

Déjà-vuTrading

NEWSLETTER N° 9 / 2017

The Derivatives Industry

Virtu hit by low volatility ...

High speed trading company Virtu announced that their year-on-year quarterly net income had fallen from \$32.9 million to \$17.8 million due to the historically low market volatility.

<https://www.ft.com/content/446b4797-1cab-302a-8b64-9fc39465377e?mhq5j=e5>

... and agree to sell their fixed income trading platform, BondPoint, to ICE

Doug Cifu, the CEO of Virtu, has stated that the company has agreed to sell its bond trading venue to ICE for \$400 million. He said that BondPoint fell outside Virtu's core operations.

[https://www.thetradenews.com/Asset-Classes/Fixed-income/ICE-to-buy-Virtu-s-BondPoint-for-\\$400m/?l=tl](https://www.thetradenews.com/Asset-Classes/Fixed-income/ICE-to-buy-Virtu-s-BondPoint-for-$400m/?l=tl)

Exchanges, MTFs and CCPs

Eurex launch options on BTP futures

The Frankfurt-based exchange launched options on their Euro-BTP futures contracts on 2nd October.

<http://www.eurexchange.com/exchange-en/about-us/news/Eurex-to-launch-BTP-options-/3187874>

CEO of Deutsche Boerse resigns

Carsten Kengeter the CEO of the German exchange has announced that he will step down at the end of the year. This follows the news that a Frankfurt court would continue to investigate insider dealing allegations against him despite his agreement to pay a fine.

<https://www.bloomberg.com/news/articles/2017-10-26/deutsche-boerse-ceo-kengeter-leaves-amid-insider-trading-probe>

CBOE positioning itself to launch Bitcoin futures contracts ...

The Chicago-based exchange has teamed up with Gemini Trust to overcome regulatory concerns that have so far prevented futures on Bitcoin being introduced. Bank of America predict that the market could be worth \$1.6 billion.

<http://www.businessinsider.fr/us/cboe-is-making-moves-on-a-16-billion-bitcoin-opportunity-2017-10/>

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... while CME announces they will introduce Bitcoin futures before the year end

Pending regulatory approval, the CME have announced they will launch a Bitcoin future in the final quarter of 2017.

<https://www.cnb.com/2017/10/31/cme-plans-to-launch-bitcoin-futures-by-year-end.html>

Regulation

Merrill Lynch fined £34.5 million by FCA

The UK regulator has fined Merrill Lynch £34.5 million for failing to correctly report exchange-traded derivatives correctly as required under EMIR legislation.

<https://www.thetradenews.com/Regulation/FCA-fines-Merrill-Lynch-%C2%A334-5-million-for-transaction-reporting-failures/>

MiFID II rules on free research attacked

Questions continue to be asked about the rules for the pricing of research under MiFID II regulations. Independent researcher Backlight Research has asked for clarification that the plans of a number of major banks to provide research free of charge will be legal.

<https://www.ft.com/content/0bde2b50-4632-3b4b-b57c-8d677ccd43fb>

BREXIT

France introduces flat tax on unearned income

In a move that will benefit traders, the French parliament has voted to introduce a flat rate of 30% on income received from capital investment.

<http://en.rfi.fr/economy/20171020-french-mps-approve-flat-tax-unearned-income>

The debate on the future location of clearing business continues

Xavier Rolet of LSEG, Carsten Kengeter of Deutsche Boerse and Christopher Giancarlo of the CFTC are all adding their views to the debate on central clearing post- Brexit.

<https://www.ft.com/content/973c2df6-b3f7-11e7-a398-73d59db9e399?mhq5j=e5>

Industry Events

7th – 9th November 2017 Fixed Income Future Leaders Summit 2017 **Amsterdam**
<https://fixedincome.wbresearch.com/>

6th December 2017 FOW Derivatives World London: The Debate **London**
<https://globalinvestorgroup.com/event/16/fow-derivatives-world-london-the-debate-2017>

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Average Daily Volumes per exchange

Euronext	September	0.5 million	(+13.6% y.o.y.)
Eurex	September	7.0 million	(-4.6% y.o.y.)
ICE/LIFFE	September	6.4 million	(+21.7% y.o.y.)
CME	September	17.0 million	(+13.0% y.o.y.)

https://derivatives.euronext.com/en/reports-statistics/derivatives/monthly-statistics?archive=this_year

http://www.eurexchange.com/blob/3195270/7b61783ffec5c04a4972f68031efbbef/data/monthlystat_201709.pdf

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

http://www.cmegroup.com/media-room/press-releases/2017/9/05/cme_group_reachedaveragedailyvolumeof16millioncontractsinaugust2.html

And finally...

CHF 3 million in gold and silver in Swiss water supply

A Swiss study has revealed that CHF 1.5 million of gold and the same value in silver pass through the country's water system each year. However, this is due to waste trace elements from high-tech companies and isn't cost effective to recover. What a waste!

<http://lenews.ch/2017/10/10/3-million-francs-of-gold-and-silver-found-in-swiss-sewers/>

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