

January 2014 Trends

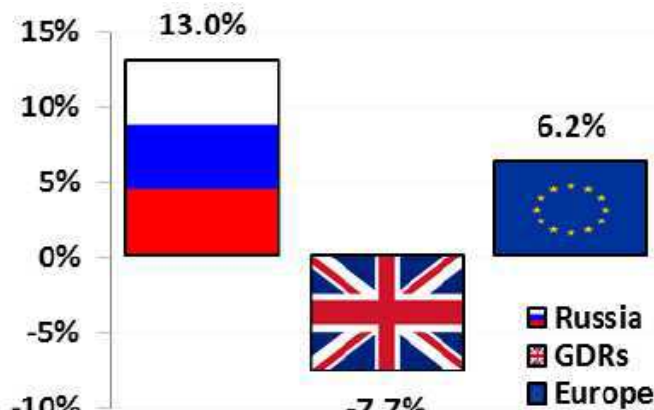
Russia Restructures Equity Trading: The move to T+2 settlement may have contributed to increased volumes on the Moscow Exchange (MOEX). In the 5 months since it was introduced, average daily turnover (ADT) on MOEX has increased by 13.0% versus the average from January to September 2013 (see chart right). See [Russia Restructures Equity Trading](#) for further details.

Europe Volumes Up Sharply: ADT in Europe was \$50bn in January, which is 33.6% higher than January 2013 and 25% higher than last year's average (see chart below). The US is also off to a good start at +26% relative to the 2013 average and +19% relative to January 2013. Asia, on the other hand, is 11% down versus 2013 and 15% down versus January 2013.

Increased Volumes Across the Board: The increased ADT in Europe is not confined to a particular sector or size segment. Financial (+33.9%), Cyclical (+24.2%), Defensive (+21.5%) and Beta (+17.1%) stocks have all experienced a significant pick-up in activity (see p. 2). Mid-caps (+34.5%) and Small Caps (+29.4%) have led the way over Large Caps (+23.2%), albeit from a much lower base.

It's Not Just Emerging Markets under Pressure: Year to date, Emerging Markets have underperformed Developed Markets by around 2.8%. While all Developed Markets registered positive returns in 2013, only 7 out of 23 managed to do so in 2014 (see p. 9).

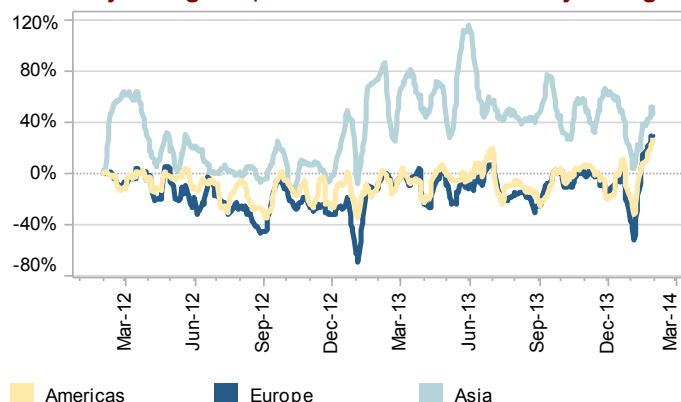
Relative Value Traded Since Introduction of T+2 Settlement



Source: Credit Suisse Trading Strategy

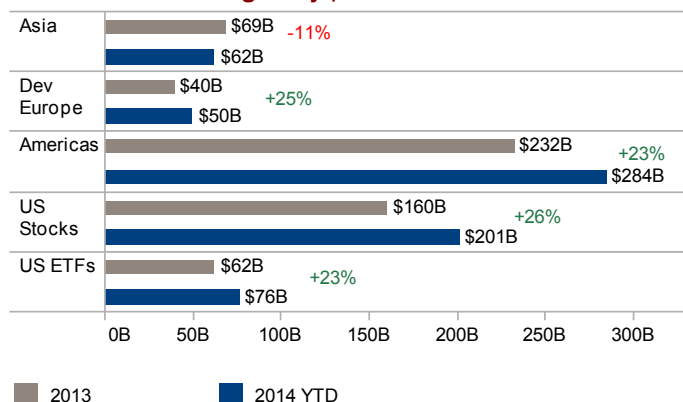
Regional Comparisons

Daily Change in \$Value Traded relative to 2 years ago



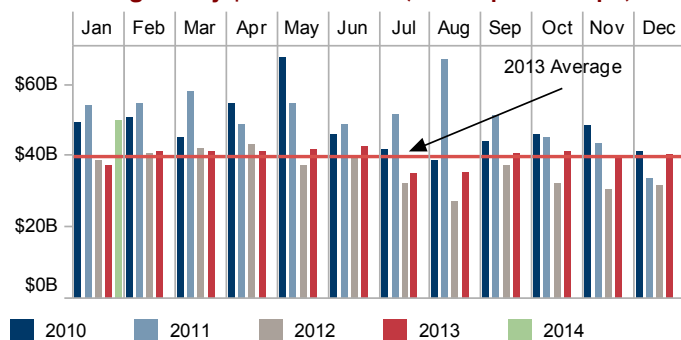
Source: Credit Suisse Trading Strategy

Avg Daily \$Value Traded



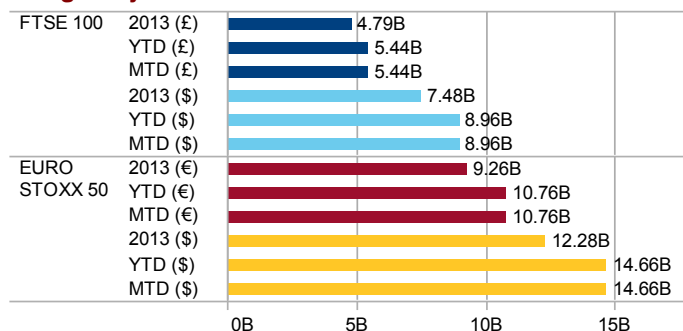
Source: Credit Suisse Trading Strategy

Average Daily \$Value Traded (Developed Europe)



Source: Credit Suisse Trading Strategy

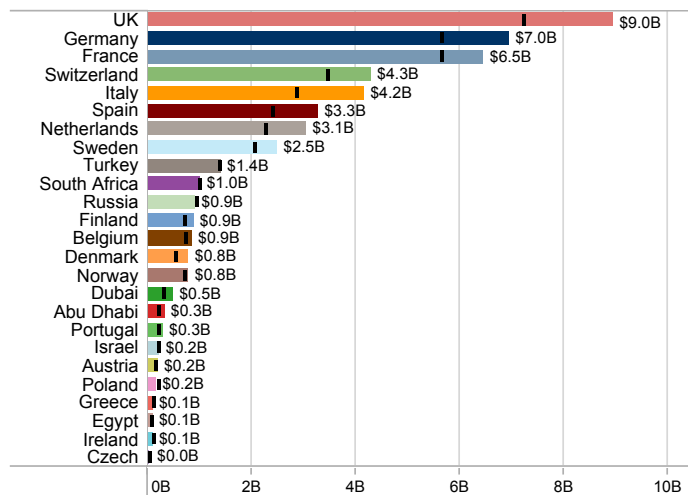
Avg Daily Value Traded: FTSE 100 and EURO STOXX 50



Source: Credit Suisse Trading Strategy

Average Daily Turnover Trends

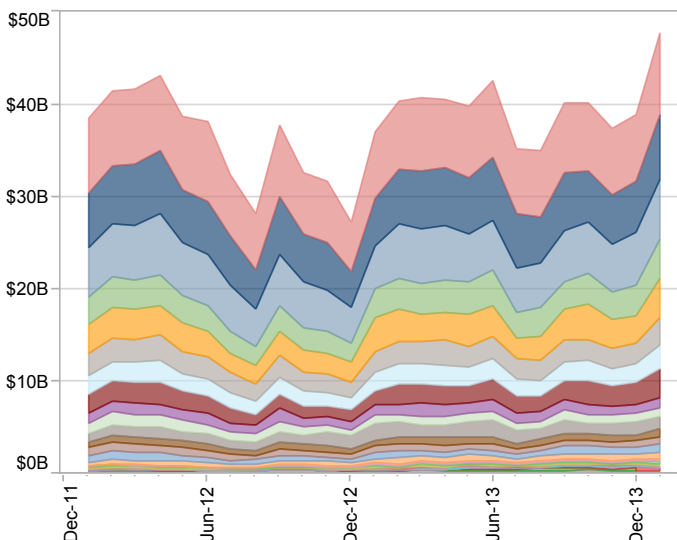
Avg Daily Value Traded by Market



*Black lines show the avg daily value traded for the previous month.

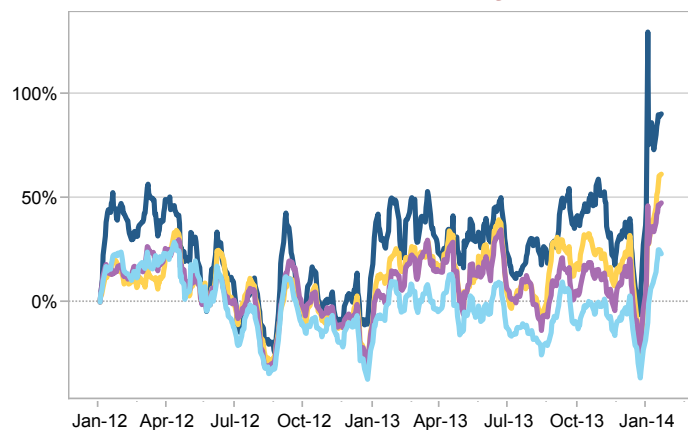
Source: Credit Suisse Trading Strategy, 31 Jan 14

