



REUTERS/Jose Gomez

# Japanese Equity Market after arrowhead

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Exchange Traded Instruments, Japan

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19 Apr 2010



THOMSON REUTERS

## Introduction

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- arrowhead has changed Japanese equity market from execution side.
- Due to the execution speed is much improved, We are aware that
  - # of trades (ticks) increased.
  - Trade size (per trade) is getting smaller.
- &
  - Electronic trading is becoming more applicable

# How we can capture the fast moving market ?

- Thomson Reuters approach is....

We have real-time tick data  
from  
**ALL OVER THE WORLD**



Transaction Cost Analysis

Client's trade result



Global Transaction Cost Analysis

Market Analysis



Equity Market Share Reporter



EMSR Market Performance

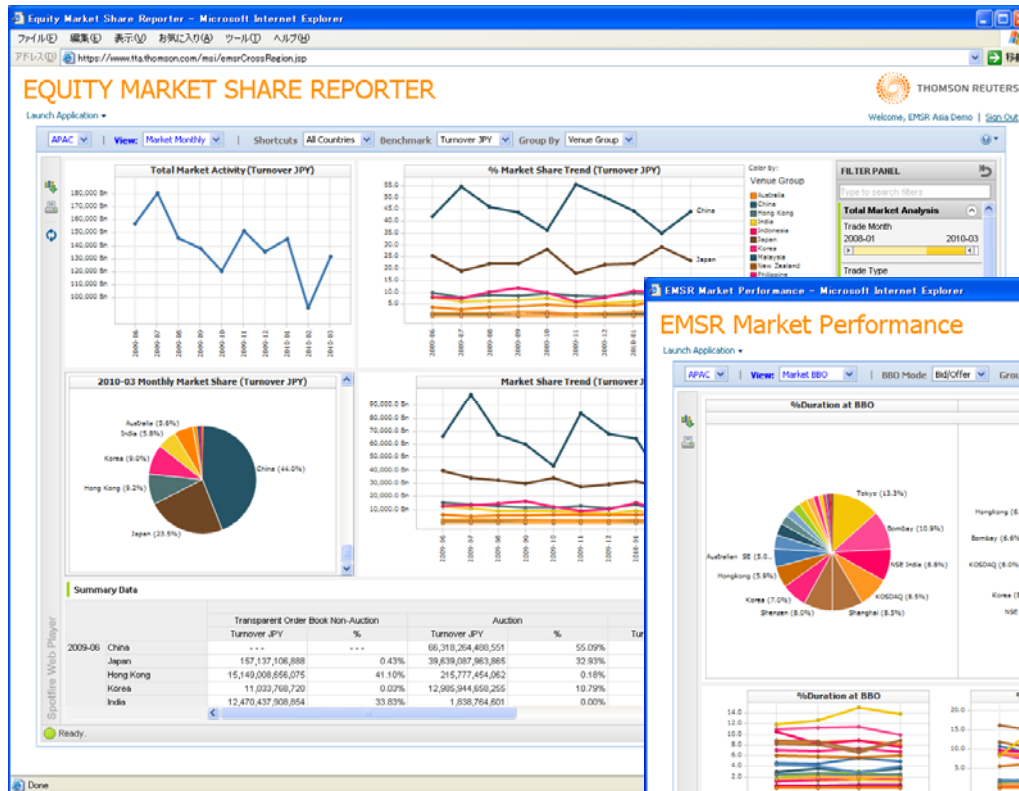


# EMSR / EMSR Market Performance

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- EMSR
  - Share analysis per Turnover in multiple ccy, Volume or Trade count
  - per Country, Market, Index, instrument
  - Monthly, Daily
  - Graph & actual number
- EMSR Market Performance
  - Share analysis per BBO (Best Bid/Offer), Bid only, Offer (Ask) only
  - Spread analysis e.g. VWAS (Volume Weighted Average Spread)
  - per Country, Market, Index, instrument
  - Monthly, Daily

