

ESMA publishes first overview of the size and structure of EU securities markets

European trading volumes amounted to EUR 27tn in equity markets and EUR 10tn in bond markets in 2019, spread over 430 trading venues (135 regulated markets (RM), 223 multilateral trading facilities (MTF) and 72 organised trading facilities (OTF)). In addition, there were 216 systematic internalisers (SIs), with an increase of 47 SIs since the beginning of 2019.

The Report published today focuses on market monitoring, reference and transparency data, and securities markets statistics.

Steven Maijoor, Chair, said:

“The entry into force of MiFID II in 2018, and its new reporting requirements, expanded ESMA’s monitoring capability of EU financial markets which in turn has provided a data-driven basis to our policy making and risk-based supervisory approach. Today’s statistical report enhances the transparency of European financial markets and supports our efforts to protect investors while ensuring orderly and stable markets.”

Main findings

Equity markets

Size – in 2019, 28,000 equity and equity-like instruments were available for trading, of which 75% were shares, followed by exchange-traded funds (ETFs, 20%).

Trading Volumes – Shares amounted to 89% of equity trading volumes. While trading volumes of ETFs have grown, amounting to 10% of total trading in equity markets in 2019 (up from 6% in 2018). Trading volumes of equity instruments were evenly split between RMs (25%), MTFs (27%), SIs (21%) and over-the-counter (26%).

Trading Methods – Regarding trading types, dark trading volumes remained stable in 2019 (8% of equity volumes), and frequent batch auctions represented 1% of volumes. 2,105 equities were considered liquid in 2019 (+24% from 2018), a number driven by ETFs; amounting to 7% of all available equities, concentrated in large and medium-large issuers.

Bond markets

Size – Over 170,000 bonds were available for trading in Europe in 2019, including 53% corporate and 5% sovereign bonds, and sovereign and corporate bond notional amounts were evenly split at EUR 10tn each.

Trading Volumes – Bond trading volumes (77% of volumes from sovereign and 18% from corporate bonds) were largely off-exchange (50% OTC, 26% SI, only 1% RM). The bond market was characterised by large trade size (EUR 8.0mln for sovereign bonds, and EUR 2.5mln for corporate bonds). 595 bonds were deemed as liquid at the end of 2019, a number that tripled since 2018 (175 instruments), representing 0.3% of all available bonds, with a majority of sovereign bonds (61%).

The report published today includes three sections, covering:

- Market monitoring – includes an analysis of structures and evolution of European securities markets, presenting in detail recent trends in equity and bond trading;
- Topical analyses – these focus on the methodologies and challenges related to the use of reference and transparency data, as well as a first look into the characteristics of liquid equity and bond instruments; and
- Securities markets statistics – these set out a full list of indicators and metrics developed and currently monitored by ESMA.