Avg Daily Value Traded by Market by Month



Source: Credit Suisse Trading Strategy, 31 Jan 14

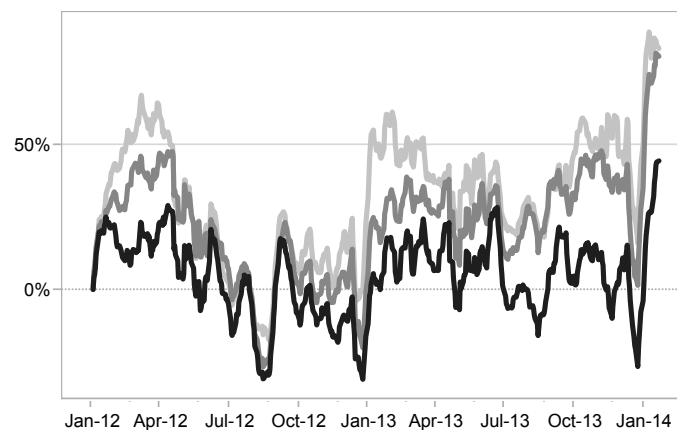
STOXX 600 Sector Groupings



Beta Cyclical Defensives Financials

Source: Credit Suisse Trading Strategy, 31 Jan 14

STOXX 600 Size Indices

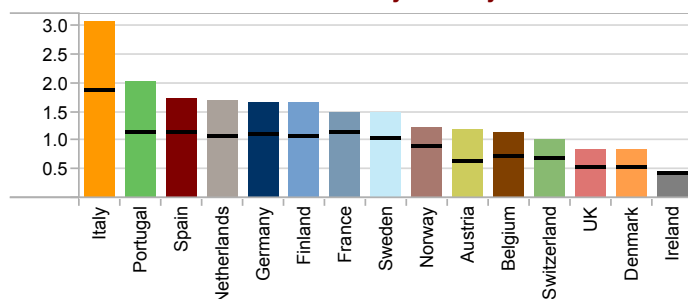


Large Cap Mid Cap Small Cap

Source: Credit Suisse Trading Strategy, 31 Jan 14

Annualised Ratio of Turnover to Free Float Market Cap

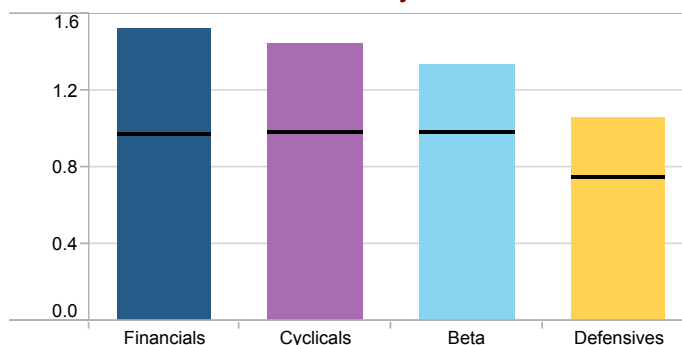
Turnover Ratio by Country



*Black lines shown the turnover ratio for the previous month.

Source: Credit Suisse Trading Strategy, 31 Jan 14

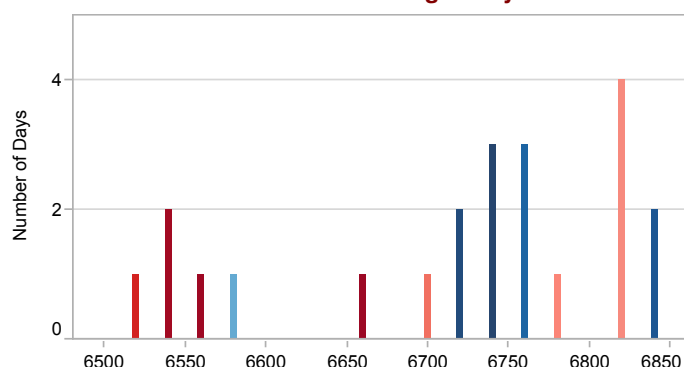
Turnover Ratio by Sector



Source: Credit Suisse Trading Strategy, 31 Jan 14

Index Price vs Turnover (YTD)

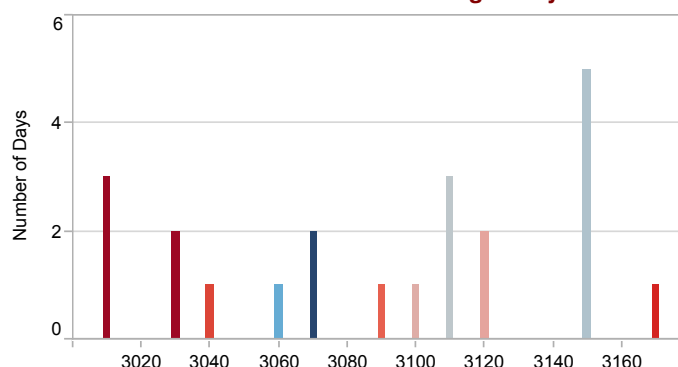
FTSE 100: Index Price vs. Average Daily Turnover



ADV (£)
4B 7B

Source: Credit Suisse Trading Strategy, 31 Jan 14

EURO STOXX 50: Index Price vs. Average Daily Turnover

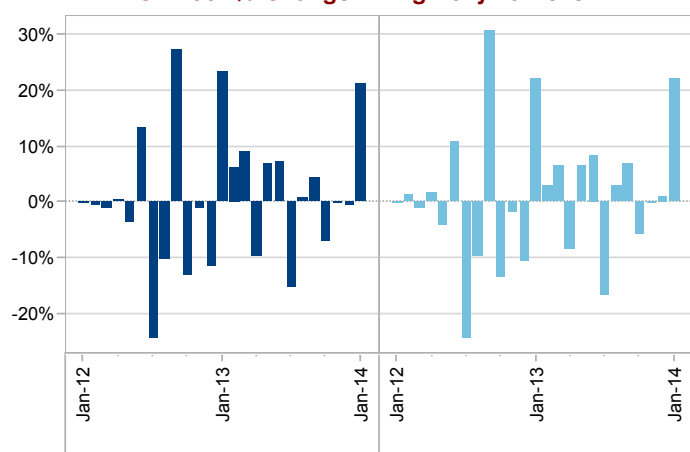


ADV (€)
6B 14B

Source: Credit Suisse Trading Strategy, 31 Jan 14

Currency Effect on Turnover (Month-on-month)

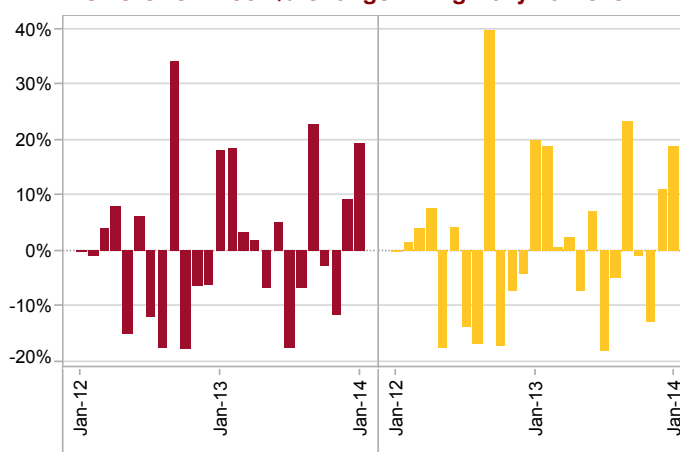
FTSE 100: % Change in Avg Daily Turnover



GBP USD

Source: Credit Suisse Trading Strategy, 31 Jan 14

EURO STOXX 50: % Change in Avg Daily Turnover

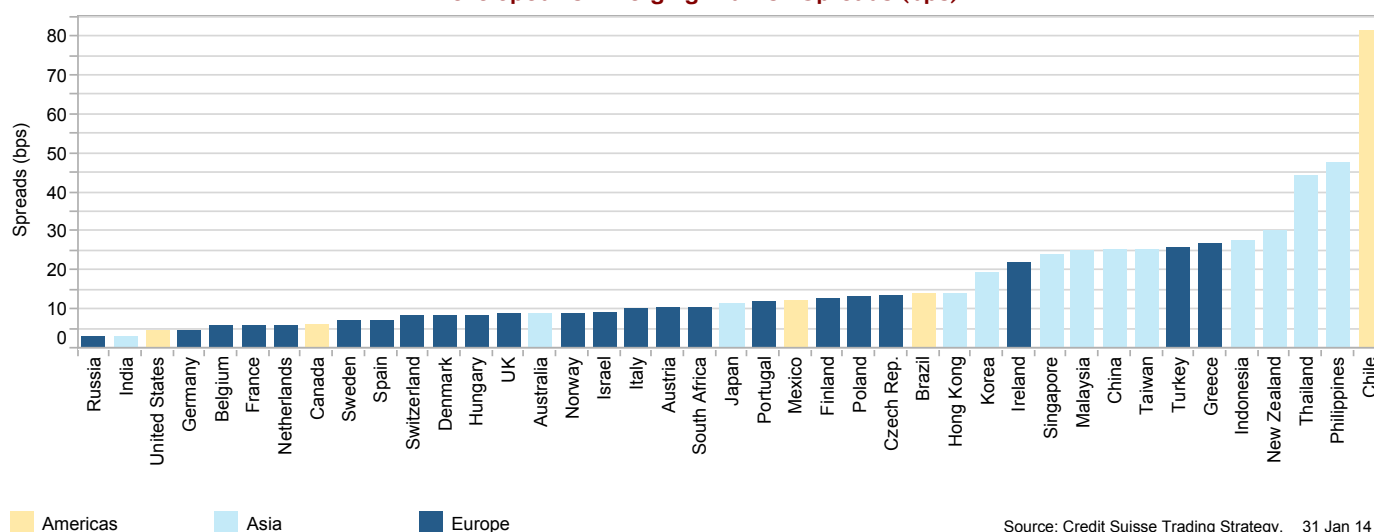


EUR USD

Source: Credit Suisse Trading Strategy, 31 Jan 14

Global Spreads

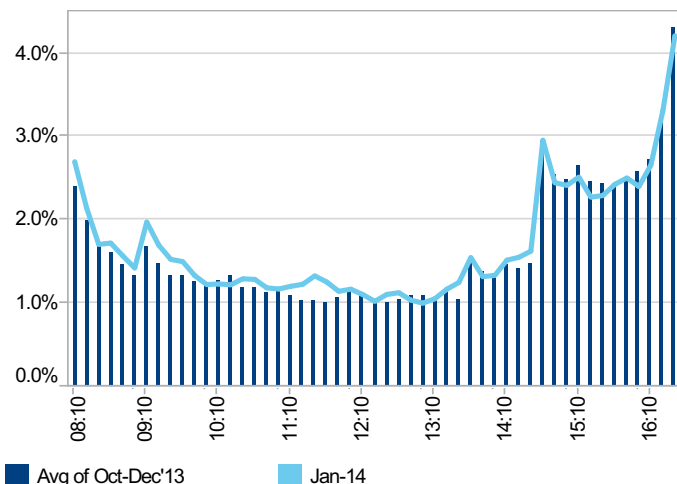
Developed vs Emerging Bid-Ask Spreads (bps)



