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LYXOR INTERMEDIATION'S EXECUTION VENUES AND QUALITY OF EXECUTION ANNUAL REPORT FOR YEAR 2018 PROFESSIONAL CLIENTS

In application of Commission Delegated Regulation 2017/576 supplementing Directive 2014/65/EU, LYXOR INTERMEDIATION prepared the annual report on the execution venues and the quality of execution applicable to year 2018

The report is split between all financial instruments executed during the year 2018 (for avoidance of any doubt, any missing instrument means that no trade had been made on it during the year under review). It comprises a quantitative analysis summarized in the tables below (traded volumes per venue and number of orders executed on them).

In application of LYXOR INTERMEDIATION's best selection and best execution policy (available on the site www.lyxor.com), the explanation of the criteria retained in the selection process of the venues for each financial instrument are summarized in the cell below each table.

1. EQUITIES – SHARES & DEPOSITORIES RECEIPTS – TICK SIZE LIQUIDITY BANDS 5 AND 6 (FROM 2 000 TRADES PER DAY)

LYXOR INTERMEDIATION is not a member of any venue or market place. The orders on equities are thus transmitted to brokers (Reception and Transmission of Orders activity) which select the venues on which the orders are executed. LYXOR INTERMEDIATION selects the brokers according to the process described in the low part of the table below.

Equities - Shares & Depository Receipts - Tick size liquidity bands 5 and 6					
Notification if < 1 average trade per business day in the previous year	No				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Société Générale International Ltd (0IKLU6X1B10WK7X42C15)	24%	35%	2%	98%	
Morgan Stanley & Co International (4PQUHN3JPF GFNF3BB653)	16%	4%		100%	
Merrill Lynch International (GGDZP1UYGU9STUHRDP48)	14%	25%	0%	100%	
ICAP Securities Ltd (213800NMEZS3MD2IUP33)	13%	0%	100%		
TFS Securities Ltd (549300WXUYR1CMLDQF25)	12%	0%	100%		
<p>- Société Générale International was selected on the basis of the fees charged, the rapidity of execution, the capacity to execute orders in full and a large range of order sizes. This broker offers the "DMA service which strengthens the safety of the execution process.</p> <p>- Merrill Lynch and Morgan Stanley & Co International were selected on the basis of the level of fees charged and since they provided access to specific markets. The rapidity of execution and the capacity to execute orders in full are other factors used in the selection process.</p> <p>- Sunrise and TFS Securities were selected since they provide access to specific markets. The rapidity of execution and the capacity to execute orders in full are other selection factors.</p>					

2. EQUITIES – SHARES & DEPOSITORIES RECEIPTS – TICK SIZE LIQUIDITY BANDS 3 AND 4 (FROM 80 TO 1 999 TRADES PER DAY)

LYXOR INTERMEDIATION is not a member of any venue or market place. The orders on equities are thus transmitted to brokers (Reception and Transmission of Orders activity) which select the venues on which the orders are executed. LYXOR INTERMEDIATION selects the brokers according to the process described in the low part of the table below.

Equities - Shares & Depository Receipts - Tick size liquidity bands 3 and 4					
Notification if < 1 average trade per business day in the previous year	No				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Merrill Lynch International (GGDZP1UYGU9STUHRDP48)	50%	31%	0%	100%	
Société Générale International Ltd (0IKLU6X1B10WK7X42C15)	20%	28%	0%	100%	
Morgan Stanley & Co International (4PQUHN3JPF GFNF3BB653)	10%	10%		100%	
Citigroup Global Markets Ltd (XKZZ2JZF41MRHTR1V493)	9%	12%		100%	
JP Morgan Securities Llc (ZBUT11V806EZRVWT807)	5%	14%		100%	
<p>- Merrill Lynch was selected on the basis of the level of the fees charged. The rapidity of execution, the capacity to execute orders in full and a large range of order sizes are other factors used in the selection process.</p> <p>- Société Générale International was selected on the basis of the fees charged. The rapidity of execution, the capacity to execute orders in full are other factors used in the selection process. This broker offers the "DMA" service which strengthens safety of the execution process.</p> <p>- Morgan Stanley International, Citigroup Global Markets Ltd and JP Morgan Securities were selected on the basis of the fees charged and for execution of order placed on specific trading strategies. The rapidity of execution the capacity to execute orders in full are other factors used in the selection process.</p>					

3. EQUITIES – SHARES & DEPOSITORIES RECEIPTS – TICK SIZE LIQUIDITY BANDS 1 AND 2 (FROM 0 TO 79 TRADES PER DAY)

LYXOR INTERMEDIATION is not a member of any venue or market place. The orders on equities are thus transmitted to brokers (Reception and Transmission of Orders activity) which select the venues on which the orders are executed. LYXOR INTERMEDIATION selects the brokers according to the process described in the low part of the table below.

