

# Déjà-vuTrading

## NEWSLETTER N° 2 / 2017

6 March 2017

### The Derivatives Industry

#### FT argues that the Volcker rule should be dropped

In an opinion piece, the Financial Times suggests that higher capital requirements will result in the Volcker rule being an unnecessary piece of legislation.

<https://www.ft.com/content/72f3ba98-eef1-11e6-930f-061b01e23655>

### Exchanges, MTFs and CCPs

#### Euronext announces expansion plans

Euronext will create a pan-European block trading facility in co-operation with AX Trading. It has also purchased Company Webcast, a web-casting company.

<http://www.thetradenews.com/Trading-Venues/Euronext-reveals-ambitious-2017-expansion-plans-as-revenues-slip-in-2016/>

#### Nasdaq NLX to close

Nasdaq has announced that it will close its futures market, London-based NLX, on April 28th this year after failing to gain market share in its interest rate products.

<http://www.thetradenews.com/Trading-Venues/BREAKING--Nasdaq-NLX-to-close-in-April/>

#### LSE-Deutsche Boerse merger on brink of collapse

The proposed merger between the British and German exchanges appears close to being abandoned. One of the principal reasons for this is the lack of agreement on where the combined entity would be headquartered.

<http://www.cnn.com/2017/02/28/its-the-headquarters-stupid-how-politics-is-poised-to-sink-lse-deutsche-boerse-merger.html>

#### ESMA announce details of 2017 stress test

The European Securities and Markets Authority will run a stress test concentrating on the potential effects on the interconnected CCP system in the event of multiple participant defaults.

<https://www.esma.europa.eu/press-news/esma-news/esma-announces-details-2017-ccp-stress-test>

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## Regulation

### ESMA's Variation Margin rules to apply from 1<sup>st</sup> March but with some flexibility

Unlike the CFTC who have issued a 'no-action' letter giving companies six additional months to comply with their new variation margin requirements, ESMA has stated that it cannot extend the 1<sup>st</sup> March deadline for the implementation in Europe. However they have agreed to use their discretion in enforcing the rules on a case-by-case basis

<http://www.nasdaq.com/article/update-1eu-gives-wiggle-room-to-comply-with-new-derivatives-rule-20170223-00616>

## BREXIT

### 'Equivalence' will be the best option for Europe and UK claims the FT

In a post-Brexit world the EU will need access to London as much as the UK will need access to the EU. Therefore it is essential that an agreement on equivalence can be found argues the FT.

<https://www.ft.com/content/2a1f8902-fcfa-11e6-96f8-3700c5664d30>

### EU set to harden stance on equivalence rules

The EU should set "sufficiently robust prerequisites" before granting equivalence including access to data and on-site inspections of overseas firms operating in Europe.

<https://www.ft.com/content/f9f3ffc2-fc1a-11e6-96f8-3700c5664d30>

### European cities compete to win London business

Paris, Frankfurt, Dublin and Amsterdam are all increasing their marketing effort as they seek to entice London-based firms to move their Brexit-impacted business sectors to their cities.

<http://www.economist.com/news/finance-and-economics/21717032-other-cities-compete-not-london-each-other-european-financial-centres>

## Industry Events

4<sup>th</sup> April 2017

Trade Amsterdam

Amsterdam

<http://www.fow.com/events/fow-trading-amsterdam/details.html>

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## Average Daily Volumes per exchange

Euronext	January	0.4 million	(-22.6% y.o.y)
Eurex	January	6.3 million	(-12.5% y.o.y.)
ICE/LIFFE	January	5.6 million	(-10.9% y.o.y.)
CME	January	16.0 million	(-11.8 % 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)

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[http://www.eurexchange.com/blob/2900246/f76a13dea2bf04de91581740d8597b2a/data/monthly\\_stat\\_201701.pdf](http://www.eurexchange.com/blob/2900246/f76a13dea2bf04de91581740d8597b2a/data/monthly_stat_201701.pdf)

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

[https://www.cmegroup.com/media-room/press-](https://www.cmegroup.com/media-room/press-releases/2017/2/02/cme_group_reachedaveragedailyvolumeof16millioncontractsperdayinj.html)

[releases/2017/2/02/cme\\_group\\_reachedaveragedailyvolumeof16millioncontractsperdayinj.html](https://www.cmegroup.com/media-room/press-releases/2017/2/02/cme_group_reachedaveragedailyvolumeof16millioncontractsperdayinj.html)

## And finally...

### If you are going to buy a superyacht make sure you pay the bill

A £360 million superyacht was impounded in Gibraltar after the ship builder claimed that the owner hadn't paid the final £13.3 million payment.

<http://uk.businessinsider.com/world-largest-sailing-yacht-impounded-in-gibraltar-andrey-melnichenko-2017-2?r=DE&IR=T>

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