

**Press release**

## **Fragmentation returns**

### **CHI-X and BATS continue to gain market share**

Paris – 22 February 2010 – Crédit Agricole Cheuvreux publishes its January Market Indicators produced in conjunction with TAG.

**Key findings for January:**

- Long-term fragmentation returned in January following technical issues at the year end for almost all trading venues in December. Both Chi-x and BATS succeeded in improving market share. Chi-X now has almost 16% of total market share, and is already the leading trading venue by turnover (with LSE and Borsa Italiana considered as two separate venues).
- On the FTSE 100, Chi-X's average share of volumes in the last week of January stood at 27%, and it exceeded 50% of volumes on the LSE. If this trend continues, **it questions whether the reference price should stay on this primary market.**
- Most Chi-X and BATS bid-ask spreads improved, confirming that **there is a direct correlation between spread and market share.** In January this could have been caused by new High Frequency Traders on MTFs.
- With high-frequency orders blurring pre-trade transparency and without any clean post-trade tape, **it is becoming increasingly difficult every month to optimise trading without heavy technological investment.**

Please see attached document 'Market Indicators January 2010' for more details.

For any inquiries, please contact:

**CA Cheuvreux**

Nadege Cartei

Tel.: +33 (1) 41 89 71 24

Email: [ncartei@cheuvreux.com](mailto:ncartei@cheuvreux.com)

**TAG**

Diane Sivertsen

Tel. +1 646 375 1558

Email [dsivertsen@tagaudit.com](mailto:dsivertsen@tagaudit.com)

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