Equities - Shares & Depository Receipts - Tick size liquidity bands 1 and 2					
Notification if < 1 average trade per business day in the previous year	No				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Société Générale International Ltd (0IKLU6X1B10WK7X42C15)	47%	18%		100%	
Merrill Lynch International (GGDZP1UYGU9STUHRDP48)	38%	28%		100%	
Citigroup Global Markets Ltd (XKZZ2JZF41MRHTR1V493)	7%	10%		100%	
Morgan Stanley & Co International (4PQUHN3JPFQFNF3BB653)	5%	22%		100%	
Deutsche Bank AG (7LWTFZYICNSX8D621K86)	2%	14%		100%	
<p>- Société Générale International was selected on the basis of the fees charged. The rapidity of execution, the capacity to execute orders in full are other factors used in the selection proces. This broker provides the "DMA" service which threnghens the safety of the execuion process.</p> <p>- Merrill Lynch was selected on the basis of the level of fees charged and since this broker gives access to specific markets. The rapidity of execution, the capacity to execute orders in full are other factors used in the selection process.</p> <p>- Citigroup Global Markets Ltd, Morgan Stanley International and Deutsche Bank were selected on the basis of the level of fees charged. The rapidity of execution and the capacity to execute orders in full are other factors used in the selection process</p>					

4. DEBT INSTRUMENTS – BONDS

Orders on bonds are executed (Execution activity) on venues (MTFs or SIs) or with liquidity providers according to the process described in the low part of the table below.

In 2018, LYXOR INTERMEDIATION increased the share of its execution activity on bonds made on execution platform according to an open architecture model, which allows the execution at the best price available at the time when the order is placed on the platform.

Debt instruments - Bonds					
Notification if < 1 average trade per business day in the previous year	No				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Bloomberg MTF (54930045NV2KFU3GI68)	65%	9%		100%	
Société Générale (O2RNE8IBXP4R0TD8PU41)	34%	90%		100%	
Société Générale International Ltd (0IKLU6X1B10WK7X42C15)	0%	0%		100%	
BCG Brokers Lp (ZWNFQ48RUL8VJZ2AIC12)	0%	0%		100%	
Jane Street Financial Ltd (549300ZHEHX8M31RP142)	0%	1%			100%
<p>- Bloomberg MTF is a leading platform for fixed income trading which is used by a large number of counterparties and thus offers liquidity and allows best execution by way of Rfq. The platform also offers safety in the order execution process by way of electronic exchange of information.</p> <p>- Société Générale International (SI) is used to execute directed or specific orders or orders placed on specific strategies. The platform provides safety and transparency in the execution of orders; the placement of orders is based on a workflow which proved to be robust since it has been used for years. The platform offers the transparency of the market prices which favours best execution. This counterparty is also used for specific order execution, for large notional and its capacity to execute orders in full.</p> <p>- The two last counterparties were used for specific orders.</p>					

5. DEBT INSTRUMENTS – MONEY MARKETS INSTRUMENTS

Orders on Money market Instruments are executed (Execution activity) on venues (MTFs or SIs) according to the process described in the low part of the table below.

In 2018, LYXOR INTERMEDIATION increased the share of its execution activity on bonds made on execution platform according to an open architecture model, which allows the execution at the best price available at the time when the order is placed on the platform.

