

April 2021

Evolving Market Quality

SPDR ETF Capital Markets Group

Overview

One of the key structural benefits of ETFs is the ability for investors to access intraday liquidity via the exchange order book markets. Accordingly, developing and maintaining market quality across our official exchange listings is one of the core disciplines of the ETF Capital Markets team.

The SPDR Capital Markets team is structured around three core pillars: Business Development, Execution Services, and Markets Oversight. The Markets Oversight group is responsible for the efficient day-to-day operations and development of our secondary and primary market infrastructures.

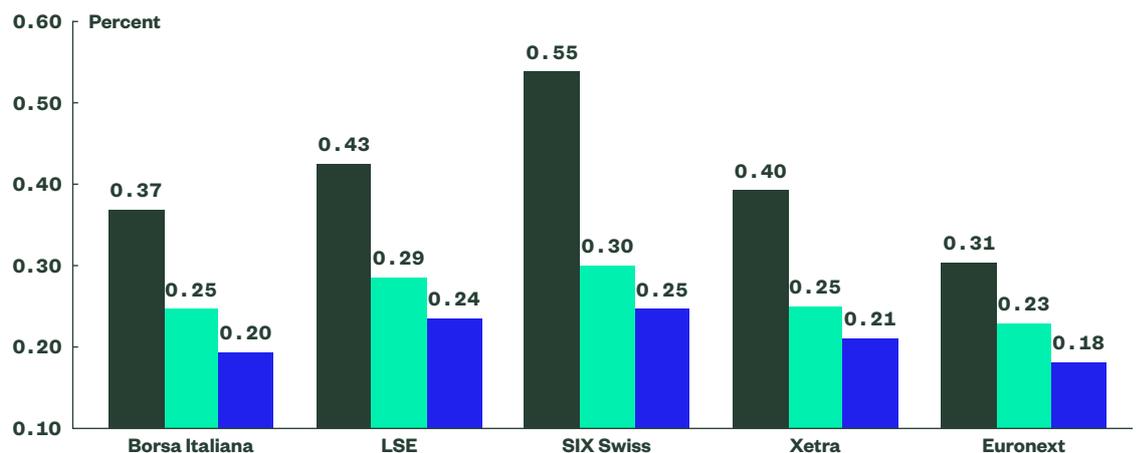
Working closely with our contractual market makers, the Markets Oversight group recently implemented a broad review across our secondary market infrastructure with a particular focus on enhancing the market quality profile of our listings. This review centred around three main themes:

- **Listing Performance and Viability.** Analysing the liquidity and pricing profiles of our current trading lines along with investor demand and distribution requirements.
- **Market Making Support.** Calibration across product and listing venues with the key goal of increasing the diversification of market making support and alignment to specific capabilities.
- **Desk Processes and Procedures.** Enhancement of our secondary markets oversight framework.

This review has resulted in a number of developments, demonstrated via the broad improvements in our official Exchange spreads. Figure 1 provides an aggregated view of these positive spread improvements.

Figure 1
Aggregated Spread Evolution by Exchange Venue

■ Jun-20
■ Oct-20
■ Mar-21



Source: Bloomberg Finance L.P., as of 31 March 2021.

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