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The Enforcement Committee of the Autorité des Marchés Financiers fines Morgan Stanley & Co International Plc for manipulating the price of sovereign bonds and a sovereign bond futures contract

In its decision of 4 December 2019, the Enforcement Committee imposed a fine of €20 million on Morgan Stanley & Co International plc for manipulating the price of 14 French government bonds (OAT) and 8 Belgian bonds (OLO) on 16 June 2015, and also manipulating the price of an OAT futures contract.

On 16 June 2015, between 9:29 am and 9:44 am, the European Government Bonds Desk at Morgan Stanley & Co International plc, located in London, aggressively purchased a significant number of French sovereign bonds futures contracts (OAT Futures or FOAT) and German sovereign bonds futures contracts (Bund Futures (FGBL) and Buxl Futures (FGBX)) on the German derivatives regulated market, Eurex. At 9:44 am, the traders then sold 17 different OATs for €815 million, mainly on the MTS France and BrokerTec electronic trading platforms, and 8 OLOs for €340 million on the MTS Belgium platform.

The Committee found that the company had secured the price of the September 2015 FOAT traded on Eurex, as well as the price of 14 of the 17 OATs and 8 OLOs, at an abnormal and artificial level. It considered that the purpose of the FOAT acquisitions was to influence a price increase of this financial instrument, in order to cause an abnormal and artificial increase in the price of the OATs and OLOs, because of the correlation links between these instruments, immediately before they were sold.

The Committee considered that these acts also constituted price manipulation through the use of a form of deception or contrivance, since the FOAT acquisition was inconsistent with the overall strategy of the European Government Bonds Desk and had the effect of giving other participants a distorted picture of the state of the French sovereign bond market.

The Committee however dismissed the complaint of price manipulation of FGBL and FGBX, considering that the purpose of the operations on these instruments was not to obtain a certain price quotation so as to influence the price of the OATs.

An appeal may be lodged against this decision.

About the Enforcement Committee


The Enforcement Committee, which is made up of judges and professionals, has total freedom to make decisions. It can impose sanctions on any person or company whose practices contravene laws and regulations that fall within the jurisdiction of the AMF. It ratifies settlement agreements signed by the Secretary General and respondents. And it takes part in the AMF's educational efforts by clarifying financial regulations when explaining its decisions.

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