

CEPR-Imperial-Plato Inaugural Market Innovator (MI3) Conference

Evolving Market Structure in Europe and Beyond

29 June 2017

Conference Overview

The inaugural Plato Partnership MI3 academic conference, *Evolving Market Structure in Europe and Beyond*, was held in conjunction with Imperial College London and the Centre for Economic and Policy Research (CEPR).

With over 80 attendees combining a balanced mix of industry practitioners and senior academics from across the globe, the discussions were informative, in-depth and varied. Seven papers, submitted by leading academics in advance of the day, were chosen for discussion by leading industry experts.

This document provides an easily-digestible summary of session 4, led by Plato Partnership Co-Chairs: Moderator: Andrei Kirilenko, Imperial College Business School, Mike Bellaro, Deutsche Asset Management, Nej Djelal, Barclays, Darragh Rossi, UBS.



Plato Partnership – Vision and Initiatives

Keypoints:

- We had a choice to either just sit on the side-lines and do nothing or to and try and shape the future of our industry and the ultimate shape of the market design, and this was one of the driving factors in developing the academic research arm of Plato.
- Our vision was to shape and improve the overall trading environment for end clients.
- As an industry, we have lived through a multitude of structural changes over the last ten years, including the unintended consequences of new legislation, and we believe that MIFID II could be the greatest change to the market since the Big Bang in 1986.
- We have international and global ambitions for Plato Partnership and MI3, and we want to build on our industry's future, and in partnership we felt we could provide a better vision for what we can achieve.
- In large part, the field of market structure and market design is driven by Europe: in the US in particular there are fewer regulations and less availability of data, compared to other country's such as Canada or Sweden where the access to data is much greater.
- In Europe, the direction is such that it could be ahead of the UK or even the UK on market structure and academic research.
- We want to drive MI3 to be the intellectual leader in this field, and we see great opportunities for the future and the way forward.

Key questions:

“Do you see the relationships between equities becoming more like the FX world post MIFID II with systematic internalizers?”

“There are certainly some commonalities, and some business models are changing to reflect that. However, FX is principle based, and while the two worlds are similar they are going in different directions. Plato started in equities, and the people involved have a deep understanding of market structure. Our aspirations are beyond equities, both regionally and in asset classes. We want to see a rethink of strategy driven by market structure and innovation, and we feel there is going to be more of a change to an automated market.”