# EMSR (Equity Market Share Reporter) & EMSR Market Performance



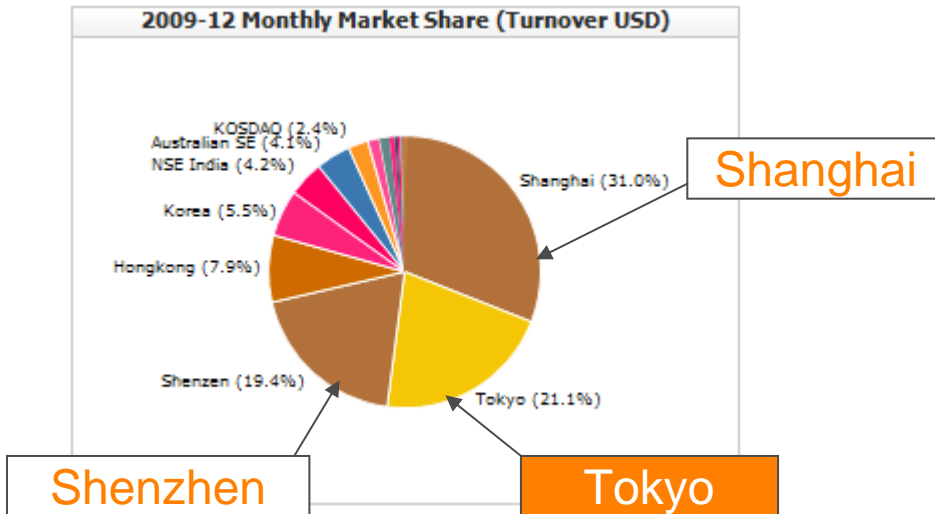


# Market share, Asian exchanges

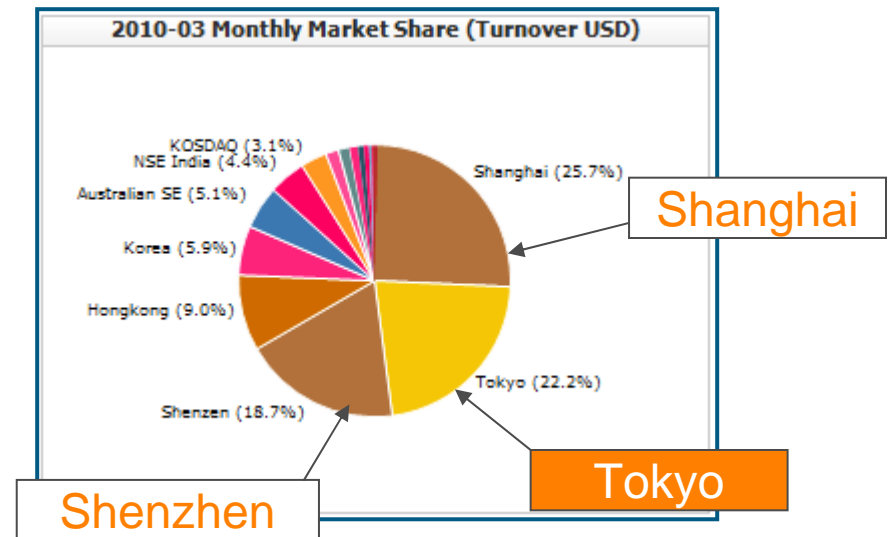


# Market share, Asian exchanges - Turnover

Dec 2009

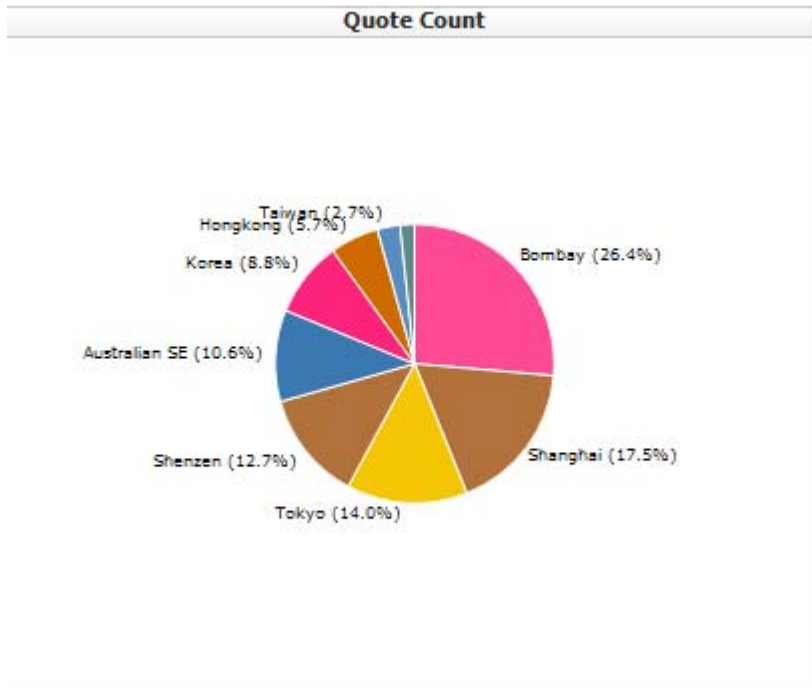


Mar 2010

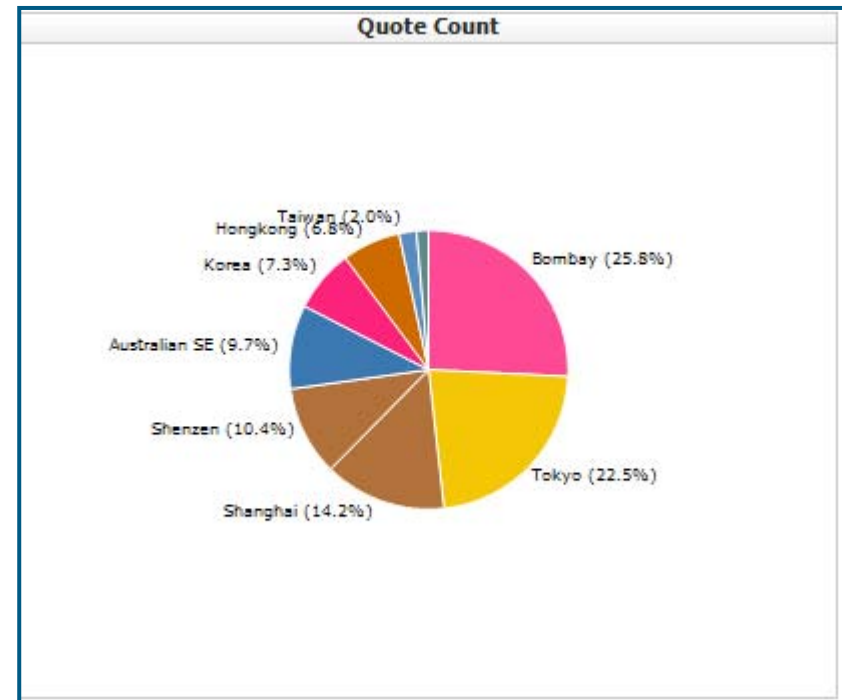


