

European trading volumes jump by €2 trillion

European equities trading enjoyed a successful year, with volumes surging across the board, according to the 2014 Markit MSA full year results.

- Aggregate European equities volumes jumped by a quarter to €9.7 trillion over 2014
- Morgan Stanley topped the region’s league table with over €400bn more executed client business than second ranked Bank of America Merrill Lynch
- Secondary ETF trading volumes jumped by 57% to €437bn; BlackRock products have been the most widely traded

To read the full report with broker rankings, click [here](#)

Despite trading mostly flat for the year, European equity markets still proved to be a boon for brokers across Europe, with contributing clients to Markit MSA reporting jumps in trading volumes across the region.

The buoyant trading conditions resulted in a 26% jump over the previous year’s total. This increase in trading takes the aggregate 2014 tally to €9.67 trillion compared to €7.7 trillion in the previous year.

Morgan Stanley was the top contributing client, repeating last year’s achievement. The bank’s continuing strong performance saw it report €1.666 trillion of executed client business for the year; over €400bn more than second ranked broker Bank of America Merrill Lynch.

Instinet was the only climber among the top 10 contributing clients as the broker’s league table rank improved by two spots to crack the top five. This climb came at the expense of Goldman Sachs and Deutsche Bank, which claimed the seventh and sixth spots respectively.

2014 EUROPEAN CASH EQUITIES

Broker	Turnover (€m)
1 Morgan Stanley	1,608,237
2 Bank of America Merrill Lynch	1,204,667
3 UBS	1,119,777
4 Credit Suisse	992,409
5 Instinet	990,650
6 Deutsche Bank	904,853
7 Goldman Sachs	643,911
8 Citigroup	569,379
9 J.P. Morgan	563,342
10 Société Générale	305,415
Total:	9,668,907

Strong trading across the board

A deeper dive into the individual indexes driving these strong volumes reveals that constituents of Western European large-cap indexes (the CAC 40, DAX 30, IBEX 35, FTSE MIB and FTSE 100), have been responsible for over half of the €2 trillion increase. Morgan Stanley reported the most turnover in all five of these indexes, which together account for 58% of all European cash equity trading volumes.

Constituents of small and mid-cap indexes also reported strong increases in volumes.

The largest rises in trading volumes were seen in the Spanish and Italian small-cap indexes, which both saw trading volumes jump by tenfold on the previous year's aggregate tally.

Further north, Nordic equity trading also had another strong year with aggregate volume jumping by over €247bn to €1.1 trillion. Deutsche Bank claimed the top spot in the league table after overtaking Morgan Stanley and Bank of America with an aggregate €207bn of reported business.

The only region to buck the recent trend was Eastern Europe which saw a €11bn fall in aggregate volume. But this will leave little cause for concern for most, as the region represented less than 2% of the aggregate trading with €137bn of flow reported by contributing clients.

ETF trading surges

2014 also proved a strong year for ETF trading as clients reported €437bn of flow, which marks a significant 58% increase on the aggregate reported volume in 2013. Unlike the cash equities league table, this boost in trading volume shook up the league table with nine of the top ten contributing clients seeing their ranks change from the previous year. French broker Société Générale jumped three spots to claim the top spot on the league table after it reported €62bn of flow.

2014 EUROPEAN ETFS

Broker	Turnover (€m)
1 Société Générale	62,414
2 Commerzbank	44,703
3 BNP Paribas	36,823
4 Deutsche Bank	35,454
5 Morgan Stanley	33,873
6 UBS	31,266
7 Susquehanna	28,448
8 Bank of America Merrill Lynch	25,315
9 Citigroup	21,920
10 Credit Suisse	19,889
Total:	437,137

BlackRock products saw the most trading over the last year with over €180bn of flow. These strong flows helped Société Générale, as the broker jumped two spots in the BlackRock league table to claim the top spot with just under €21bn of reported business.

The two issuers which saw the greatest jump in trading volumes from the previous year were Vanguard and Deka whose products both saw contributing clients report €8bn of increased flows from the previous year to €11.1bn.

This analysis accompanies a summary of European cash equity and ETF trading for 2014 using Markit's suite of equity products. Markit MSA covers an estimated 80% of all cash equity trading in Europe across traditional exchanges, multi-lateral trading facilities and over-the-counter markets. Trade data is sourced directly from [contributing brokers](#) and represents what was actually traded, differentiating it from other surveys that rely on indications of interest or trade adverts

Simon Colvin

Analyst

Markit

Tel: +44 207 264 7614

Email: simon.colvin@markit.com

For further information, please visit www.markit.com

The intellectual property rights to this report provided herein is owned by Markit Group limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omission or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, consequential damages, arising out of the use of the data. Markit is a trademark owned by the Markit group.

This report does not constitute nor shall it be construed as an offer by Markit to buy or sell any particular security, financial instrument or financial service. The analysis provided in this report is of a general and impersonal nature. This report shall not be construed as providing investment advice that is adapted to or appropriate for any particular investment strategy or portfolio. This report does not and shall not be construed as providing any recommendations as to whether it is appropriate for any person or entity to "buy", "sell" or "hold" a particular investment.