Source: Credit Suisse Trading Strategy, 31 Jan 14

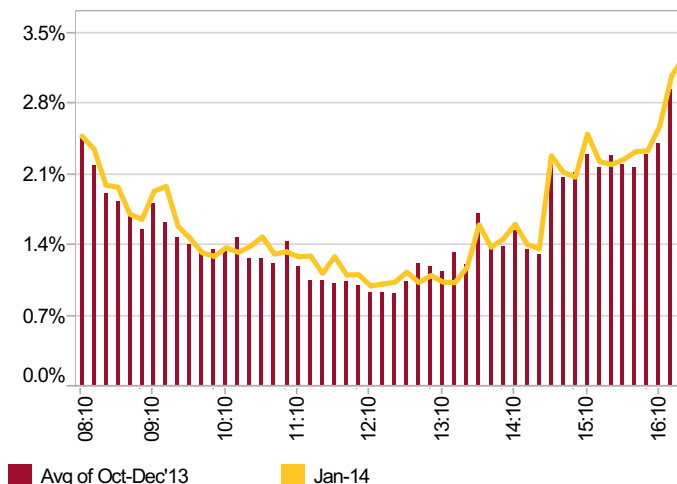
Intra-Day Volumes

Avg Intraday Volume FTSE 100 (ex Auctions)



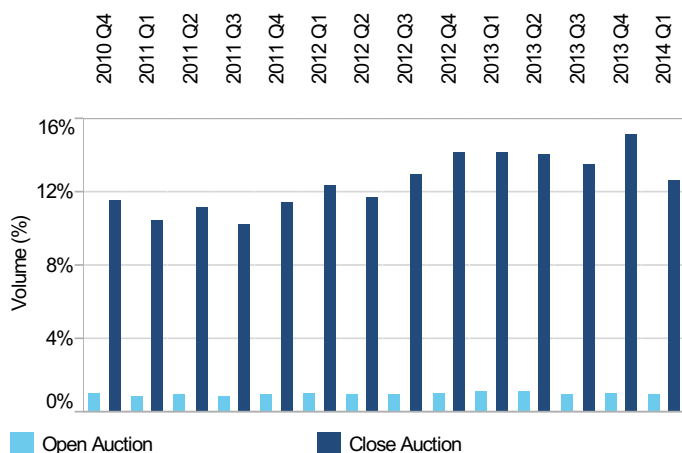
Source: Credit Suisse AES® Analysis

Avg Intraday Volume EURO STOXX 50 (ex Auctions)



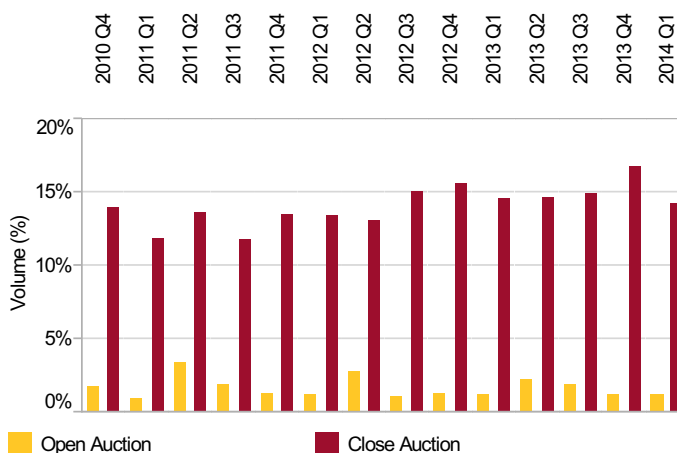
Source: Credit Suisse AES® Analysis

Average Auction Volume FTSE 100



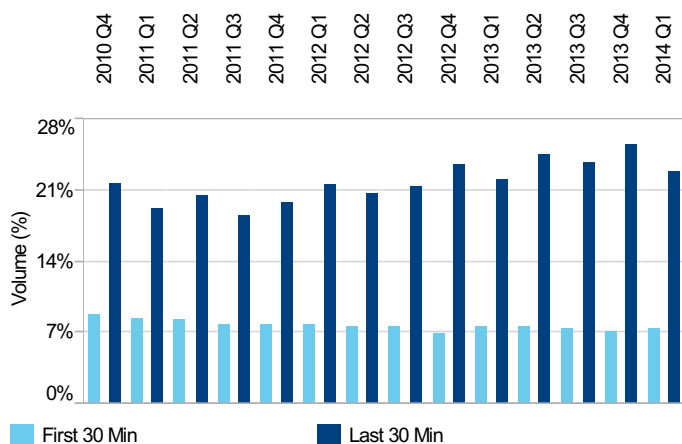
Source: Credit Suisse AES® Analysis

Average Auction Volume EURO STOXX 50



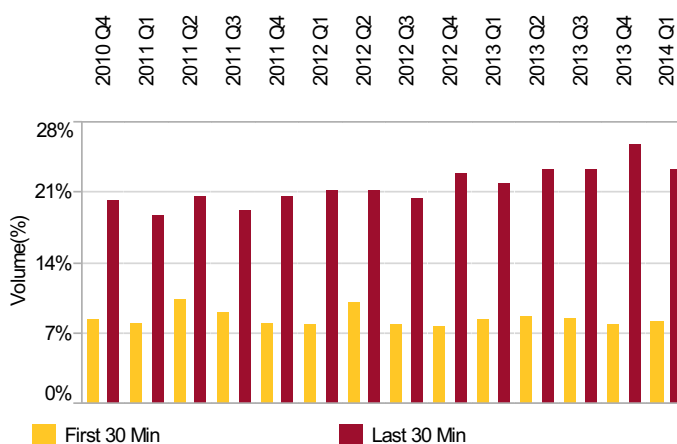
Source: Credit Suisse AES® Analysis

%ADV in First/Last 30min FTSE 100



Source: Credit Suisse AES® Analysis

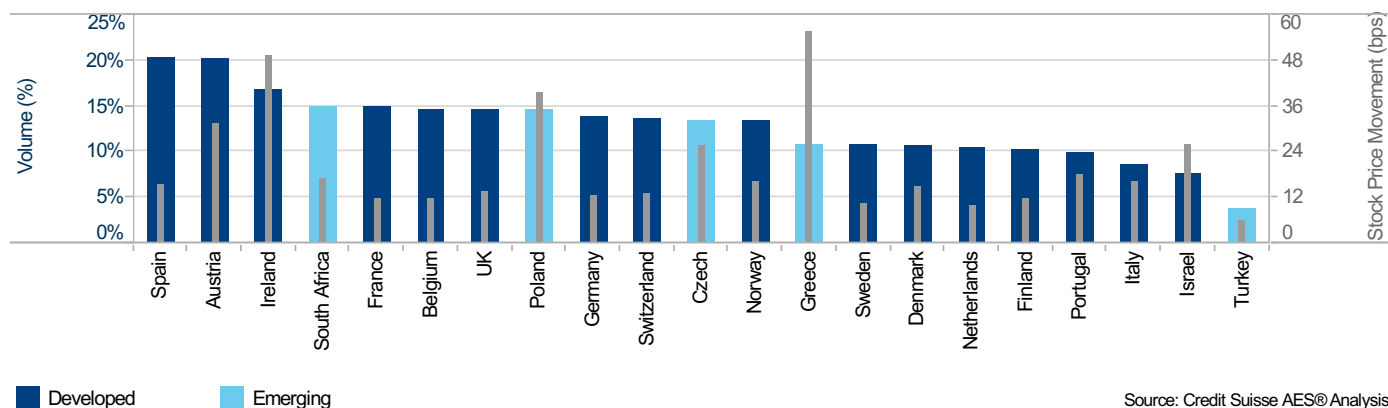
%ADV in First/Last 30min EURO STOXX 50



Source: Credit Suisse AES® Analysis

Market-on-Close

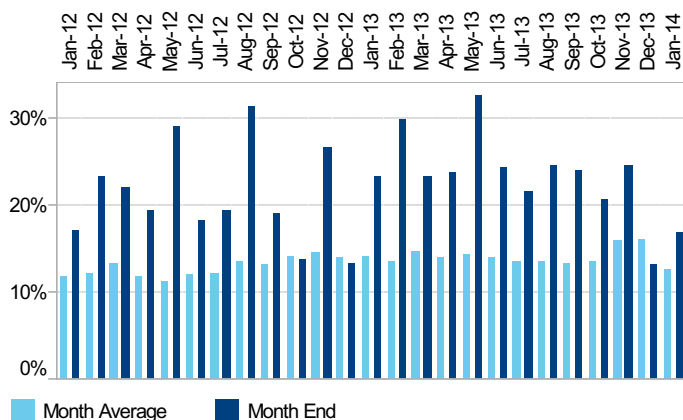
Close Auction Volume vs Stock Price Movement*



Source: Credit Suisse AES® Analysis

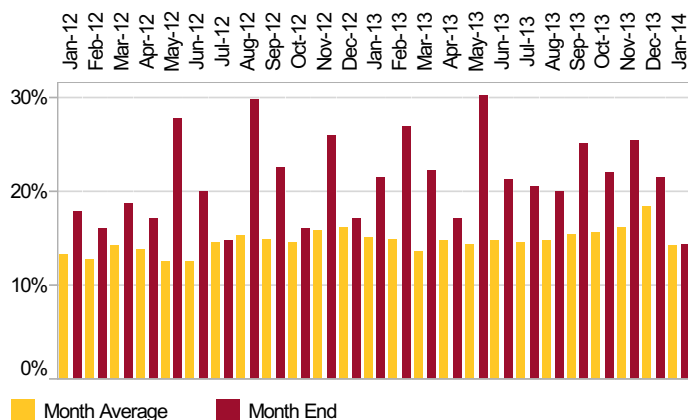
* For each stock we calculate the absolute difference between the official closing price and the last price from continuous trading. Each stock is weighted according to its index weighting.

