



Press release

**“Navigating Liquidity 2”
Crédit Agricole Cheuvreux’s second research report
on equity exchange liquidity**

London – 21 April 2009 – Crédit Agricole Cheuvreux S.A. (CA Cheuvreux) announces the publication of “Navigating Liquidity 2”, the second in its series of equity exchange liquidity reports. These reports provide a detailed analysis of the impact that MTFs have had on market efficiency and the fragmentation of liquidity, as well as the challenge that they pose to the primary markets.

Main findings of “Nagivating Liquidity 2”:

- With as much as 25% of liquidity now executed on MTFs, Turquoise, BATS and Chi-X are clearly a viable alternative and addition to market efficiency.
- Chi-X is undoubtedly the best MTF to turn to for posting liquidity, and as a result, offers the best level of quality with respect to the bid-ask spread. BATS is very similar to CHI-X but benefits from a good track record in the US, which makes it a serious challenger.
- When liquidity shrinks, primary markets gain market share. It is thus important to identify the market conditions driving the liquidity of various execution venues to efficiently route the liquidity.
- Market liquidity is not always equally distributed among the component stocks of the main indices: some execution venues are better at offering liquidity for all the components of these indices, whereas others concentrate their liquidity on the biggest market capitalisations of a given index. This highlights the importance of specific rules for each stock’s SOR strategies.

“As a broker with recognised expertise in execution and analysis, CA Cheuvreux is able to monitor, record, analyse, and interpret the complexity of these markets. “Navigating Liquidity” provides our clients not only with snapshots of the landscape but also information that they can use to decrypt the evolving fragmentation of liquidity. This report highlights the importance of identifying the market conditions that drive different execution venues in order to efficiently source liquidity. In our view, investors should consider using MTFs not only to take liquidity aggressively, but also when they act as liquidity providers,” said Ian Peacock, Global Head of Execution Services at CA Cheuvreux..

CA Cheuvreux will be showcasing its complete range of products and services at TradeTech 2009 where it is the lead sponsor. The conference will be held at the CNIT centre, Paris, April 21-24 2009.

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About Crédit Agricole Cheuvreux

CA Cheuvreux is **Crédit Agricole Group’s European equity broker** and a subsidiary of the group’s corporate and investment bank **Calyon**. Its **research team** of 115 analysts and economists covers nearly 800 stocks in Europe and the Middle East. Its range of **execution and sales trading services** covers more than 60 European, North American, Middle Eastern and now South African markets. Its robust suite of global electronic execution offerings includes **DMA, program trading, algorithmic trading and CFDs**, and is complemented by a global staff of experienced sales traders and alternative execution specialists.

CA Cheuvreux has **15* offices worldwide**, including recently established bases in Vienna and Istanbul.

* *Amsterdam, Athens, Frankfurt, Istanbul, London, Madrid, Milan, Paris, Stockholm, Vienna, Zurich, Dubai, New York, San Francisco, Tokyo*