Debt instruments - Money Market Instruments					
Notification if < 1 average trade per business day in the previous year	No				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Bloomberg MTF (54930045NV2KFU3GI68)	97%	95%		100%	
BCG Brokers Lp (ZWNFQ48RUL8VJZ2AIC12)	2%	3%		100%	
Aurel BGC Sas (5RJTDGZG4559ESIYLD31)	1%	2%		100%	
Néant					
Néant					
<p>- Bloomberg MTF is a leading platform for fixed income trading which is used by a large number of counterparties and thus offers liquidity and allows best execution by way of Rfq. The platform also offers safety in the order execution process by way of electronic exchange of information.</p> <p>- BGC Brokers and Aurel GBC were used since they provide liquidity for specific orders.</p>					

6. INTEREST RATE DERIVATIVES – FUTURES AND OPTIONS ADMITTED ON A TRADING VENUE

LYXOR INTERMEDIATION is not a member of any venue or market place. The orders on future contracts are thus channeled to broker entities (Reception and Transmission of Orders activity) which select the venues on which the orders are executed. LYXOR INTERMEDIATION selects the brokers according to the process described in the low part of the table below.

Interest rates derivatives - Options and Futures admitted to trading on a trading venue					
Notification if < 1 average trade per business day in the previous year	No				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Société Générale International Ltd (0IKLU6X1B10WK7X42C15)	43%	55%		100%	
GFI Securities Ltd (GUNTJCA81C7IHNBGI392)	34%	13%		100%	
Deutsche Bank AG (7LTWFZYICNSX8D621K86)	20%	32%		100%	
JP Morgan Securities Llc (ZBUT11V806EZRVTWT807)	3%	0%		100%	
Néant					
<p>- Société Générale International and Deutsche Bank were selected on the basis of the DMA services they provide, which strengthens the safety of the order execution process. The rapidity of execution together with the low level of fees are two other selection factors.</p> <p>- GFI Securities is used mainly because this entity offers specific trading facilities and on the basis of the level of fees charged.</p> <p>- JP Morgan Securities was used for the capacity to execute specific orders.</p>					

7. CURRENCY DERIVATIVES – FUTURES AND OPTIONS ADMITTED ON A TRADING VENUE

LYXOR INTERMEDIATION is not a member of any venue or market place. The orders on future contracts are thus transmitted to broker entities (Reception and Transmission of Orders activity) which select the venues on which the orders are executed. LYXOR INTERMEDIATION selects the brokers according to the process described in the low part of the table below.

Currency derivatives - Options and Futures admitted to trading on a trading venue					
Notification if < 1 average trade per business day in the previous year	No				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Société Générale International Ltd (0IKLU6X1B10WK7X42C15)	83%	55%		100%	
Deutsche Bank AG (7LTWFZYICNSX8D621K86)	17%	45%		100%	
Néant					
Néant					
Néant					
- Société Générale International and Deutsche Bank are selected on the basis of the DMA services they provide, which threnghens the safety of the order execution process. The rapidity of execution together with the low level of fees are two other selection factors.					

8. CURRENCY DERIVATIVES – SWAPS, FORWARDS AND OTHER CURRENCY DERIVATIVES

Orders on not listed currency derivatives are executed (Execution activity) on venues (MTFs or SIs) according to the process described in the low part of the table below.

Currency derivatives - Swaps, Forwards and other currency derivatives					
Notification if < 1 average trade per business day in the previous year	No				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Société Générale (O2RNE8IBXP4R0TD8PU41)	66%	51%			100%
Thomson Reuters - FxAll MTF (549300561UZND4C7B569)	34%	49%		54%	46%
Bloomberg MTF (54930045NV2KFU3GI68)	0%	0%		100%	
Néant					
Néant					
<p>- Société Générale (SI) is used to execute directed orders and orders placed on target Fx fixing points. The platform provides safety and transparency in the execution of orders; the placement of orders is based on a workflow which proved to be robust since it has been used for years. The platform offers the transparency of the market prices which favours best execution.</p> <p>- Thomson Reuters - Fxall MTF was selected as it offers safety in the execution of orders by way of electronic exchange of information. The platform is used to execute directed orders and offers transparency of prices which favours best execution.</p> <p>- Bloomberg MTF is used for placed directed by specific funds. The platform provides safety in the execution of orders by way of electronic exchange of information.</p>					

9. EQUITY DERIVATIVES – FUTURES AND OPTIONS ADMITTED ON A TRADING VENUE

LYXOR INTERMEDIATION is not a member of any venue or market place. The orders on future contracts are thus transmitted to broker entities (Reception and Transmission of Orders activity) which select the venues on which the orders are executed. LYXOR INTERMEDIATION selects the brokers according to the process described in the low part of the table below.

