



Europe
2026

Liquidity, data, regulation and
the (slow) recalibration of the
global derivatives market.

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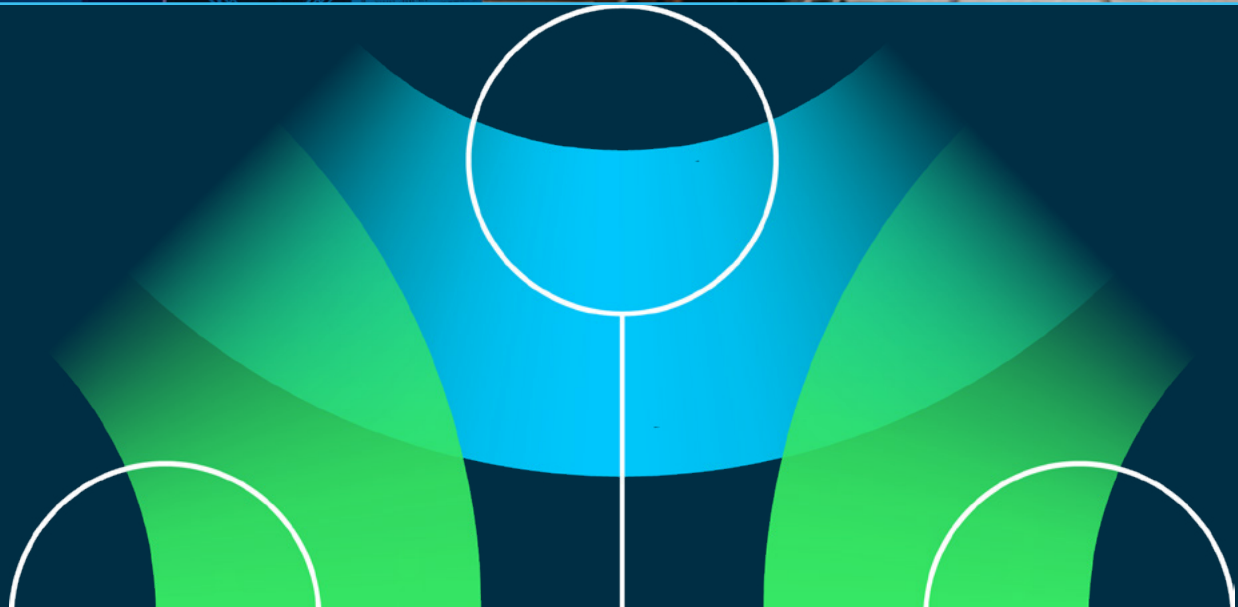


A market structure under pressure

FOW Europe 2026, held at the Hotel Okura in Amsterdam's De Pijp neighbourhood, welcomed over 400 participants from across Europe's derivatives ecosystem - buy- and sell-side firms, exchanges and infrastructure providers - at a time of visible change in financial market structure. Across multiple panels and discussions, conversations centred on how the combined forces of regulation, liquidity, data and technology are interacting increasingly to reshape how global markets function.

Setting the scene and tone an early panel, in a packed all-day programme, discussed the evolving competitive dynamic between trading and clearing venues in Europe (including the UK).

Panellists focussed on the context of post-Brexit regulation and updated European Market Infrastructure Regulation (EMIR 3) rules. An executive from Eurex discussed the potential to combine listed and OTC derivative exposures with cross-product margining and integrated funding capabilities in the firm's push to create "the home of the yield curve" on the European venue.



Liquidity - quality v. quantity

While margin efficiencies and capital benefits were acknowledged as critical competitive differentiators in an increasingly uncertain environment, participants were clear that these alone would not drive liquidity migration. "Margin efficiencies are a [big] thing, but they're not the be-all and end-all," as one liquidity provider noted, emphasising that effective market structure depends - ultimately - on sustained end-user demand, rather than incentives alone.

The distinction between headline liquidity and its underlying composition surfaced repeatedly: Volume is only meaningful where it reflects genuine risk transfer rather than market maker-to-market maker flow. As one panellist put it, the market "can't live and breathe on market makers alone" highlighting the need for a broader participant base to support durable liquidity.



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History, inertia and the challenge of migration

History also loomed large in the discussions. Meaningful shifts in liquidity between exchanges have been rare, with participants referencing the late-1990s migration of Bund futures as one of the few successful examples. Against that backdrop, most expect venue co-existence to prevail in the near term, even if outcomes remain uncertain over a longer time horizon.

Alongside market structure, artificial intelligence (AI) and trading technology featured prominently - though the general tone was pragmatic rather than signposting radical transformation. Across firms, AI is already being applied to client interaction, fraud detection and execution support functions. Near-term focus and impact is mostly operational: improving internal productivity, reducing manual processes and accelerating workflows.