Month End Closing Auction Volume FTSE 100



Source: Credit Suisse AES® Analysis

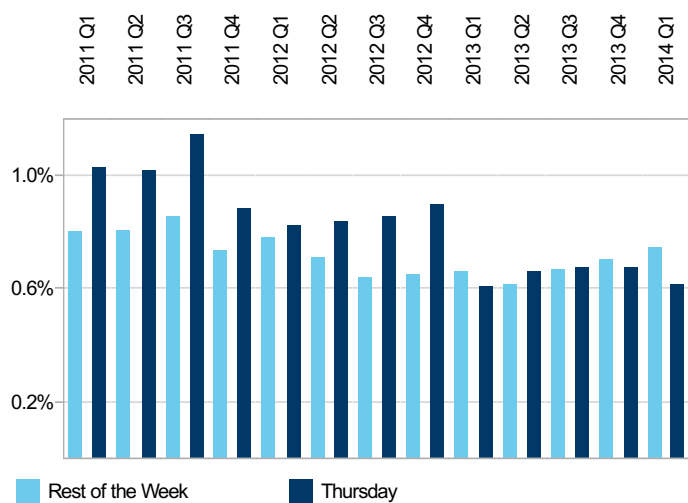
Month End Closing Auction Volume EURO STOXX 50



Source: Credit Suisse AES® Analysis

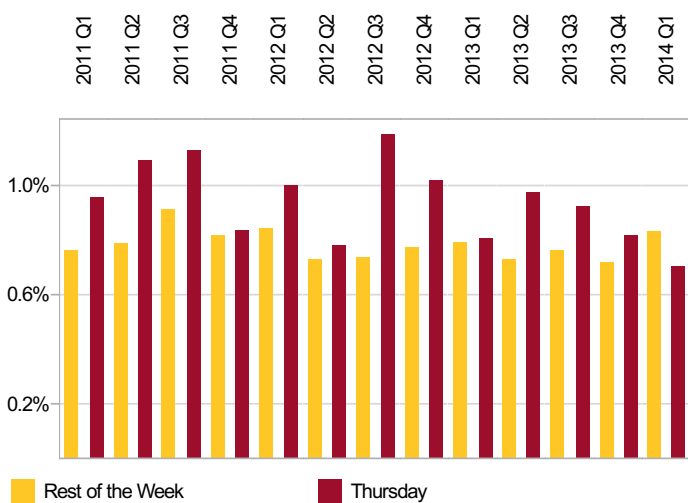
Market Volumes following Economic Releases

FTSE 100: % ADV from 13:30 - 13:35



Source: Credit Suisse AES® Analysis

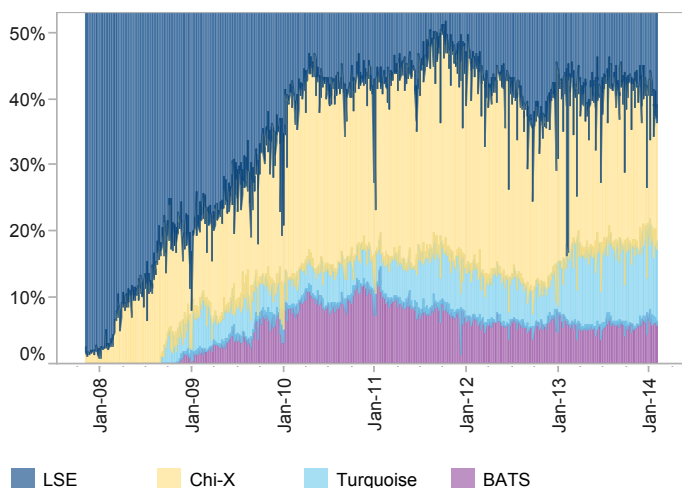
EURO STOXX 50: % ADV from 13:30 - 13:35



Source: Credit Suisse AES® Analysis

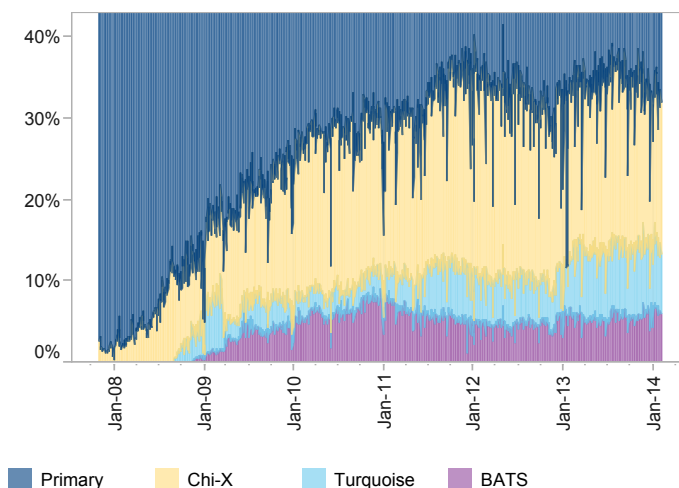
MTF Market Share Breakdown

FTSE 100



Source: Credit Suisse AES® Analysis, BATS

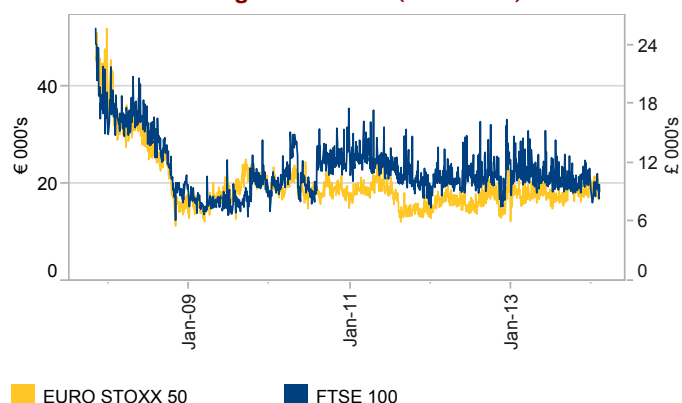
EURO STOXX 50



Source: Credit Suisse AES® Analysis, BATS

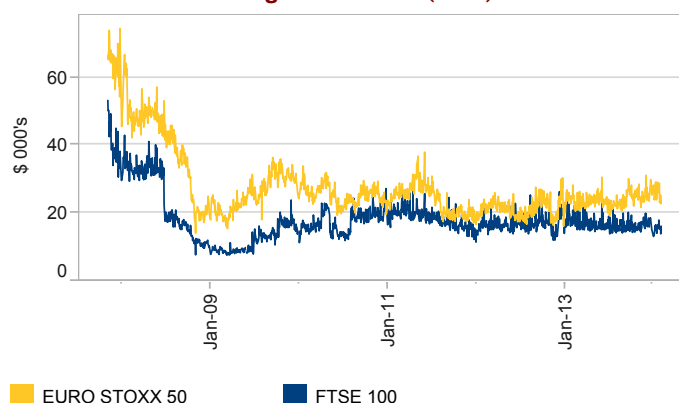
Trade Size

Average Trade Size (GBP/EUR)



Source: Credit Suisse AES® Analysis

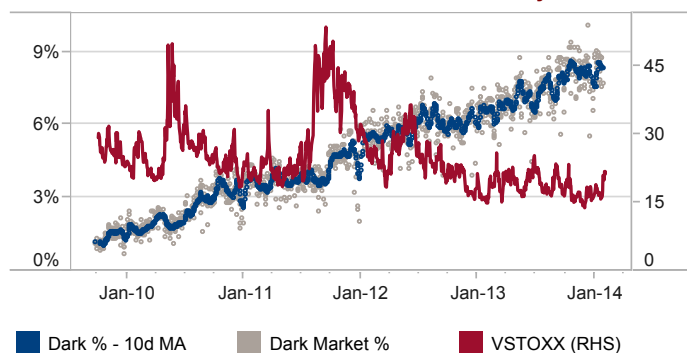
Average Trade Size (USD)



Source: Credit Suisse AES® Analysis

Dark Pools

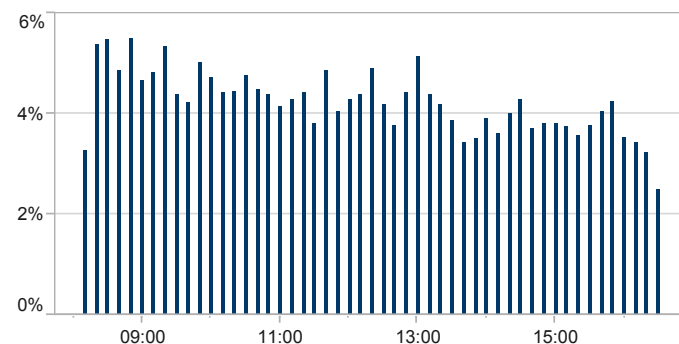
Dark Pool Market Share vs Volatility*



*Dark Market Share includes volumes from MTF dark pools and Credit Suisse Crossfinder

Source: Credit Suisse AES® Analysis, BATS

% Dark Pool Turnover of Total Turnover for FTSE 100*

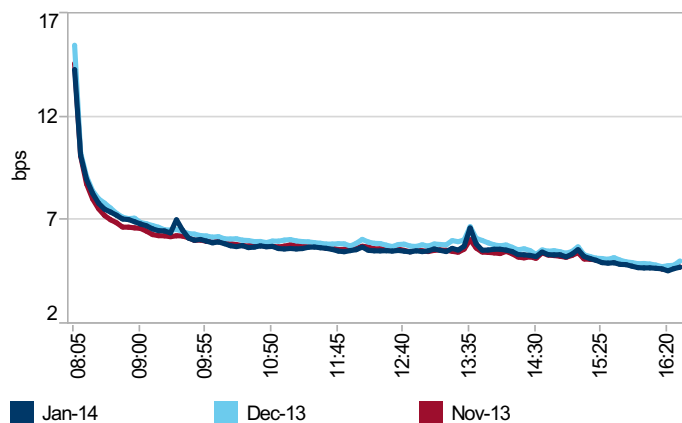


*Dark Pool Turnover includes Chi-X, BATS and Turquoise dark pools and total turnover includes LSE, Chi-X, BATS and Turquoise lit + dark.