# Market share, Asian exchanges - Quote count

Dec 2009



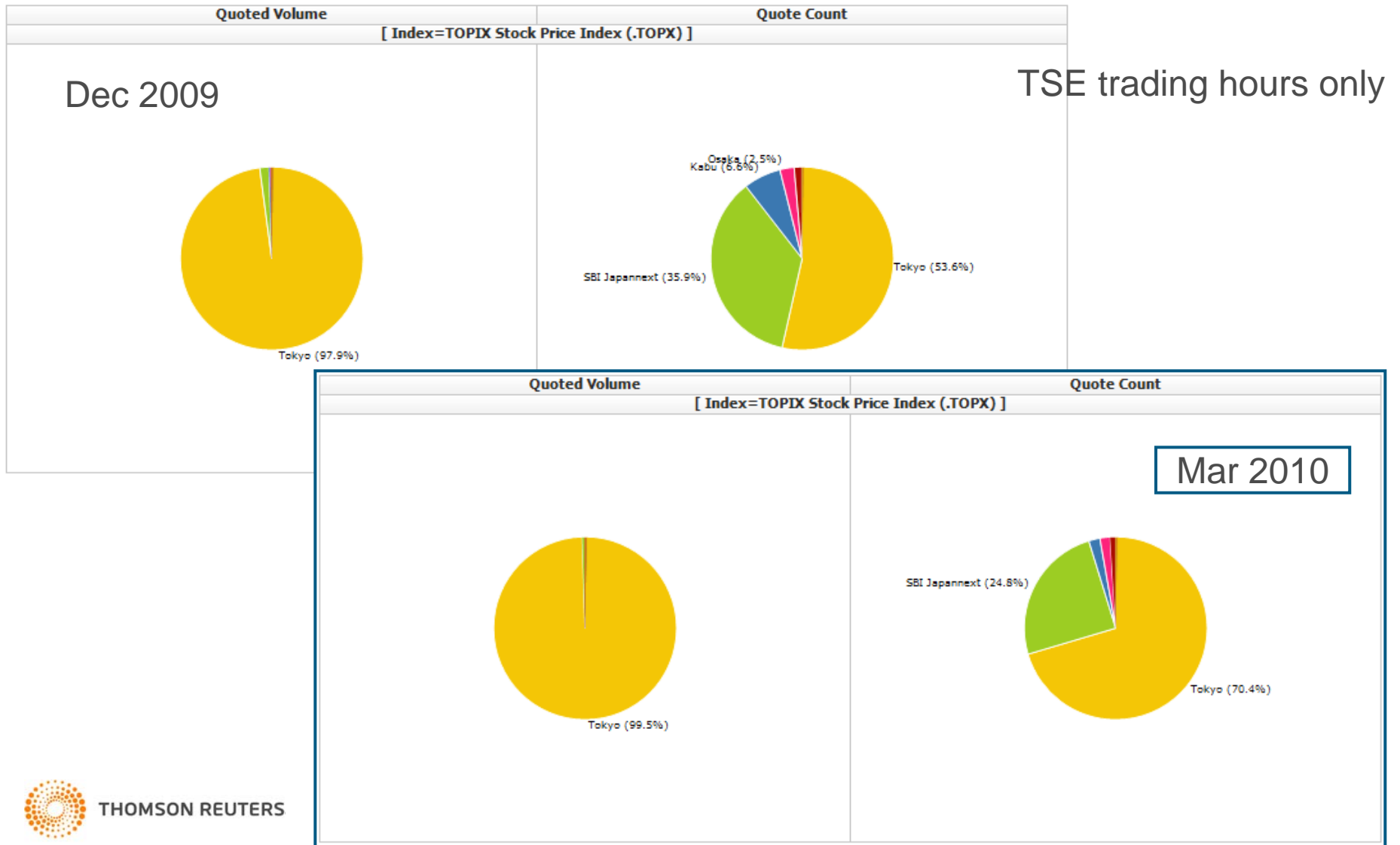
Mar 2010





# Market share, Japan

# Volume & Quote count - TOPIX



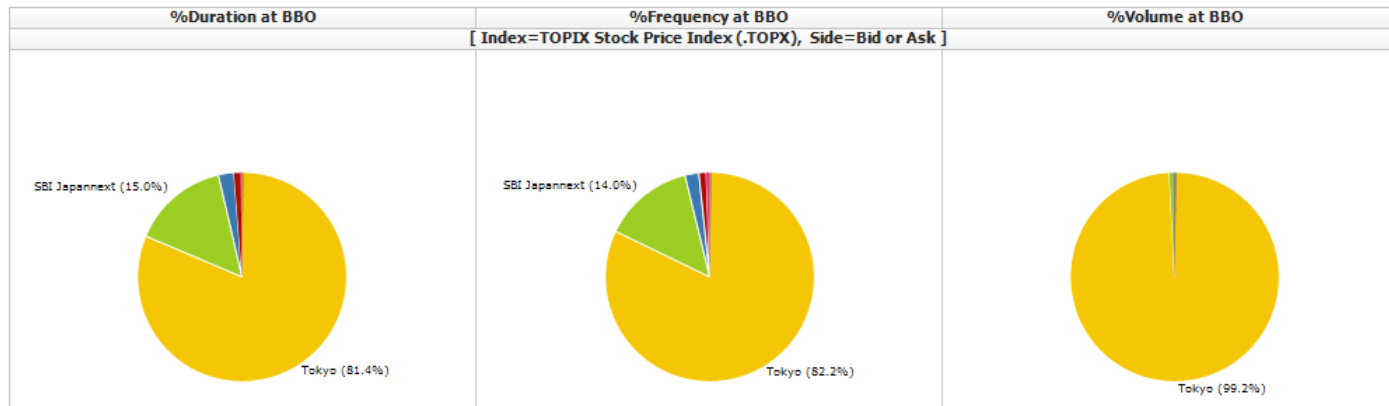


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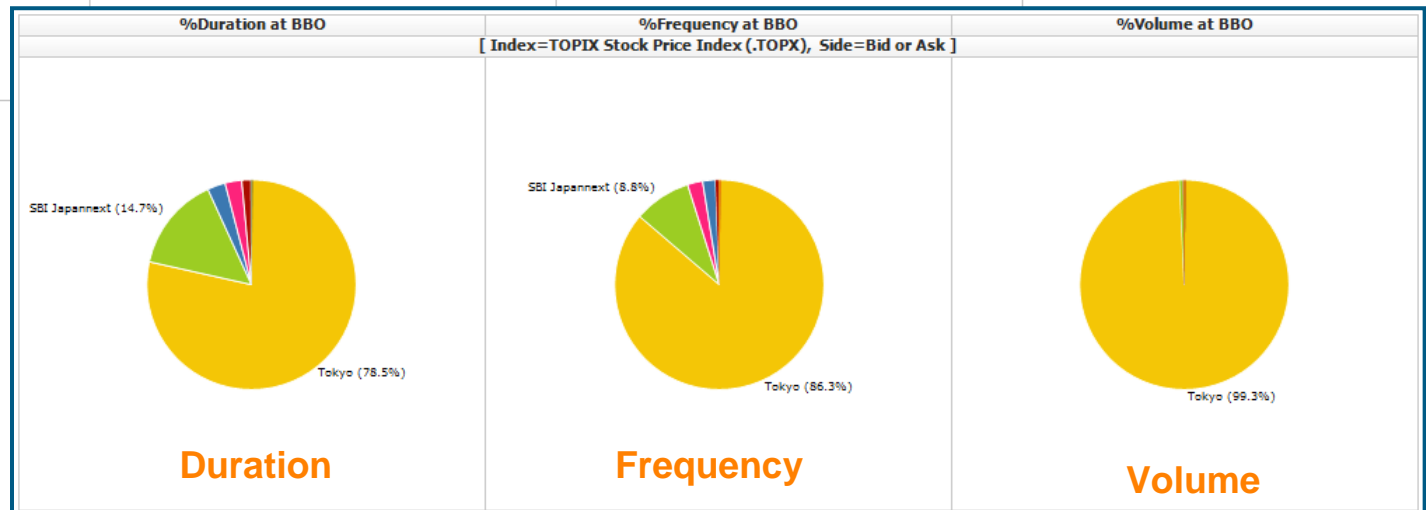
# Market share, BBO & Volume Japanese trading venues

