmegroup.com/media-room/press-releases/2017/5/02/cme\\_group\\_reachedaveragedailyvolumeof163millioncontractsinapril2.html](http://www.cmegroup.com/media-room/press-releases/2017/5/02/cme_group_reachedaveragedailyvolumeof163millioncontractsinapril2.html)

## And finally...

### There's never been a better time to be a woman in the derivatives industry

There are more women in senior positions in the derivatives industry than ever before. Not for the first time Déjà-vuTrading are ahead of the curve with women making up 50% of the management team!

[http://www.thetrade-derivatives-digital.com/thetradederivatives/summer\\_2017?pg=38#pg38](http://www.thetrade-derivatives-digital.com/thetradederivatives/summer_2017?pg=38#pg38)

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