Source: Credit Suisse AES® Analysis

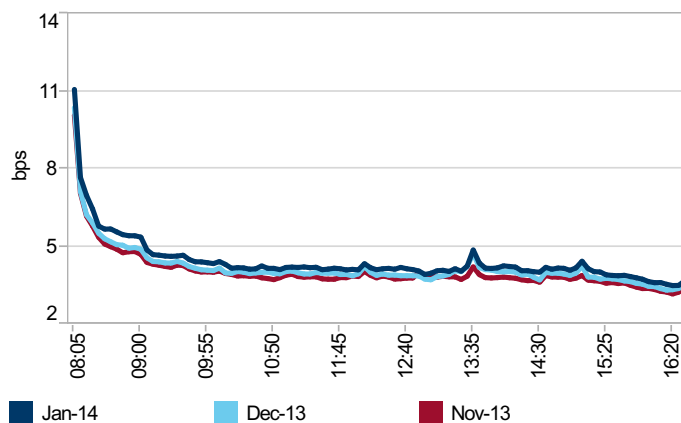
Intraday Bid-Ask Spreads

FTSE 100



Source: Credit Suisse AES® Analysis

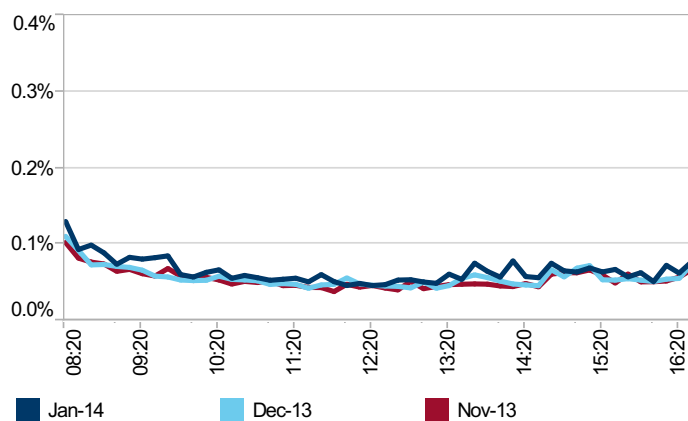
EURO STOXX 50



Source: Credit Suisse AES® Analysis

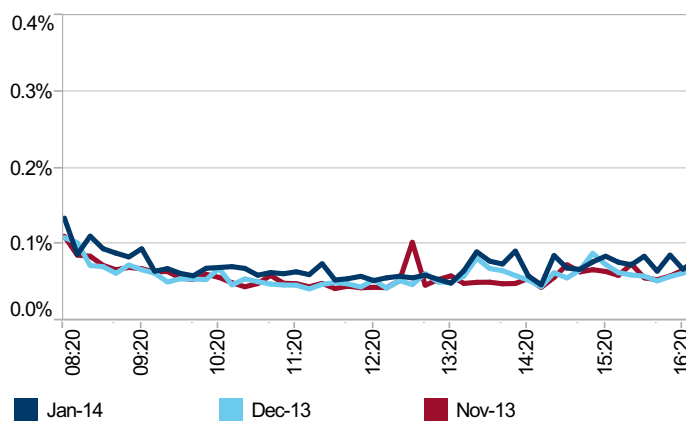
Intraday Volatility

FTSE 100



Source: Credit Suisse AES® Analysis

EURO STOXX 50

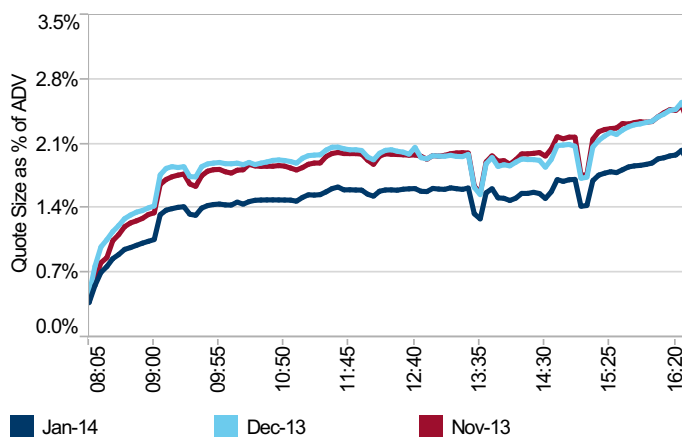


Source: Credit Suisse AES® Analysis

Intraday Order Book Depth*

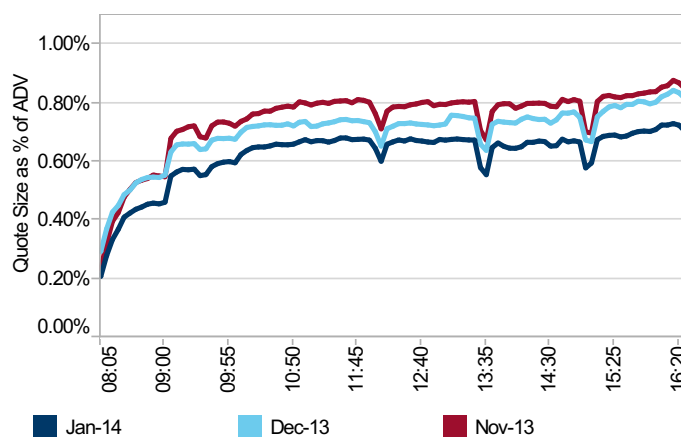
*Quote size is calculated using the first 5 levels of the order book.

FTSE 100



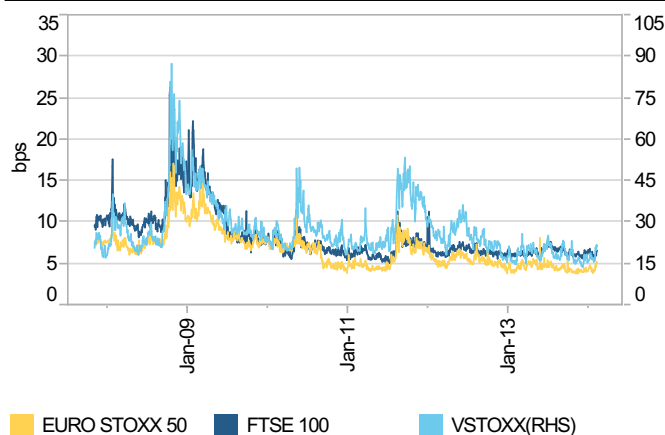
Source: Credit Suisse AES® Analysis

EURO STOXX 50

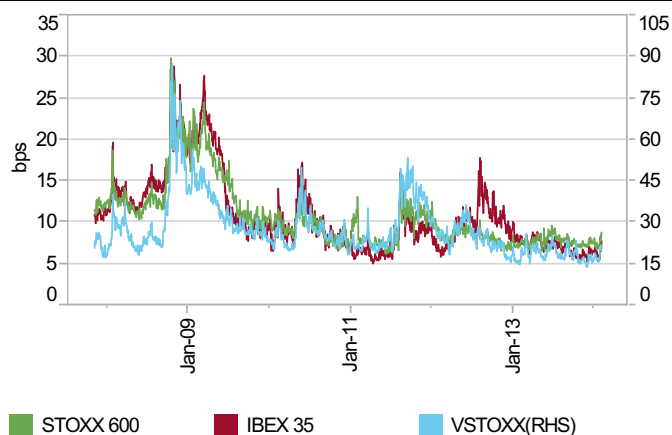


Source: Credit Suisse AES® Analysis

Average Spreads Vs Volatility



Source: Credit Suisse AES® Analysis

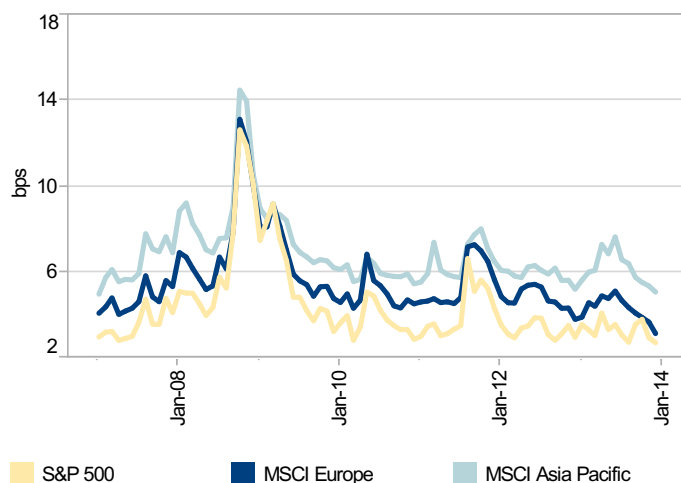


Source: Credit Suisse AES® Analysis

Estimated Market Impact*

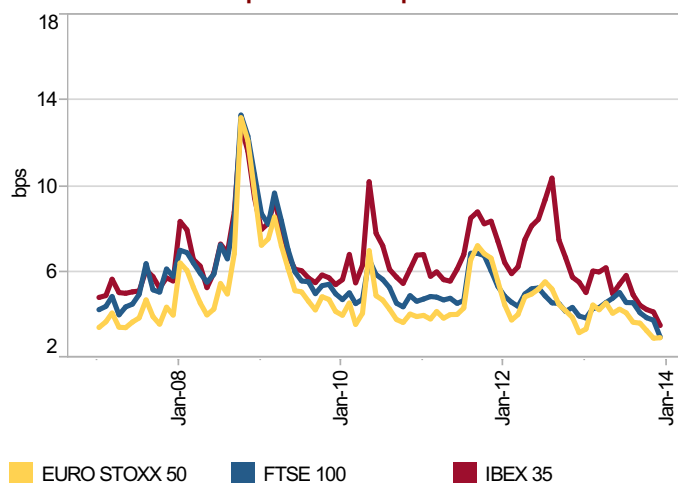
*Market impact estimates are based on the Credit Suisse EDGE pre-trade model and assume a trade size of 1% ADV & a participation rate of 10%.