# BBO & Volume share - TOPIX

Dec 2009

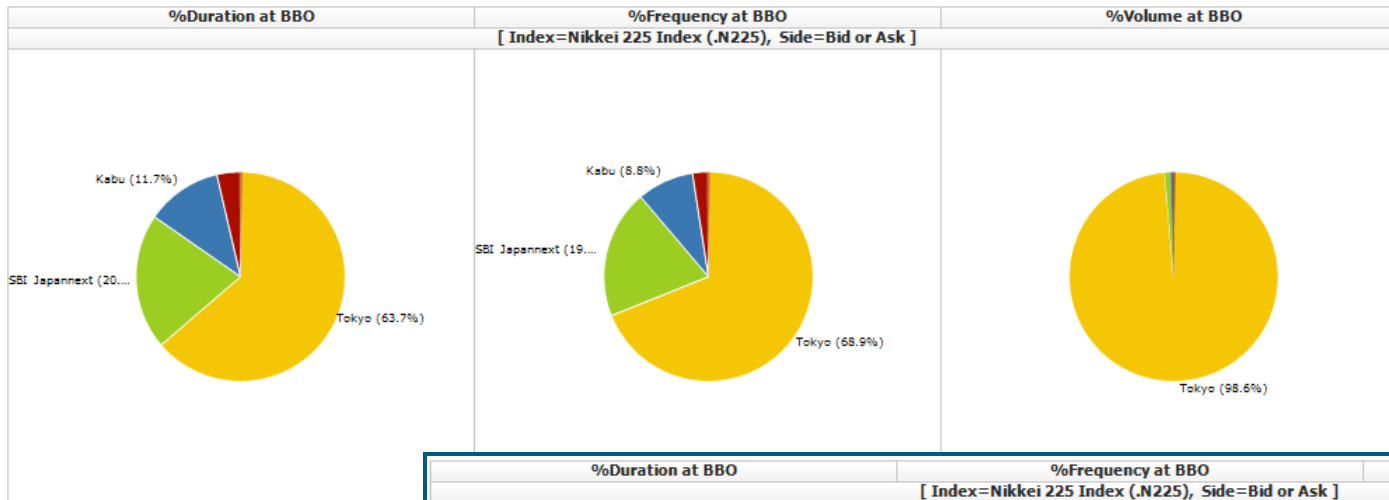


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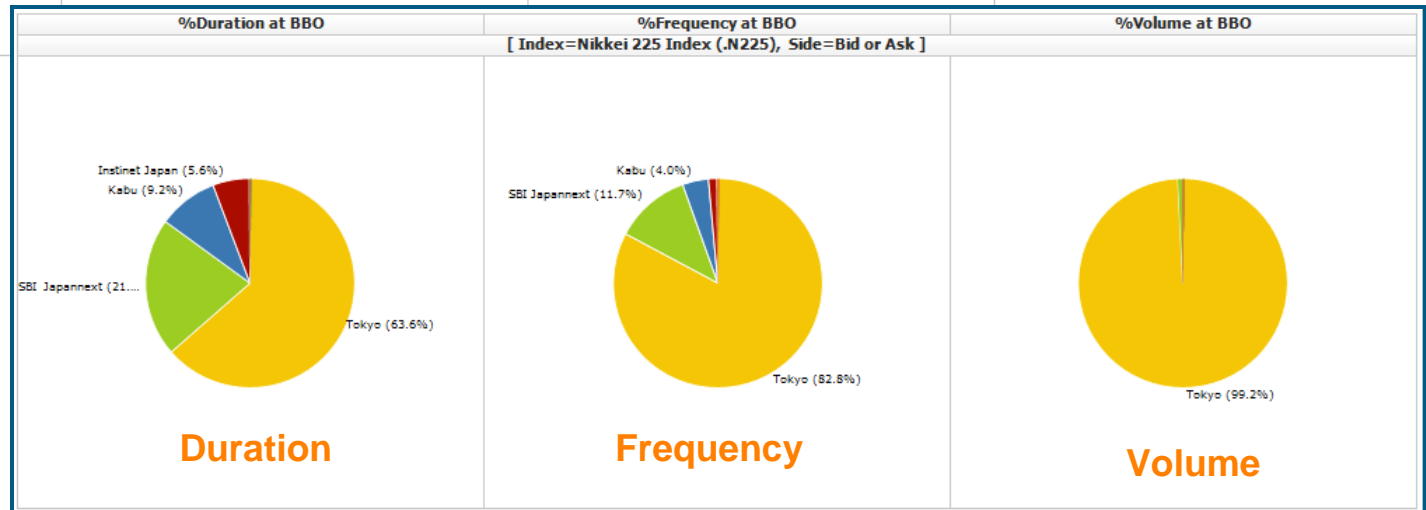


# BBO & Volume share - Nikkei 225

Dec 2009



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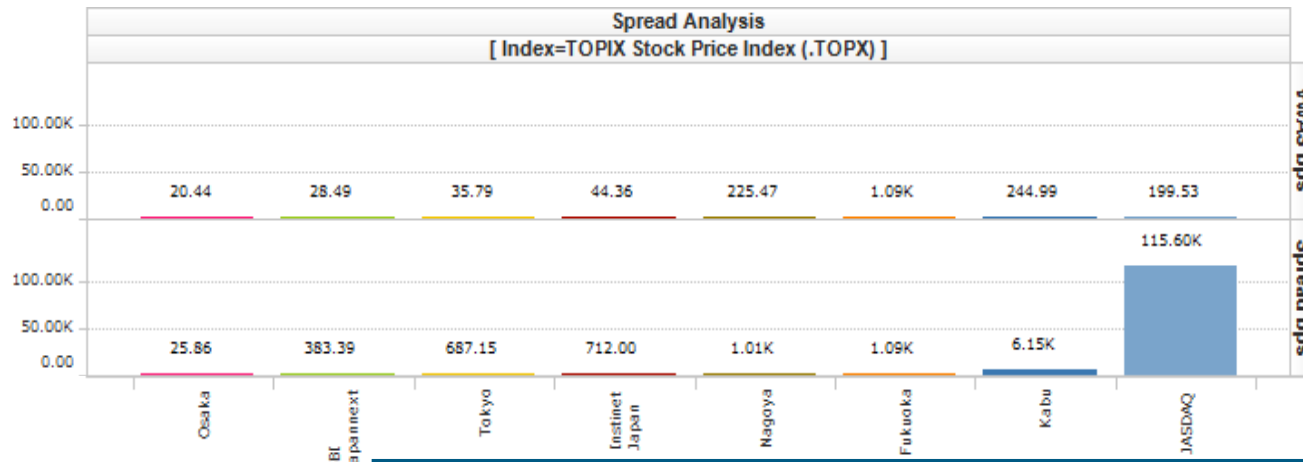


