

Analysis EuroTLX - December 2011

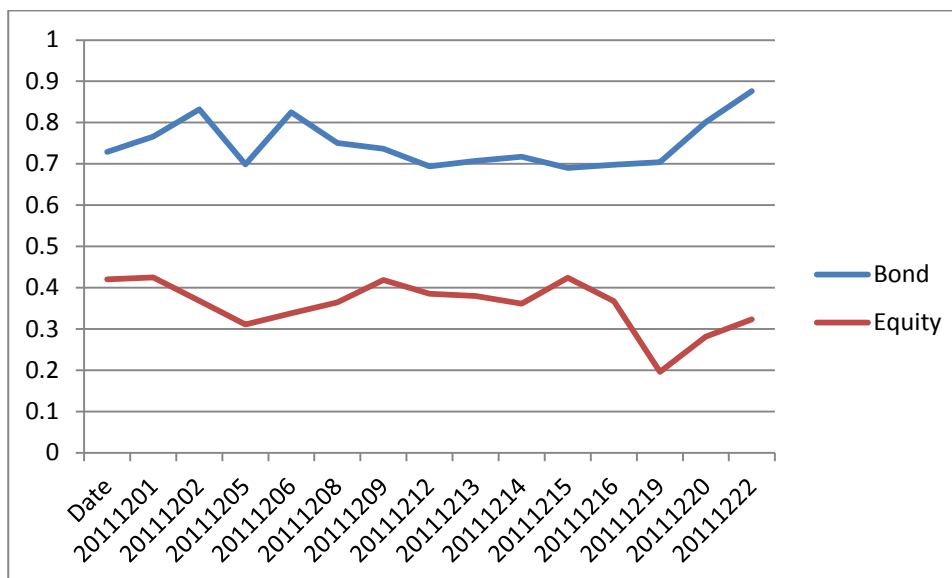
The paper reports the results of a comparative analysis of the quality of the prices of traded instruments simultaneously EuroTLX markets and competitors.

The indicators used in the analysis are calculated with a series of algorithms developed by EuroTLX (Market Performance Index), properly parameterized in order to enhance the performance of EuroTLX markets than the markets of comparison, in line with what is expected from the logic of Best Execution introduced by MiFID.

The MPI bond for the month of December 2011 amounted to **71.75%**, this means that in **71.75%** of the survey period, the difference between the prices recorded in the purchase and sale on the market EuroTLX was better than or equal to that of the markets comparison.

December 2011	MPI Spread	MPI One Side BID	MPI One Side ASK
Bonds	71.75%	76.64%	63.98%
Equity	36.86%	40.15%	40.96%

Daily distribution of the MPI





Calculation Methodology

MPI – Spread

The MPI is a synthetic indicator of the quality of price and gives the percentage of surveys in which the performance of the market EuroTLX, calculated as the difference between bid and ask price, it is better or equal to that of the markets for comparison.

For each survey conducted during the day with the procedures set out in paragraph "Basis of sampling", is calculated for each instrument, an average spread $s(K)$ prices available on the first 5 levels of books in order to satisfy the amount of reference K . If the quantity K is not met, the survey is classified as an "empty book."

For each survey we compare the average spread between the markets monitored and recorded the count of cases in which the spread is better expressed by EuroTLX or equal to the market.

In the event that one of the two markets to occur, a "empty book," The performance of this market is increasingly seen as worse than that of the market if it can express a spread.

The MPI is finally constructed and the frequency of surveys in which the spread is better expressed by EuroTLX or equal to the market for comparison.

This indicator gives the percentage of times that the choice of EuroTLX has been run successfully in the marketplace of comparison, in a logic of "Best Execution".

MPI One Side - BID / ASK

The indicator is designed to replicate the single side of the book on MPI (MPI One Side), and then provides a reading of the efficiency of the market in terms of spread but in terms of average price weighted rather than BID ASK.

At each sampling, for each market and for both sides of the book is simulated for an amount K and the weighted average price calculated respectively (PMP) in the Bid and Ask. The indicator MPI One Side is the rate at which the weighted average price of the TLX is expressed as better or equal to that expressed by the market comparison.

Basis of sampling

The sampling rate is 125 measurements per day per instrument. For each financial instrument, therefore, are made during the trading day price of 125 snapshots available for purchase and sale transactions in the equivalent conventionally established.

The policy requires each sampling survey is carried out within intervals linearly distributed randomly throughout the trading day.

The surveys are carried out during the trading hours for which the single market and EuroTLX comparison can be found simultaneously in the continuous trading phase

Quantity Conventional (K)

The buying and selling prices for the calculation of performance are available for face value conventionally established operations in the measurement representing the order made by a private investor. The following table details the counter-values used for each type of instrument.

	equivalent in €
Italian government bonds	50.000
European government bonds	50.000
Sovereign	30.000
Supranational	30.000
Corporate and Banking Bonds	30.000
Equity	5.000



Market Comparison

The following table shows the comparison of selected markets for each type of instrument.

	Market Comparison
Italian government bonds	MOT/EuroMOT
European government bonds	
Supranational	
Corporate and Banking Bonds	
Equity	MTA International

Data-processing system

The data processing system was implemented with the technology of Thomson Reuters.

Storage

The data used to compile the indicators are stored for a period of three months.

This document was drawn up by EuroTLX SIM S.p.A. exclusively for informational purposes, thus it should not be construed as an offer, an invitation to offer or a promotional message for the purpose of purchase, sale or subscription in financial instruments or products of any nature. It contains also advertising and promotional communications. Whoever uses it for other than purely information purposes or for commercial objectives assumes full responsibility for such use. EuroTLX SIM S.p.A. (including its employees, agents, representatives, consultants, managers, officers and directors) is not responsible for any damage to the user and/or third parties due to the use of the information contained in the present document, including the possibility that there are errors, omissions or inaccuracies.

The distribution of this document in jurisdictions other than Italy may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. The Trademarks EuroTLX and TLX MPI are the property of EuroTLX SIM S.p.A. Use of these Marks is not permitted without the prior written consent of EuroTLX SIM S.p.A.

It is not permitted to copy, display, distribute, modify, publish, reproduce, store, transmit, create derivative works from, or sell or license all or any part of this document without the prior written consent of EuroTLX SIM S.p.A.