Data as infrastructure, not by-product

In clearing and post-trade, the focus is increasingly on data itself, rather than models. Participants highlighted the challenge of fragmented and unstructured data environments, with one noting that “it’s not the models... it’s the data, the plumbing” that determines effective data insight. The cost and complexity of building infrastructure capable of processing data at scale - including compute, storage and resilience - were cited as key operational and business constraints.

Within that context, AI is being deployed to augment, rather than replace, existing processes. As outlined in one session, the objective is to “detect, diagnose, heal”, using AI to identify breaks, analyse root causes and resolve issues across workflows like reconciliation, margin and collateral management. The direction of travel is toward more continuous, near real-time processing, particularly in post-trade functions – an approach described by one speaker as “augmentation, not automation”.



Hidden impact of data quality

Data quality remains central to that goal. One discussion noted that improving reference data quality could reduce settlement delays by up to 70%. Data quality remains central to that goal. One discussion noted that improving reference data quality could reduce settlement delays by up to 70%, underlining how incremental gains in data integrity can have outsized operational impact. This suggests more emphasis on strengthening underlying infrastructure that supports execution and clearing, and less on front-office disruptor technologies.

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It’s not the models... it’s the data, the plumbing.



Regulation: catalyst, constraint and fragmentation risk

Regulation continues to shape all of these developments, of course, both directly and indirectly. In AI, the EU's regulatory approach mandates firms to formalise governance, accountability and risk controls, particularly as systems begin to influence decision-making. Participants highlighted the importance of accountability frameworks, with responsibility ultimately remaining with human operators. Alongside this are concerns about divergence between EU, UK and US approaches: The potential for fragmented regulatory regimes was recognised as a practical challenge for more globally active firms.

Regulatory drivers are also influencing trading behaviour. While effective market participation remains contingent on liquidity, workflow integration and client readiness, active account requirements and clearing location policies may be prompting a degree of reassessment. As several participants noted, while regulation may encourage change, it does not in itself create markets.

Energy markets: volatility, fragmentation and structural change

Energy and commodities markets offered a parallel illustration of structural adjustment. Here the interaction between long-term policy, particularly energy transition, and short-term geopolitical shocks is driving volatility and innovation.

The increasing role of renewables has introduced greater variability into power markets, shifting trading activity toward shorter time horizons and more complex hedging strategies. As one participant noted, 'dunkelfaute' ("dark doldrums") weather phenomena when "the wind doesn't blow and the sun doesn't shine... require immediate market adjustment," reinforcing the shift toward shorter-term, more reactive trading.

At the same time, geopolitical developments continue to trigger rapid shifts in market dynamics.

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**The wind doesn't blow and the sun doesn't shine...
require immediate market adjustment.**

Geopolitical shocks and the return of legacy commodities

The re-emergence of coal trading, as a particular example, was cited as a direct response to uncertainty of supply and policy reassessment. Across gas, liquefied natural gas (LNG) and power, participants pointed to growing benchmark fragmentation and inconsistent pricing mechanisms, alongside the development of new derivatives linked to emissions and carbon costs.

Greater interconnectivity, increasing complexity

Across all sessions, a consistent picture emerged: derivatives markets are becoming simultaneously more interconnected and more operationally complex. Liquidity, data, regulation and infrastructure are increasingly codependent, with changes in one area feeding quickly through to others.

The result is not a clear move towards either consolidation or fragmentation, but a more gradual reconfiguration of market structure. Outcomes remain contingent on liquidity formation, regulatory alignment and the ability of firms to integrate increasingly complex workflows.



A market in transition

Rather than a defined end-state, FOW Europe 2026 reflected a market in transition - one where the competitive edge lies less in any single innovation, and more in how effectively participants connect execution, clearing, data and risk within a coherent, homogeneous structural 'whole'.