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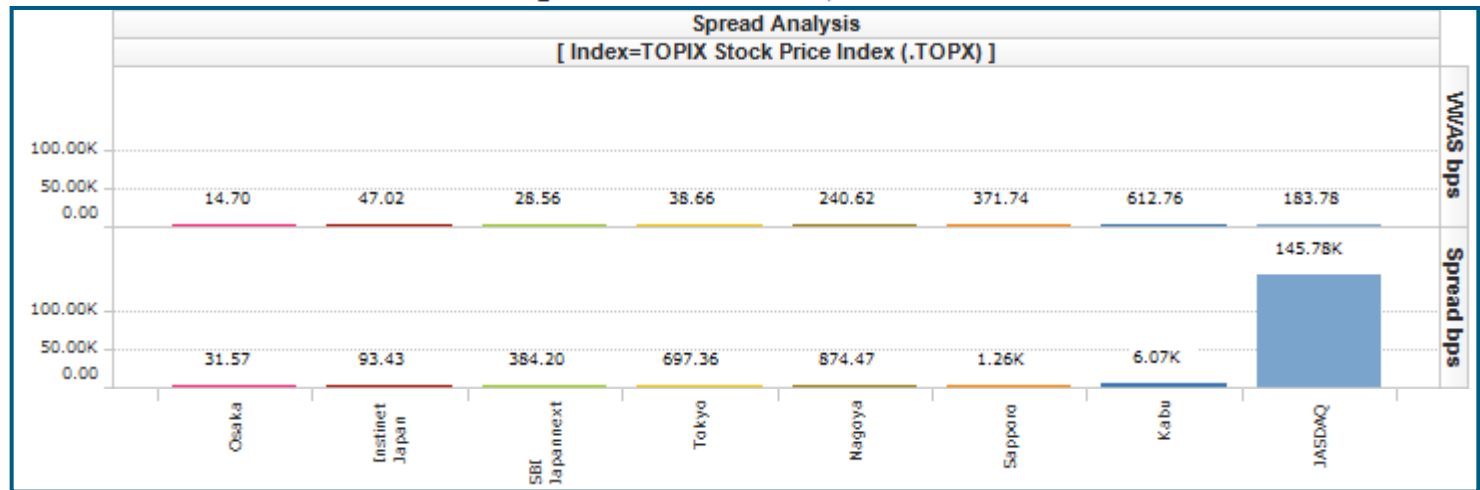
# Spread, Japanese trading venues

# Spread - TOPIX all venues

Dec 2009



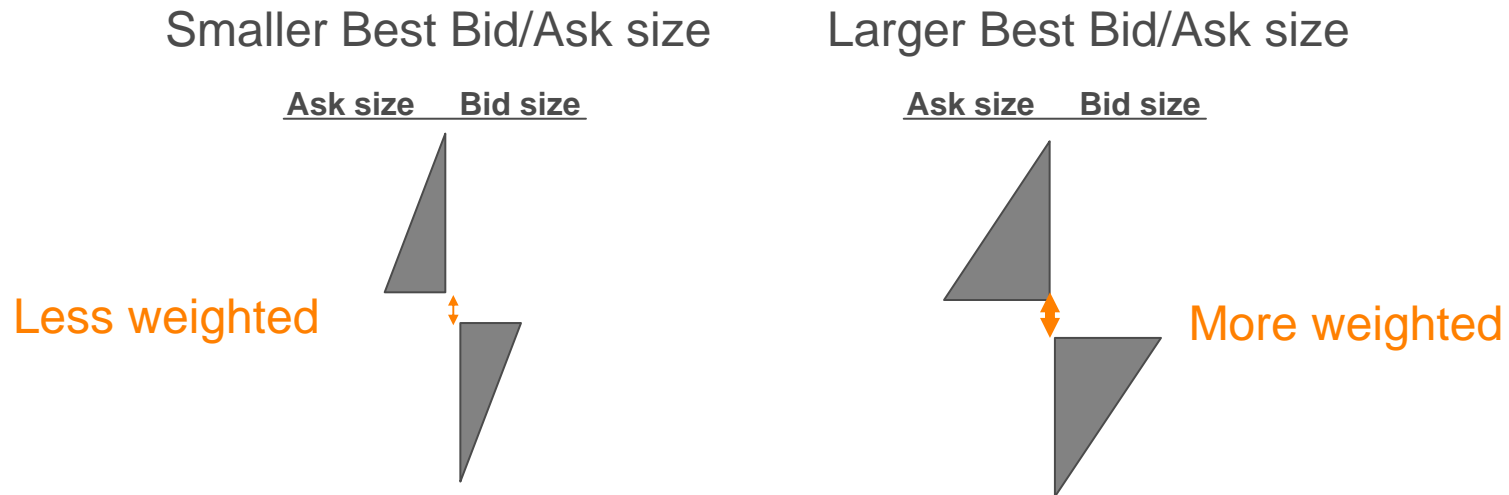
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## Spread : definition

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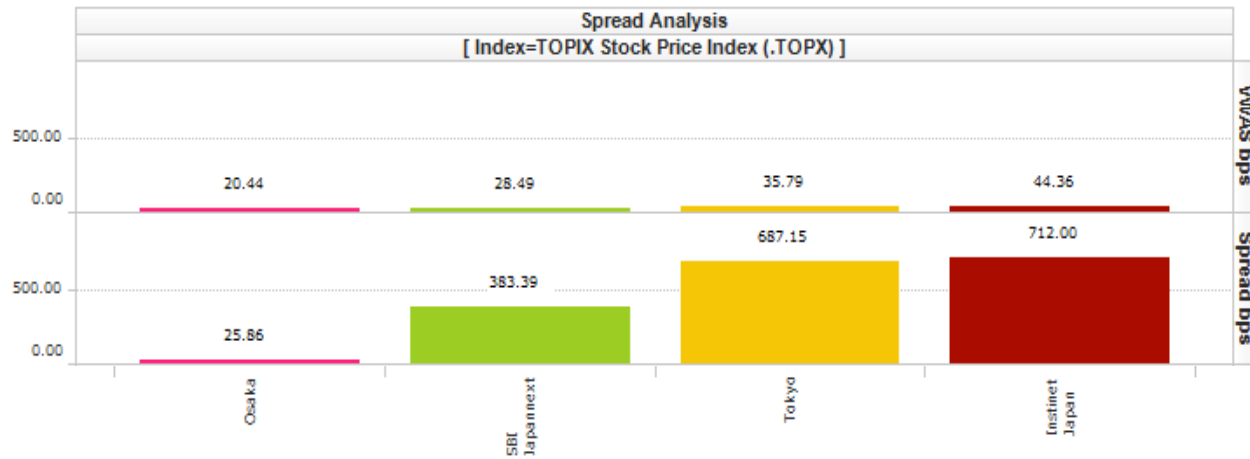
- VWAS (Volume Weighted Average Spread)
  - Spread of Bid/Ask size weighted