Global



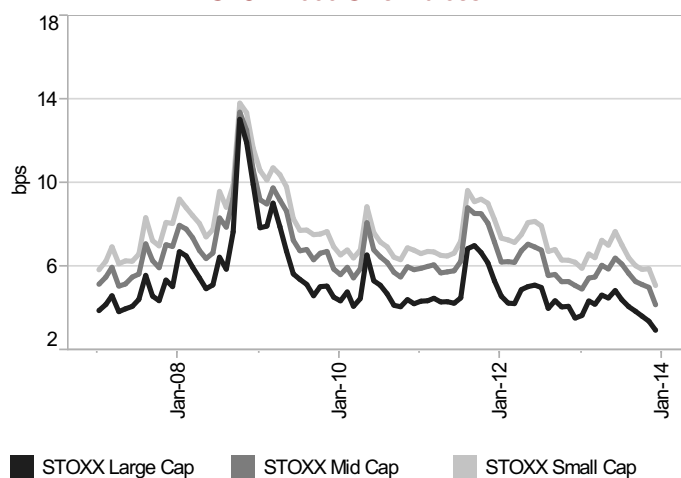
Source: Credit Suisse Trading Strategy

European Blue-chip Indices



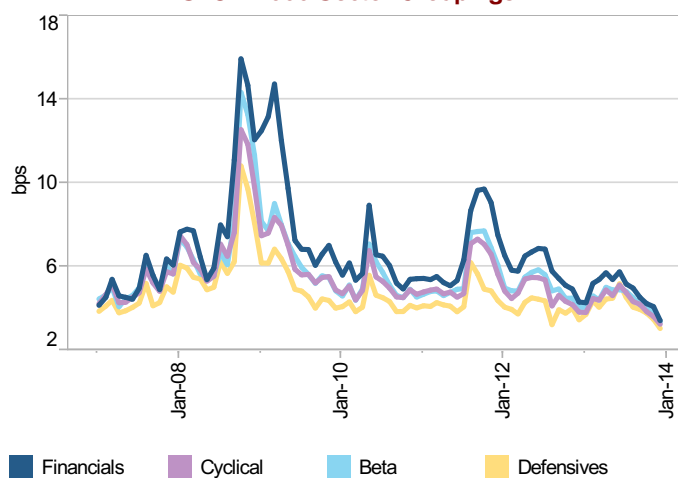
Source: Credit Suisse Trading Strategy

STOXX 600 Size Indices



Source: Credit Suisse Trading Strategy

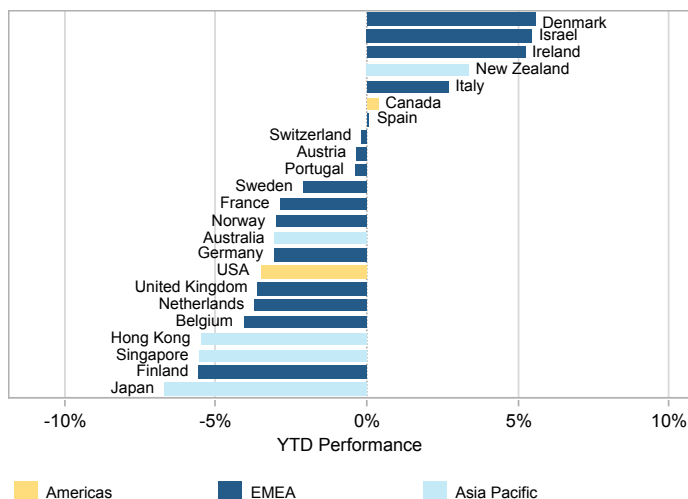
STOXX 600 Sector Groupings



Source: Credit Suisse Trading Strategy

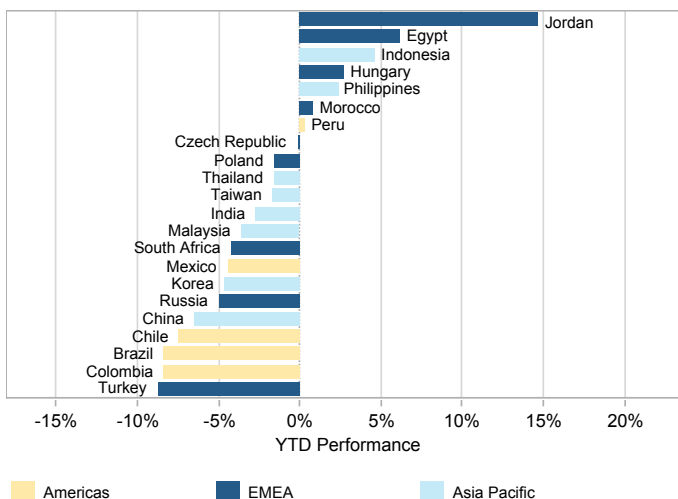
Performance

MSCI Developed Markets [Local]



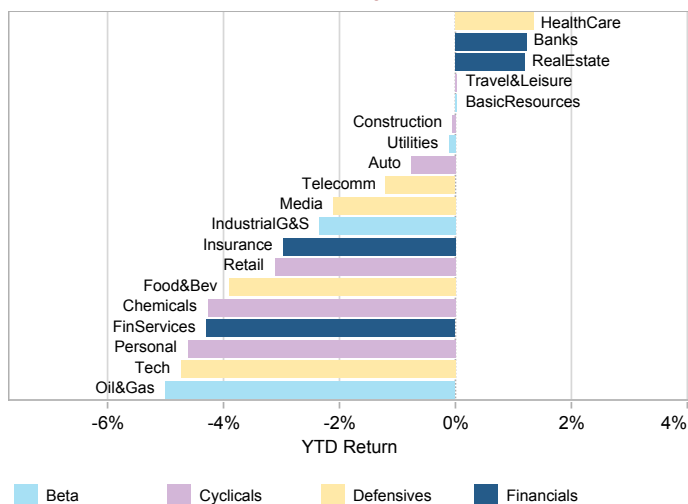
Source: Credit Suisse Trading Strategy, 31 Jan 14

MSCI Emerging Markets [Local]



Source: Credit Suisse Trading Strategy, 31 Jan 14

STOXX 600 Industry Groups - YTD



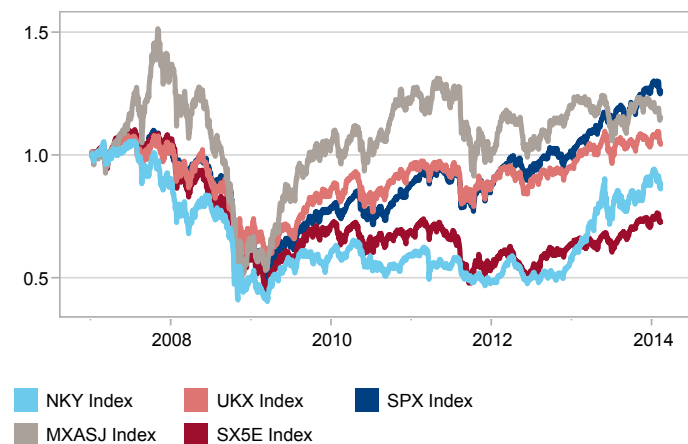
Source: Credit Suisse Trading Strategy, 31 Jan 14

STOXX 600 Industry Groups

Label	YTD Return	1M Return	3M Return	5D Return
HealthCare (SXDP)	1.4%	1.4%	4.0%	0.6%
Bank (SX7P)	1.3%	1.3%	1.7%	-0.4%
RealEstate (SX86P)	1.2%	1.2%	0.3%	-0.3%
Travel&Leisure (SXTP)	0.0%	0.0%	8.3%	-0.6%
BasicResource (SXPP)	0.0%	0.0%	-1.2%	1.9%
Construction (SXOP)	-0.1%	-0.1%	1.9%	-0.2%
Utilities (SX6P)	-0.1%	-0.1%	-0.6%	-0.1%
Auto (SXAP)	-0.7%	-0.7%	3.7%	-0.9%
Telecomm (SXKP)	-1.2%	-1.2%	0.4%	-1.3%
Media (SXMP)	-2.1%	-2.1%	1.3%	0.6%
Industrial (SXNP)	-2.3%	-2.3%	0.8%	-0.7%
Insurance (SXIP)	-3.0%	-3.0%	1.5%	-0.1%
Retail (SXRPP)	-3.1%	-3.1%	-4.3%	-0.9%
Food&Bev (SX3P)	-3.9%	-3.9%	-3.8%	-3.1%
Chemicals (SX4P)	-4.3%	-4.3%	0.5%	-0.7%
FinServices (SXFP)	-4.3%	-4.3%	1.6%	-0.2%
Personal (SXQP)	-4.6%	-4.6%	-4.8%	-1.1%
Tech (SX8P)	-4.7%	-4.7%	-0.4%	0.7%
Oil&Gas (SXEP)	-5.0%	-5.0%	-5.6%	-3.3%

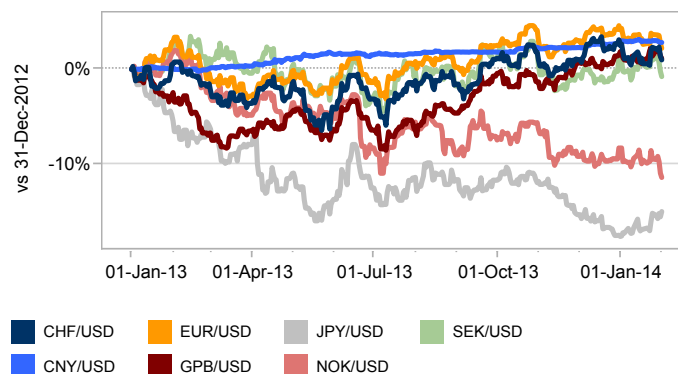
Source: Credit Suisse Trading Strategy, 31 Jan 14

Global Index Performance



Source: Credit Suisse Trading Strategy, 31 Jan 14

FX Performance* - YTD

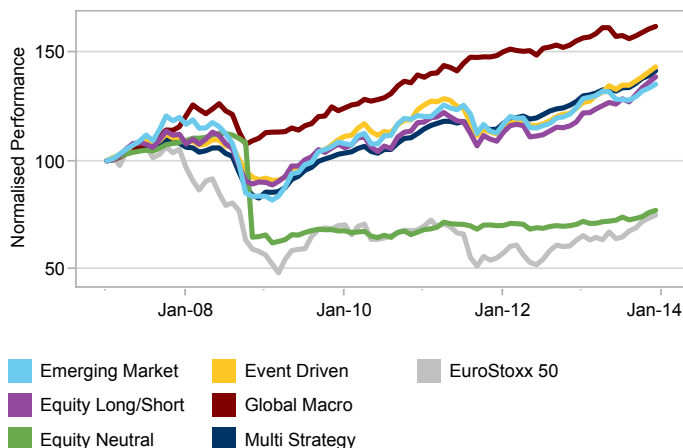


*Relative USD value change of 1 unit of the named currency.

