



European Trading Under MiFID II: New Survey Finds Buyside Expects More Block Trading and Robust Off-Exchange Liquidity

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LONDON and NEW YORK, Jan. 03, 2018 (GLOBE NEWSWIRE) -- ITG (NYSE:ITG), a leading independent broker and financial technology provider, today released a survey of buyside traders about how Markets in Financial Instruments Directive II (MiFID II) is likely to impact European trading liquidity in 2018. The December 2017 survey polled more than 50 buyside institutional investors who trade European equities.

Survey Findings:

- **Block Boost:** Block trading volumes more than doubled in 2017. The majority of traders polled - more than 80% - expect strong block volume growth in 2018, while fewer than 20% expect block volume to remain flat or shrink under MiFID II. More than 86% of traders surveyed expect to interact with block trading venues in 1Q 2018.
- **Off-Exchange Strength:** Dark pools and MTF periodic auctions currently make up almost 10% of total European trading. By the end of 1Q 2018, most of those surveyed (61%) expect dark/periodic auction MTF liquidity to grow to 12% or more of total trading, 23% of traders expect it to remain around current levels while 16% expect it to shrink to below 8%. Overall, more than 82% of traders polled plan to interact with dark MTFs in 1Q 2018, while 80% plan to interact with periodic auctions.
- **Enter the SIs:** Banks and electronic liquidity providers (ELPs) have registered to establish approximately 100 systematic internalisers (SIs) under MiFID II. Some 88% of traders surveyed expect that there will be fewer than 10 relevant ELP SIs in operation at the end of 2018, while 42% expect there will be fewer than 5. Bank-run SIs look to be the more popular choice, with two thirds of traders expecting to interact with Bank SIs in 1Q 2018 versus fewer than 40% for ELP SIs.
- **Overall Liquidity:** Opinion is split on how MiFID II will impact traders' ability to access quality liquidity. 37% of those polled expect it to become harder, 18% say it becomes easier while the remaining 45% expect no significant impact.

MiFID II Solutions

MiFID II is the biggest change to European equity market structure in a generation. ITG is committed to partnering with clients as they navigate the far-reaching impacts on liquidity, unbundling, and best-execution requirements. Key offerings include our POSIT Alert block crossing network, POSIT Auction, our Dark algorithm, the broker-neutral Dark Allocator and Algo Wheel and Research Payment Account (RPA) tools. For more about ITG's full range of MiFID II-ready execution, liquidity, workflow technology and analytics solutions please contact info@itg.com or visit itg.com/mifid-ii.

About ITG

Investment Technology Group (NYSE:ITG) is a global financial technology company that has pioneered client self-directed trading algorithms since 1998. ITG helps leading brokers and asset managers improve returns for investors around the world. We empower traders to reduce the end-to-end cost of implementing investments via liquidity, execution, analytics and workflow technology solutions. ITG has offices in Asia Pacific, Europe and North America and offers execution services in more than 50 countries. Please visit www.itg.com for more information.

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Source: Investment Technology Group, Inc.