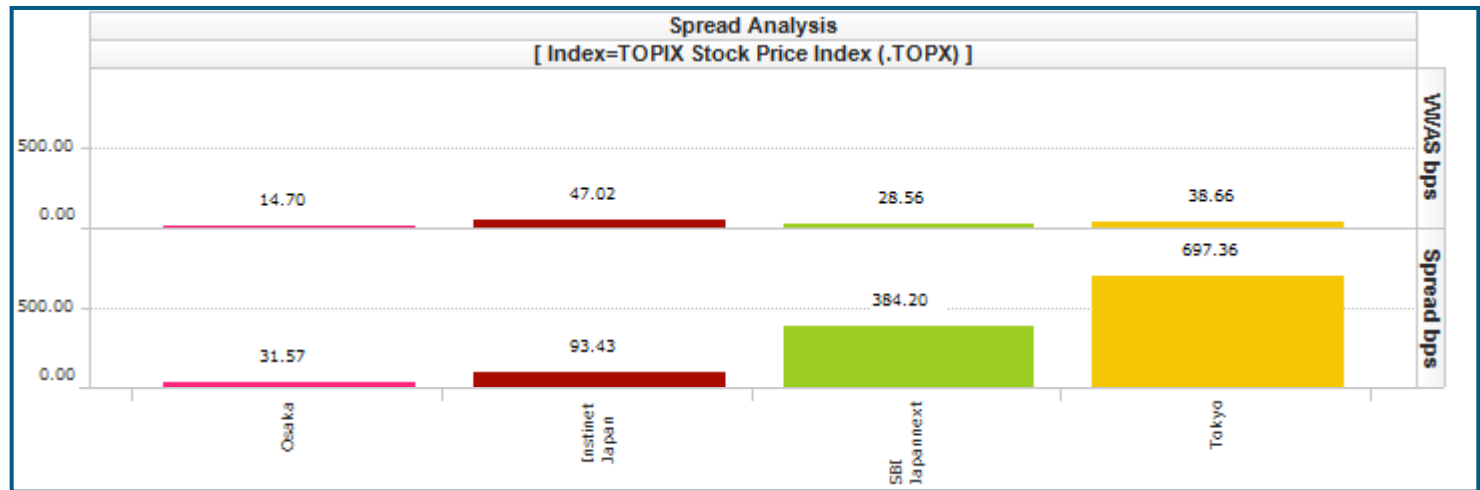
- Spread
  - Average spread of Best Bid & Ask