Source: Credit Suisse Trading Strategy, 31 Jan 14

Hedge Fund Performance and Flow

Dow Jones CS Hedge Fund Index Performance



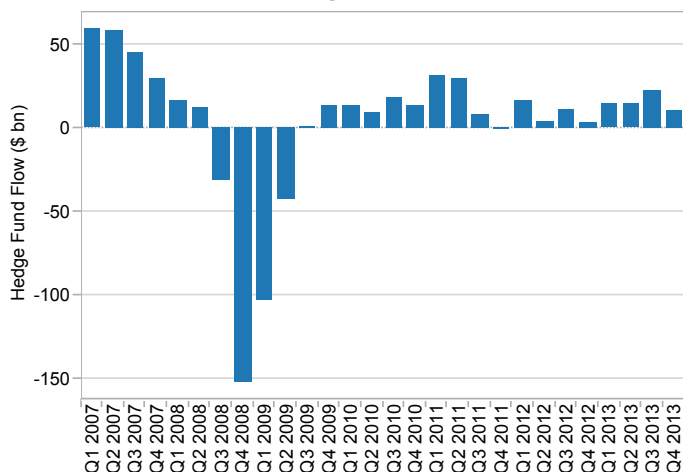
Source: Credit Suisse Trading Strategy, 31 Jan 14

Dow Jones CS Hedge Fund Index Performance

Fund	1M Ret	3M Ret	2013 Ret	2012 Ret	2011 Ret
Equity Long/Short	6.32%	1.80%	17.74%	8.21%	-7.31%
Equity Neutral	5.13%	1.30%	9.27%	0.85%	4.49%
Event Driven	4.81%	1.61%	15.47%	10.63%	-9.09%
Emerging Market	4.44%	1.28%	8.81%	10.28%	-6.68%
Multi Strategy	4.33%	1.63%	11.23%	11.19%	1.83%
Global Macro	2.78%	0.71%	4.32%	4.58%	6.44%

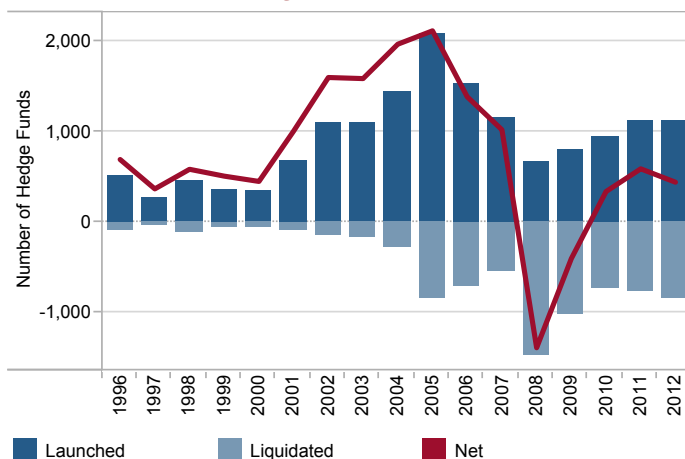
Source: Credit Suisse Trading Strategy, 31 Jan 14

Global Hedge Fund Flows



Source: Credit Suisse Trading Strategy, 31 Jan 14

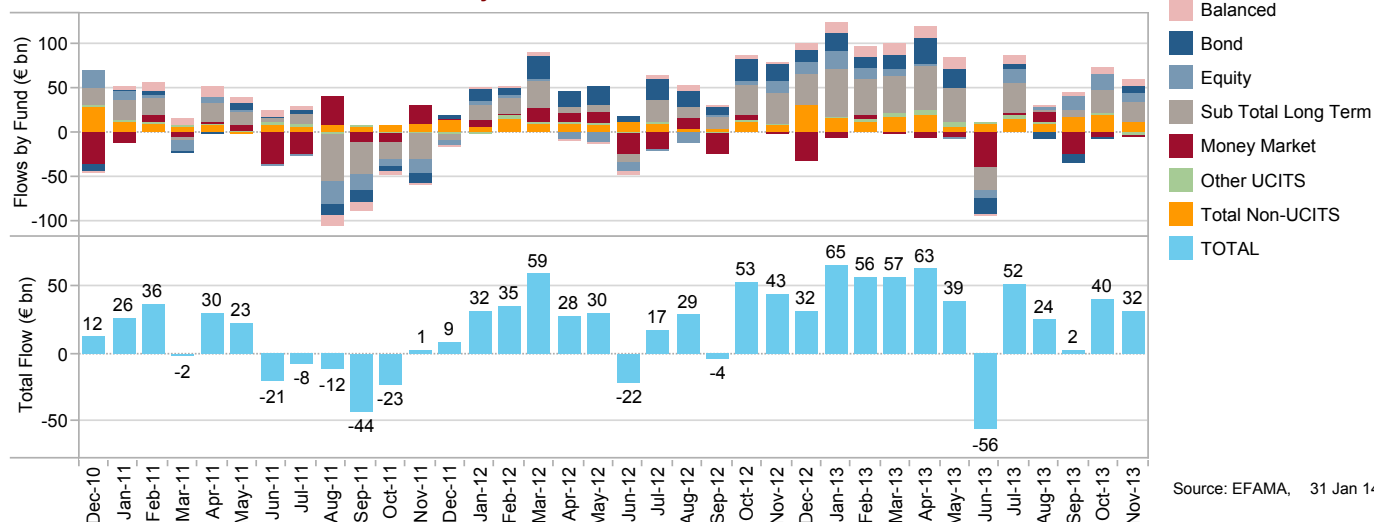
Number of Global Hedge Funds Launched and Liquidated



Source: Credit Suisse Trading Strategy, 31 Jan 14

European Investment Fund Flows

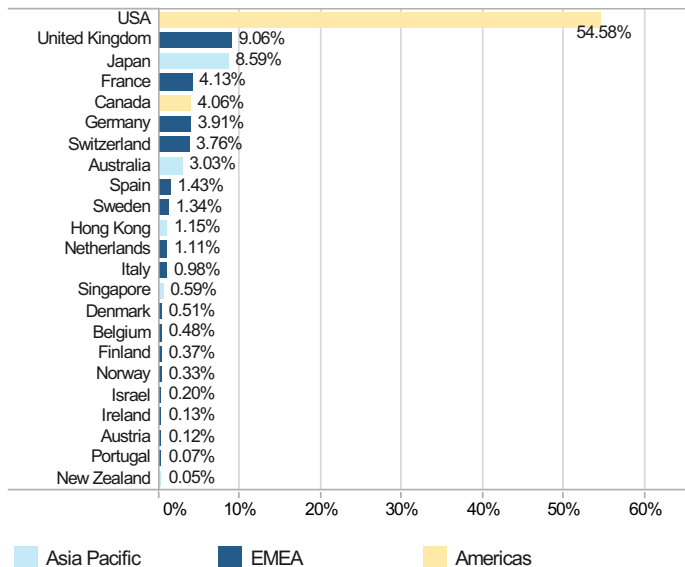
Monthly Investment Fund Flows



Source: EFAMA, 31 Jan 14

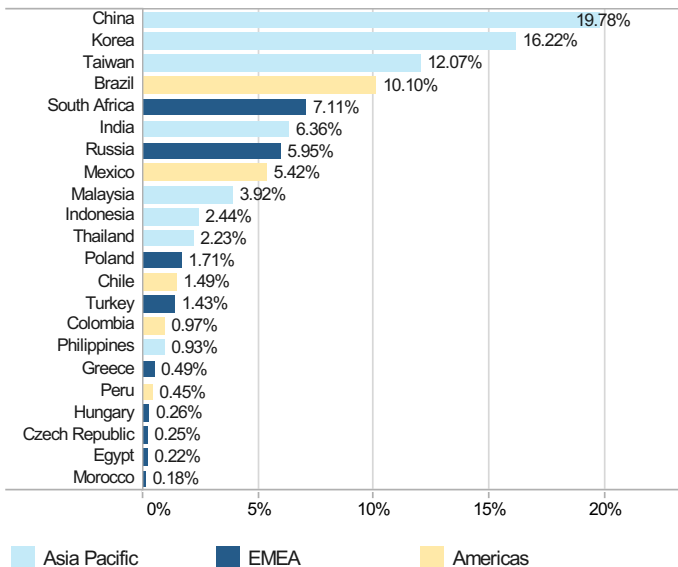
Benchmark Weightings

MSCI World Index by Country



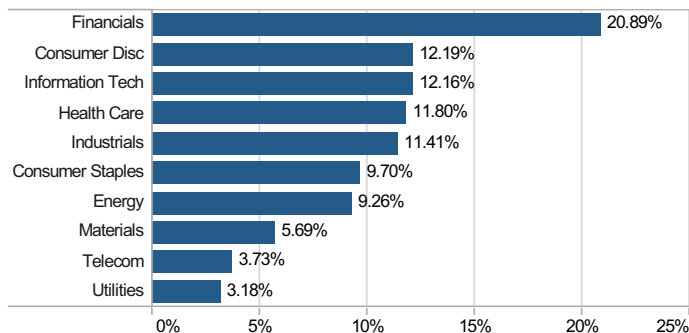
Source: Credit Suisse Trading Strategy, 31 Jan 2014