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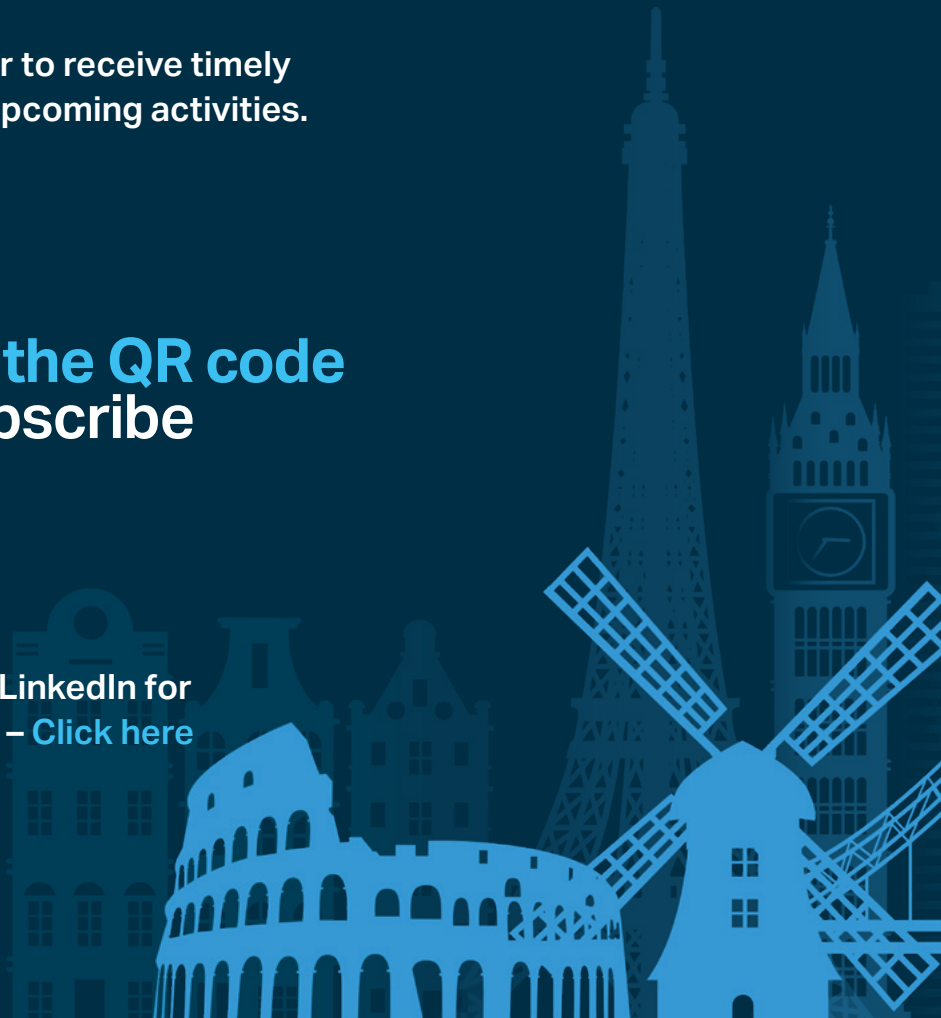
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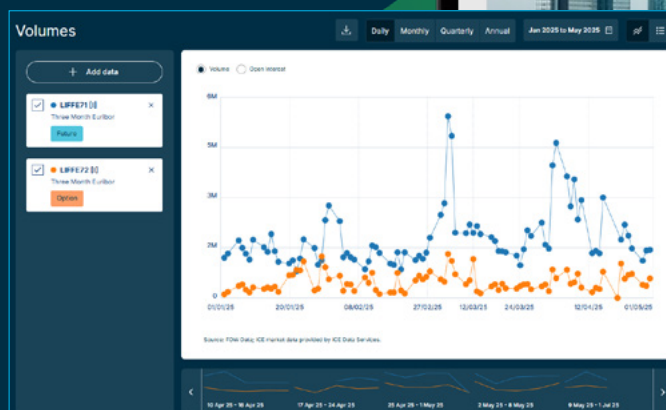
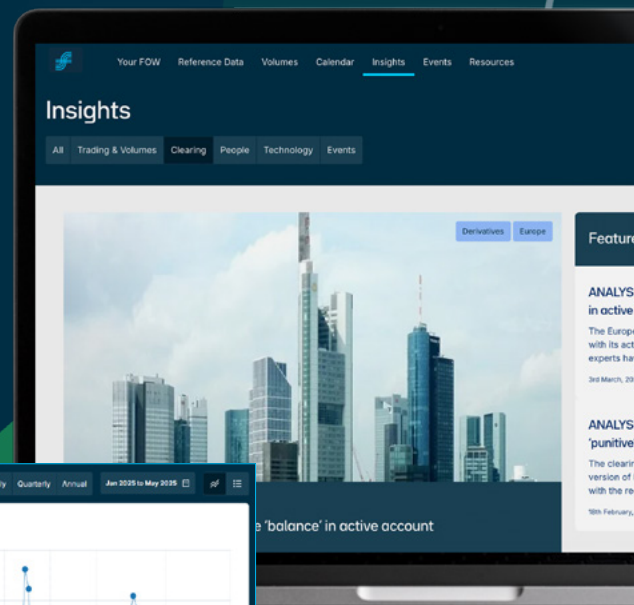
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