# Spread - TOPIX

Dec 2009

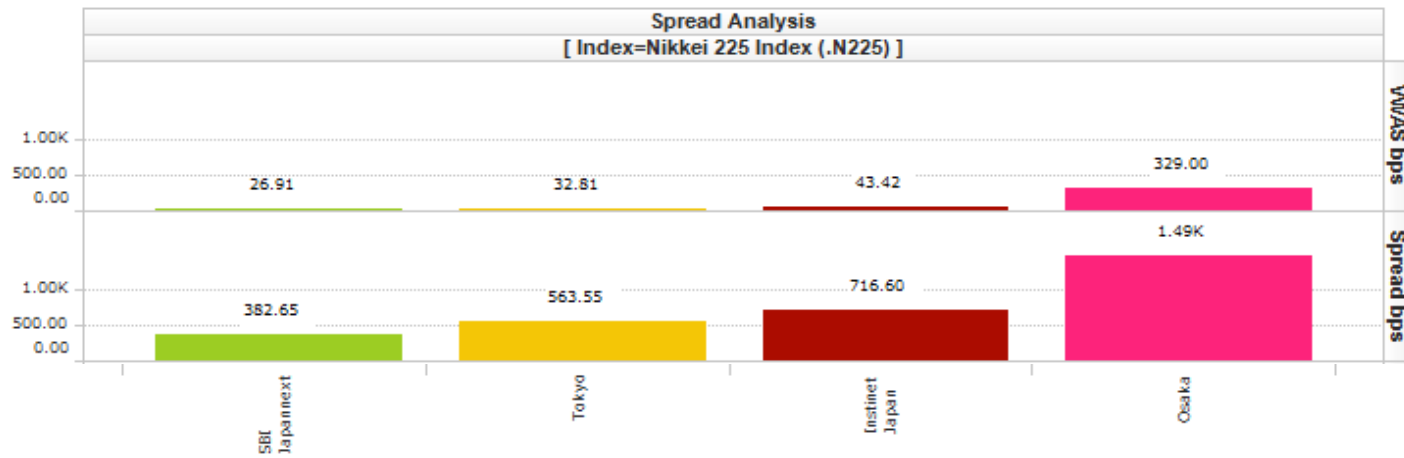


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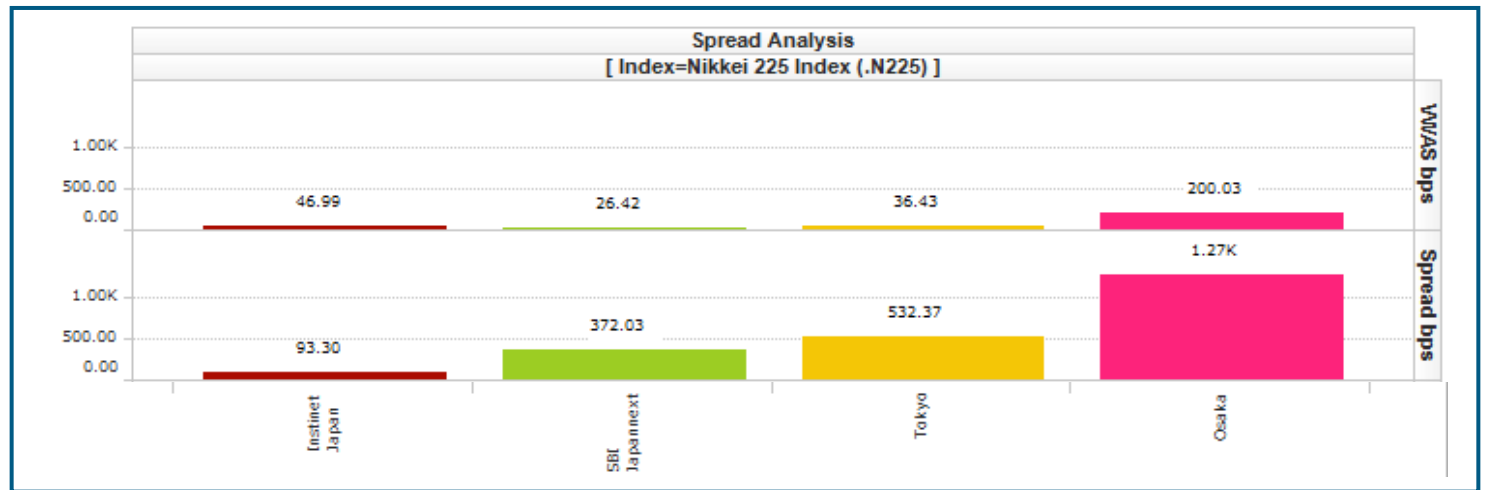


# Spread - Nikkei 225

Dec 2009



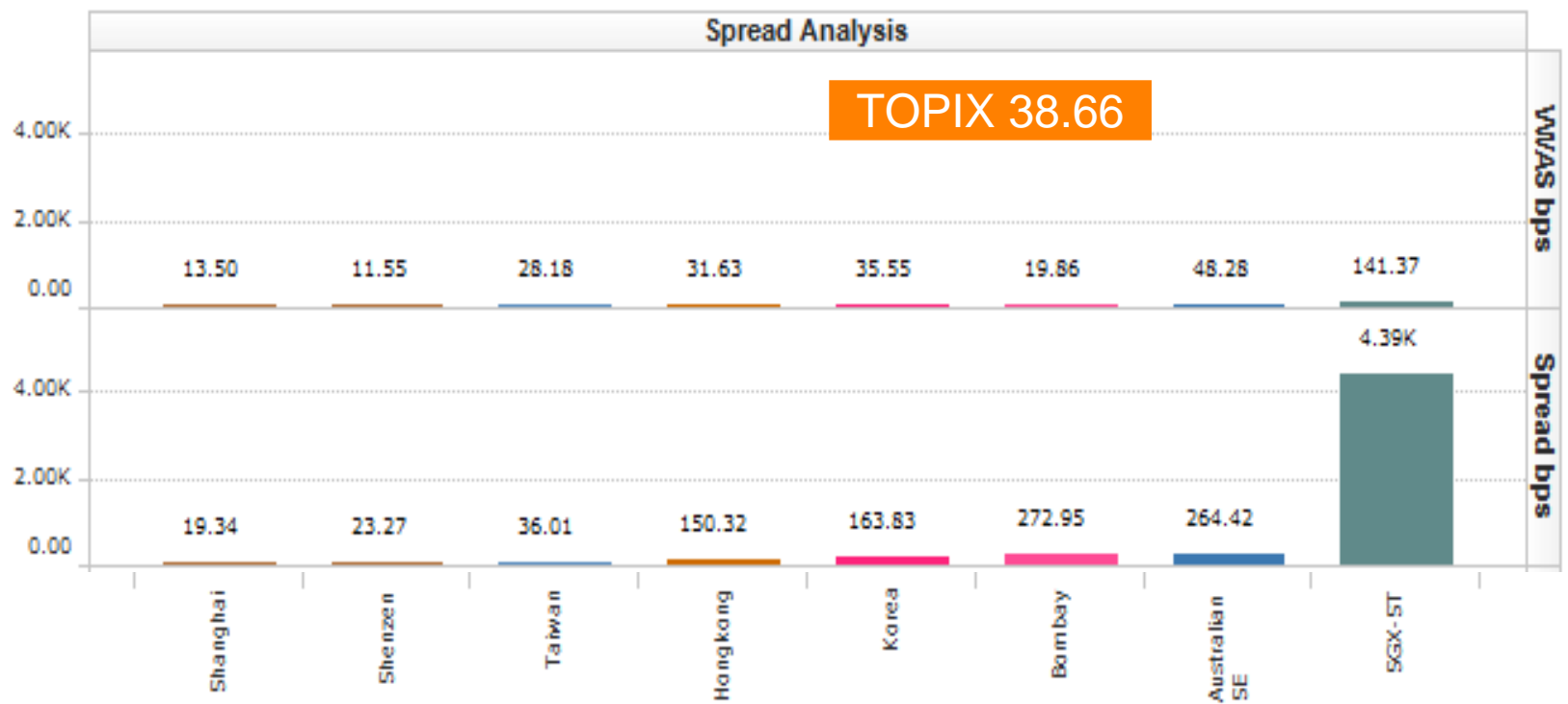
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# Fyi...Spread, Asian exchanges