MSCI EM Index by Country



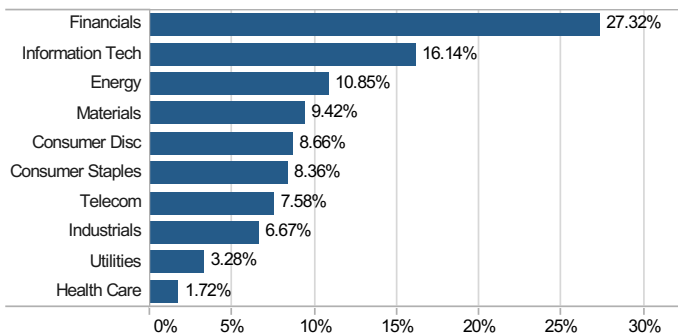
Source: Credit Suisse Trading Strategy, 31 Jan 2014

MSCI World Index by Sector



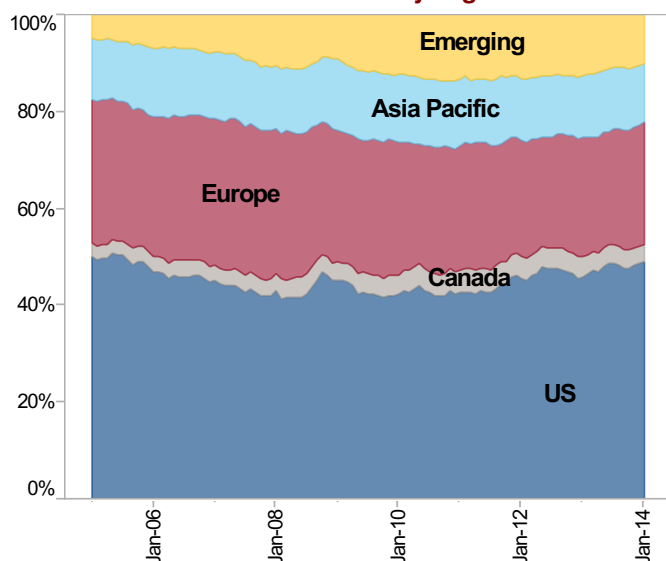
Source: Credit Suisse Trading Strategy, 31 Jan 2014

MSCI EM Index by Sector



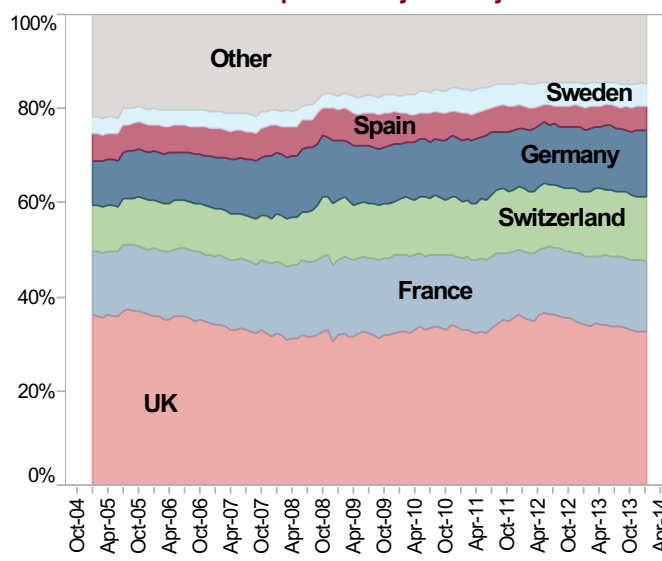
Source: Credit Suisse Trading Strategy, 31 Jan 2014

MSCI AC World Index by Region



Source: Credit Suisse AES® Analysis

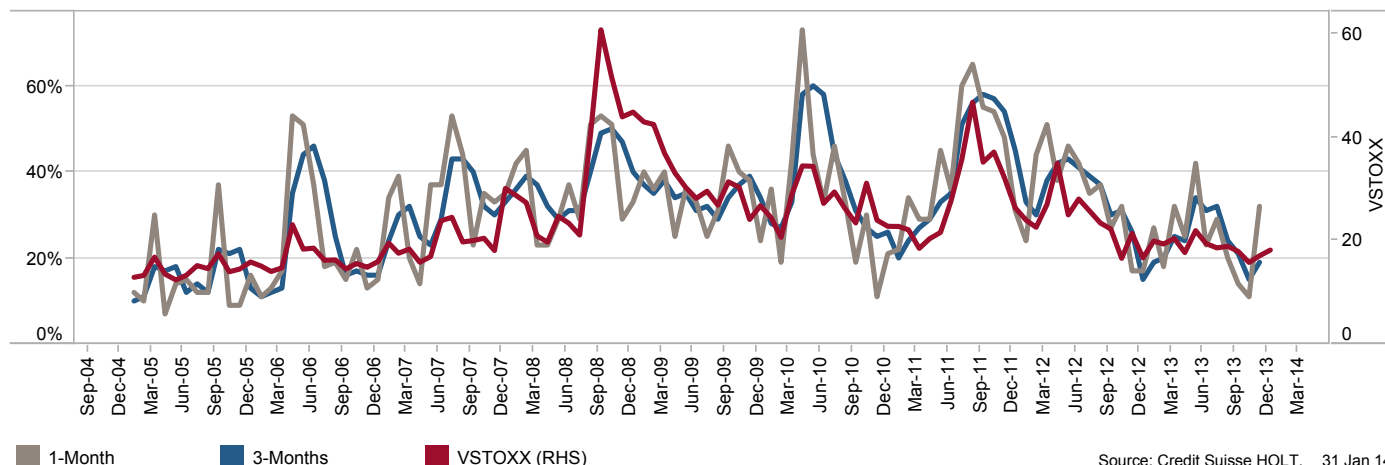
MSCI Europe Index by Country



Source: Credit Suisse AES® Analysis

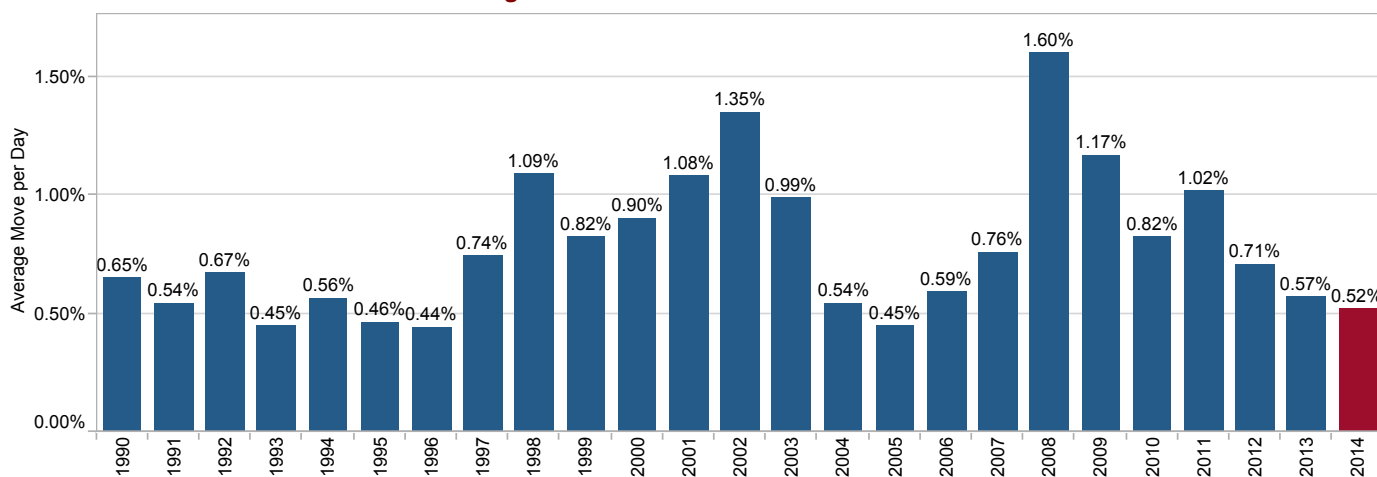
Correlation

Europe Long-Term Realised Correlation Trends



Average Absolute Market Move

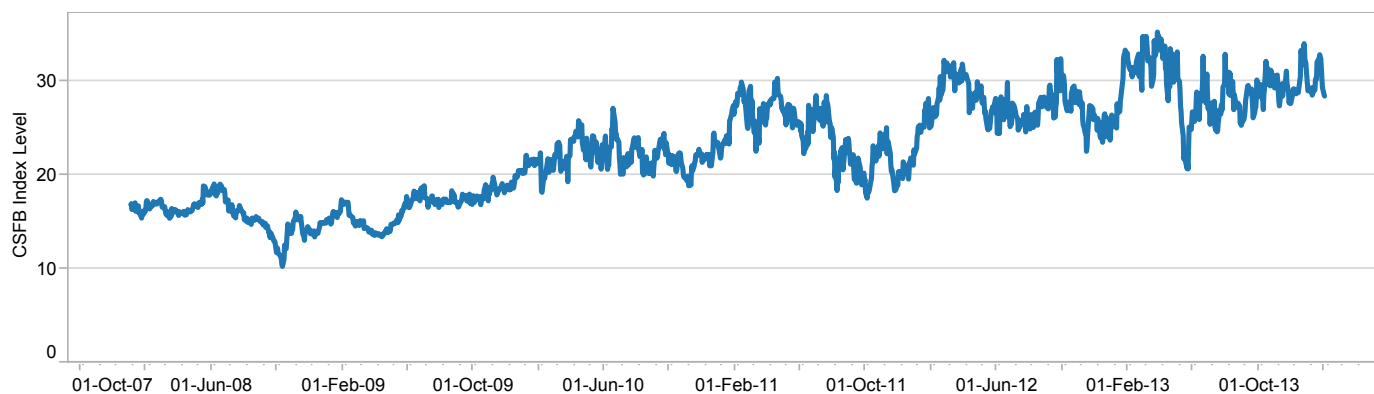
Average Close-to-Close Move for STOXX 600



Fear Barometer

The Credit Suisse Fear Barometer is designed to measure investor fear. It uses an options strategy (zero-cost collar) to measure the willingness of investors to secure downside protection in exchange for giving up upside returns.

Credit Suisse Fear Barometer



<p>Mark Buchanan +44 207 888 0908</p> <p>Liesbeth Baudewyn +44 207 888 7988</p> <p>Jonathan Tse +44 207 888 2677</p> <p>Drew Vincent +44 207 888 4418</p> <p>Xiang Lin +44 207 888 0974</p>	<p>AES® The Standard in Algorithmic Trading</p>
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