Equity derivatives - Options and Futures admitted to trading on a trading venue					
Notification if < 1 average trade per business day in the previous year	No				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Société Générale International Ltd (0IKLU6X1B10WK7X42C15)	35%	44%		100%	
Deutsche Bank AG (7LTFWZYICNSX8D621K86)	24%	43%		100%	
TFS Derivatives Ltd (549300WXUYR1CMLDQF25)	16%	1%	98%	2%	
Sunrise Brokers Llp (549300HFHGOLW672FG74)	12%	0%	100%		
GFI Securities Ltd (GUNTJCA81C7IHNBGI392)	7%	11%		100%	
<p>- Société Générale International and Deutsche Bank were selected on the basis of the DMA services they propose, which strengthens the safety of the order placement process. The rapidity of execution together with the low level of fees are two other selection factors.</p> <p>- GFI Securities was used mainly because this entity offers specific trading facilities and low level of fees.</p> <p>- TFS Derivatives and Sunrise had been selected for their capacity to execute specific orders and large size orders.</p>					

10. EQUITY DERIVATIVES – SWAPS, FORWARDS AND OTHER CURRENCY DERIVATIVES

Orders on not listed equity derivatives are executed (Execution activity) on a venue (SI) according to the process described in the low part of the table below.

Equity Derivatives (Swaps and other equity derivatives)					
Notification if < 1 average trade per business day in the previous year	yes				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Société Générale (O2RNE8IBXP4R0TD8PU41)	100%	100%		100%	
Néant					
Néant					
Néant					
Néant					
The counterparty was used to execute orders placed on specific strategies with previously negotiated costs.					

11. COMMODITIES DERIVATIVES AND EMISSION ALLOWANCES DERIVATIVES – FUTURES AND OPTIONS ADMITTED ON A TRADING VENUE

LYXOR INTERMEDIATION is not a member of any venue or market place. The orders on future contracts are thus transmitted to broker entities (Reception and Transmission of Orders activity) which select the venues on which the orders are executed. LYXOR INTERMEDIATION selects the brokers according to the process described in the low part of the table below.

Commodities derivatives - Options and Futures admitted to trading on a trading venue					
Notification if < 1 average trade per business day in the previous year	No				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Société Générale International Ltd (0IKLU6X1B10WK7X42C15)	70%	48%		100%	
Deutsche Bank AG (7LTFZYICNSX8D621K86)	20%	47%		100%	
GFI Securities Ltd (GUNTJCA81C7IHNBGI392)	10%	5%		100%	
Néant					
Néant					
<p>- Société Générale International and Deutsche Bank were selected on the basis of the DMA services they propose, which strengthens the safety of the order placement process. The rapidity of execution together with the low level of fees are two other selection factors.</p> <p>- GFI Securities was selected mainly because this entity offers specific trading facilities and on the basis of the level of fees charged.</p>					

12. EXCHANGE TRADED PRODUCTS

Orders received on ETFs are executed by way of two different channels according to the type or the size of the orders: LYXOR INTERMEDIATION executes the order directly on venues mostly when the size or the liquidity observed on the market are large (see the first table below for details). Otherwise, LYXOR INTERMEDIATION transmits the order to brokers or liquidity providers mainly when the orders are to be executed on specific target fixing point or when the size of the order is small (see the second table below for details).

In 2018, LYXOR INTERMEDIATION increased the share of its execution activity on exchange traded products made on execution platform according to an open architecture model, which allows the execution at the best price available at the time when the order is placed on the platform.

Exchange Traded Products					
Notification if < 1 average trade per business day in the previous year	No				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Tradeweb MTF (549000G5QHJUY9ZWQ91)	74%	50%		100%	
Société Générale International Ltd (0IKLU6X1B10WK7X42C15)	20%	48%	0%	100%	
Flow Traders Bv (549300CLJI9XDH12XV51)	2%	1%		100%	
Jane Street Financial Ltd (549300ZHEHX8M31RP142)	2%	0%		100%	
Optiver Vof (7245009KRY SAYB2QCC29)	0%	0%		100%	
<p>- Tradeweb MTF offers safety in the execution of orders in an open architecture model and transparency in the market prices. The platform is also used by a large number of liquidity providers for orders executed via the Rfq process. The Rfq process is an important factor in the best execution process.</p> <p>- The other counterparties or liquidity providers were selected for the liquidity provided, the capacity to execute rapidly and in full, large size orders and to trade with negotiated fees. Settlement quality is another selection factor.</p>					