

REPORT

"Monthly Microstructure Metrics Report"

QB RESEARCH TEAM
SEPTEMBER 1, 2026

EXECUTIVE SUMMARY

- Liquidity conditions across major futures markets remained mixed during August 2026, with some contracts showing improved depth while others experienced weaker trading conditions relative to historical averages.
- Volatility and spread dynamics varied across asset classes, highlighting differences in market participation, execution costs, and overall trading activity during the period.

This report analyzes recent changes in market microstructure metrics across interest rate, equity, volatility, energy, agriculture, and metals futures. The analysis compares observations from August 2026 against historical benchmarks to identify meaningful shifts in liquidity, volatility, quote size, and trading costs.

Figures 1–5 present percentage changes in key market microstructure metrics relative to historical averages. The top panel compares August 2026 with July 2026, the middle panel compares against the previous three-month period from June 2026 through August 2026, and the bottom panel compares against the previous three-year period from September 2023 through August 2026.

The accompanying heatmaps highlight areas where current market conditions differ materially from historical norms. Statistical significance is indicated using standard two-sample t-tests, with significance levels denoted by *, ** and *** corresponding to 5%, 1% and 0.1% levels respectively.



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Variables	Definition
Quote Size	Trade weighted average of top-of-the-book quote size. See [Nar20]
Liquidity	Measured as the inverse of volatility in volume time. An illiquid (liquid) instrument will have higher (lower) volatility to volume ratio. See [Nar21].
Volatility	Proprietary to QB and uses mid-price changes observed during trade times. See [Sha18].
Bid-Ask Spread	Average observed bid-ask spread in ticks. See [Nar21]
Implicit Spread	Effective spread expressed as a fraction of the minimum price increment. It is computed from the number of price reversals and continuations. See [LN20]

References

- [LN20] Nongchao Li and Shankar Narayanan. Tick size reduction and its impact on the ASX 3-year and 10-year futures during the roll period. Technical report, Quantitative Brokers, Sep 2020.
- [Nar20] Shankar Narayanan. Quote size of E-mini S&P 500 futures from 2012-2020. Technical report, Quantitative Brokers, Mar 2020.
- [Nar21] Shankar Narayanan. Reddit frenzy and microstructure changes in silver and gold futures. Technical report, Quantitative Brokers, Feb 2021.
- [Sha18] Linwei Shang. Intraday realized variance. Technical report, Quantitative Brokers, Apr 2018.

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