# Spread, Asian venues



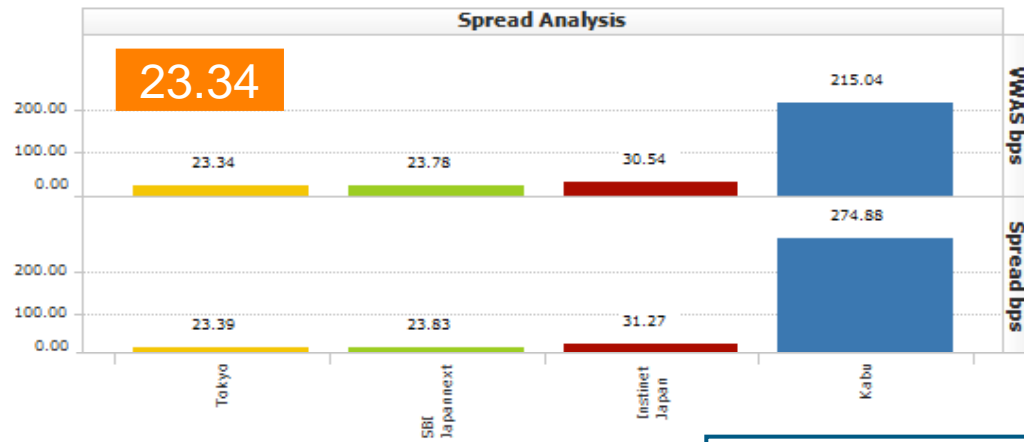


# Softbank

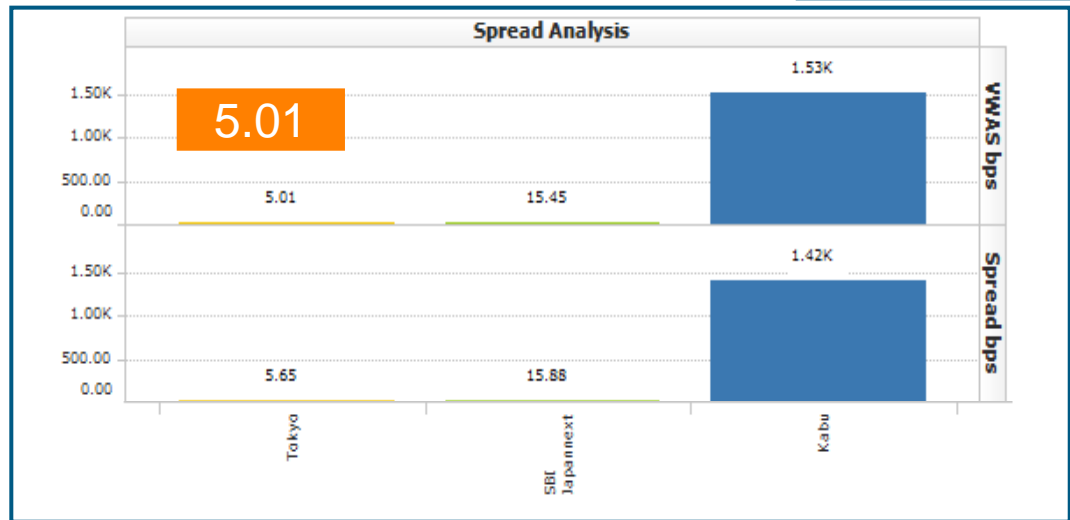


# Spread - Softbank (TSE tick size 5 → 1)

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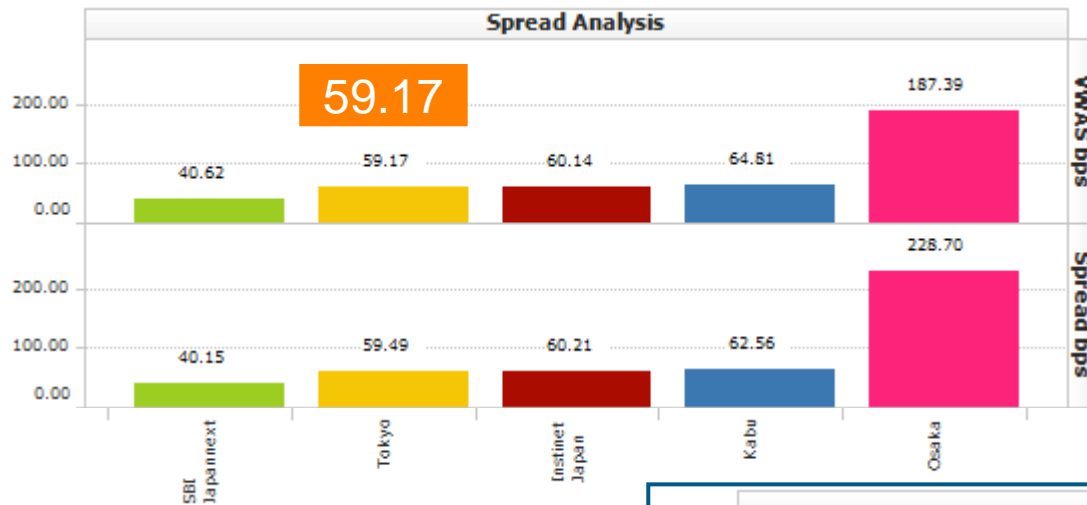


# Mizuho FG

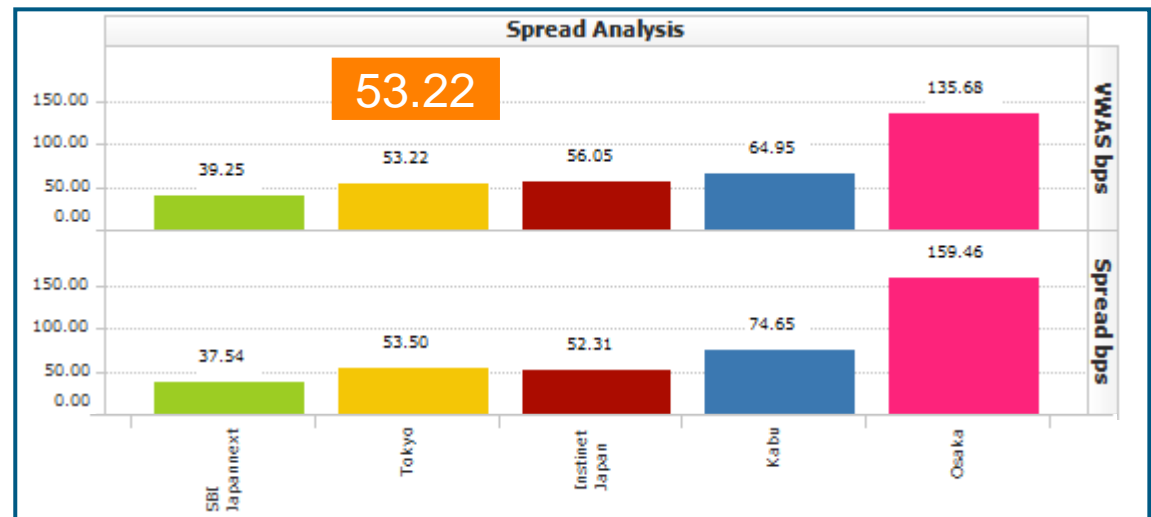


# Spread - Mizuho FG (TSE tick size 1)

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## Points

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- As TSE quote update frequency increased, TSE quote count share also increased.
- BBO duration is not changed significantly.
- New smaller tick size brought narrower spread.
- Due to the price range is relatively higher than other regions, spread is still wider.





Thank you



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