

Press Release - New Oliver Wyman report sets out recommendations on how to address liquidity fragmentation in the EU

16th July 2025

Brussels - The Federation of European Securities Exchanges (FESE) welcomes the release ['The Liquidity Matrix: Addressing fragmentation in European equity markets'](#), an independent report written and produced by management consultancy Oliver Wyman. As the European Commission advances its work on the Savings and Investments Union (SIU), the report offers timely insights into how the European Union (EU) can strengthen its equity markets to support investment and long capital formation requirements.

The EU must secure company financing to support key transitions, competitiveness, and defence. Achieving these goals requires mobilising more private capital and making the EU attractive for listings, which depends on having liquid, integrated, and well-functioning capital markets.

This report identifies persistent fragmentation in the EU's secondary equity markets as a key challenge. Despite high savings levels, European households allocate a relatively modest portion to capital markets. Liquidity is dispersed, trading activity is diluted across venues, and price formation and investor access are hindered.

The report's findings are clear: Vibrant secondary markets are essential to the functioning of Europe's financial ecosystem. Deep, inclusive, and efficient secondary markets drive better price formation, reduce the cost of capital, and support companies in securing long-term financing. The connection between secondary and primary markets is pivotal for attracting IPOs within the EU and advancing economic growth and innovation.

Looking ahead, efforts to reduce fragmentation across different execution channels - while safeguarding innovation and competition - will be essential to achieving a more integrated and liquid European capital markets.

Commenting on the release of the new report, FESE President, **Niels Brab**, remarked:

"This report is an important contribution to the ongoing debate on the integration of capital markets. It is a complex discussion that requires a balanced approach. With this report, we aim to provide a clear vision of the feasible options on the table, reaffirming our strong support for the Savings and Investment Union (SIU)."

The EU must ensure a framework that fosters competition without hindering a fair level playing field and overly fragmenting liquidity. A framework that reduces cost and complexity while improving transparency and inclusion. We want companies to list in the EU to drive economic growth and increase fiscal revenues in order to strengthen the EU's global competitiveness and strategic sovereignty."

Magnus Burkl, CFA, Head of Capital Markets Europe at Oliver Wyman, one of the study's authors, said:

“While Europe’s capital markets are fragmented, they are functioning and resilient. The biggest lever to improve European competitiveness is to boost demand by activating the Capital Flywheel and encouraging long-term investments.

In parallel, the European Union should make most of existing demand by reducing intra-market fragmentation of liquidity across different trading venues and channels for individual stocks. This fragmentation is responsible for almost 70% of fragmentation in Europe. However, the impacts on innovation and competition should be carefully weighed. The challenge is to find the right balance in response to Europe’s evolving policies and economic priorities.”

FESE is pleased to support the development of the evidence base for the Savings and Investments Union (SIU) and reaffirms its commitment to promoting measures that enhance the ability of capital markets to serve the European economy and society effectively.

Notes to editors:

For more information about the report and its findings, please contact: Marián Caro, Communications and Membership Officer at FESE (caro@fese.eu).

About the study

The study provides recommendations to better integrate capital markets. The study was commissioned and paid for by FESE but has been independently written and produced by Oliver Wyman.

About FESE

The [Federation of European Securities Exchanges \(FESE\)](#) is the unique voice of European exchanges, advocating for fair, transparent and efficient capital markets to support growth and prosperity in Europe. We are committed to financing the economy, ensuring financial stability, and fostering sustainable development.

FESE represents 17 full Members and 1 affiliate Member from 32 countries. Exchanges operate both transparent regulated markets for securities and exchange-traded derivatives, and specialised SME growth markets that allow small and medium-sized companies to access public capital markets. For more information, visit <http://www.fese.eu>. follow us on [LinkedIn](#).

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About Oliver Wyman

[Oliver Wyman](#), a business of [Marsh McLennan](#) (NYSE: MMC), is a management consulting firm combining deep industry knowledge with specialized expertise to help clients optimize their business, improve operations and accelerate performance. Marsh McLennan is a global leader in risk, strategy and people, advising clients in 130 countries across four businesses: [Marsh](#), [Guy Carpenter](#), [Mercer](#) and [Oliver Wyman](#). With annual revenue of over \$24 billion and more than 90,000 colleagues, Marsh McLennan helps build the confidence to thrive through the power of perspective. For more information, visit marshmclennan.com, follow us on [LinkedIn](#) and [X](#).