

# Financial News

## Chi-X Europe fights back to top dark pool league

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**Chi-X** Europe, the largest trading platform in the region, has reclaimed its position as Europe's largest dark pool from rival **Turquoise**, which went top last month amid concerns about how anonymous the Chi-X platform was.

Chi-X Europe, which is owned by a consortium of investment banks and high-frequency trading firms, handled 24.7% of the total European dark trading market so far this month, compared to Turquoise's 23.3%.

This re-establishes the Chi-X Europe dark pool as the largest in Europe after its pre-eminence slipped last month when Turquoise went top with 24.89% compared to Chi-X Europe's 24.87%, according to data from Thomson Reuters.

Turquoise, owned by the London Stock Exchange, benefited from concerns raised in June by US broker **Themis Trading** that crucial trade information could be gleaned from the Chi-X Europe dark pool.

Investment banks, hedge funds and asset managers like dark pools because they hide important trade data and enable these firms to execute large, market-sensitive orders without suffering market impact that hurts their profits.

Chi-X Europe immediately made a technical change after **Themis** published its report but the suggestion that it was not as opaque as clients believed prompted some to pull business from Chi-X Europe, leading a drop in dark pool market share from 29.4% in May to 24.87% last month.

Chi-X Europe's return this month to top spot in the dark pool sector is a boost for the firm overall and re-establishes it again as the top pan-European market across both lit and unlit trading - with a 17.1% market share.

The LSE group has a greater market share when it combines its UK and Italian markets - 13.7% and 8.25% - and the European arm of NYSE Euronext is also bigger when its French, 12%, Dutch, 4.1%, Belgian, 0.7%, and Portuguese, 0.4%, markets are combined.

But Chi-X Europe remains the largest pan-European trading venue and its chief executive Alasdair Haynes is bullish the firm can continue its growth after its main clearer EMCF last week cut its fees.

Haynes welcomed the move, adding: "The cost of European cross-border clearing and settlement has been unacceptably high and this fee cut is a step in the right direction. Any reduction in the total cost of trading, clearing and settlement can only increase the overall size of the market which is good for everyone."