The Snapshot
March & Q1 2024

Notes from the PASLA conference

Stewart Cowan

Executive Director
Securities Finance Product
Management

Welcome to the March and Q1 2024 edition of The Snapshot. For those of you who don't know me, my name is **Stewart Cowan,** and based in Sydney Australia, I lead our Securities Finance business across the Asia Pacific region.

Over the last few weeks, the **Asia Pacific region** has been the focus of the securities lending market with the arrival of the annual Pan-Asian Securities Lending Association (PASLA) conference, which this year, was based in Singapore. The conference was a great success and offered market participants an invaluable opportunity to network with peers from across the globe, update themselves on local initiatives and discuss what continues to be one of the most **dynamic** and **vibrant** regions of the securities lending market.

The agenda was packed with many topical and useful sessions covering the shift in investment flows recently seen across the region, routes to market including the use of swaps, as a result of the lack of traditional securities lending infrastructure, along with recent decisions by regulators leading to a hiatus in the ability of investors to short sell. What underpinned the majority of these discussions was the **power of data**, the critical role that it plays in unlocking liquidity and the increasingly decisive and positive role that it can play in the advocacy that is taking place in the region on behalf of market participants.

S&P Global Market Intelligence Securities Finance also held our first **Repo roundtable** before the main conference event. This provided an opportunity to bring together the regions network of repo traders to both share market insights and learn how our **Repo Data Analytics (RDA)** product continues to grow and add value to the global repo community.

As always, a keen area of interest was the recent developments in China. Chinese regulators continue to make moves to open up the **Chinese repo markets** to offshore investors. This broadening of participation in its onshore market is expected to offer numerous opportunities to repo desks across the region and S&P Global Market Intelligence is ready to help our clients both manage market risk and monitor liquidity through the numerous analytics held within our **Repo Data Analytics** product. Another area of focus for the repo community was the recent decision by the **Korea Securities Depository (KSD)** to permit Korean Treasury Bonds to trade in Euroclear. This move is expected to increase their usage within collateral markets and is likely to help elevate their position to one of the most traded asset classes across the APAC market.

Asia continues to be packed with new prospects and opportunities for securities finance market participants to both embrace and explore. The **PASLA conference** highlighted the growing interest in the region and the potential opportunities that the future holds. At S&P Global Market Intelligence our team based in **Hong Kong**, **Sydney**, **Beijing**, and **Tokyo** continue to **support the region** through the use of our solutions and market data. If you would like to understand more about either our **product solutions** or our **unique insights** into the APAC securities finance markets, then please feel free to get in touch. I hope to see you in the region soon!

With my very best wishes and kindest regards,

Stewart Cowan

S&P Global
Market Intelligence

Repo Data Analytics (RDA)

Key metrics and data to make informed decisions on all aspects of your global repo trading activities.

Our new analytics platform provides detailed information about your repo trading book and the global markets. See liquidity analysis across a choice of markets, tenor of trades, haircuts and price discovery in one consolidated platform.

Key benefits

Discover the correct rates across the global repo market

Advanced risk management analytics provides details on trade volumes and liquidity across all sectors

Insights into haircut and margin details per instrument/ asset class and longevity of repo trades

Tools to benchmark your performance versus your peers

Features

Quote Page – Quick and effective single instrument search tailored for Repo trades with focus on volumes and rates by collateral, term, and haircut.

Portfolio Screening – Providing a number of collateral screening options by maturity, haircut, currency, asset class, regions.

Market Overview – Market sector and collateral analysis to assess markets at a sector specific level rather than security level only.

My Book Review – Ability to compare your trading book versus your peers across rates, haircuts and maturities.

Visualize – Information quickly using interactive dashboards.

Key Stats

$2 trillion
Repo volumes

~20,000
Instruments

150,000+
Active transactions

Customers

Global Banks

Investment firms and credit institutions

Insurance, re-insurance firms, UCITS, AIFMs and pension funds

Non-financial counterparties

Customer Benefits

Quick snapshot of the repo markets

Access granular level data across global markets

Peer comparison

Report Delivery

– Our Securities Finance Web Portal

– Excel Toolkit/API (future release)

– Daily Datafeed (future release)

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Securities Finance Forum

16 May 2024 | United Kingdom
Chartered Accountants Hall,
One Moorgate Place, London EC2R 6EA

Save the Date for Securities Finance Forum 2024!

Our in-person forum for the Securities Finance industry

returns on 16 May 2024, in London.

12:30 pm - 7:00 pm GMT | One Moorgate Place Chartered Accountants Hall

Over the past two years, securities finance markets have thrived due to a change in the interest rate environment and heightened economic uncertainty. A vibrant specials market has continued to drive market revenues higher as both corporate activity and directional pressure have increased lending fees across multiple different asset classes and sectors. Heading into 2024, the market landscape is starting to change. Increased geopolitical risk, uncertainty regarding future interest rate moves and ever-increasing equity market valuations have started to dampen market revenues.

We look forward to an afternoon of lively debate and expert analysis from a range of leading market practitioners who will be discussing recent market developments and the potential opportunities for the securities financing markets in 2024 and beyond.

Register now to be part of the discussion, to have the opportunity to network with your peers and to foster new industry relationships during our upcoming bi-annual London Securities Finance forum.

- Update on securities finance trends – borrowing activities and securities in high demand

- Discover the key drivers of securities finance revenues

- Understand how external factors and market events may affect the securities finance market

- Gain an understanding of the latest buyside trading strategies and patterns

- Learn how to leverage leading securities finance datasets and indicators to optimize decision making

Register your interest now and add this event to your calendar. Please keep an eye out for further updates on program and speakers. We hope to see you there!

March revenues surpass $1B for the first time in 2024

– Monthly revenues reach **$1,056M**
– Equity revenues continue to experience double digit declines YoY
– Fixed income balances increase YoY
– Lendable value surpasses $37.26T

Global Securities Finance Snapshot - March 2024

Asset Class	Rev ($M)	Rev YoY % Change	YTD Rev ($M)	Avg Balance ($B)	Bal YoY % Change	Avg Fee	Fee YoY % Change	Avg Lendable ($B)	Lendable YoY % Change	Avg Utilization	Util YoY % Change
All Securities	$1.056	-15%	$2,748	$2,696	0%	0.45%	-17%	$36,993	21%	5.6%	-16%
All Equity	$795	-17%	$2,020	$1,240	-5%	0.74%	-14%	$27,692	23%	3.2%	-21%
Americas Equity	$399	-14%	$1,071	$661	0%	0.70%	-15%	$20,325	28%	2.5%	-20%
Asia Equity	$196	-7%	$490	$269	1%	0.84%	-9%	$2,767	13%	6.2%	-8%
EMEA Equity	$118	-31%	$225	$174	-25%	0.78%	-10%	$3,720	10%	3.7%	-32%
ADR	$26	-30%	$79	$33	5%	0.92%	-34%	$248	4%	9.2%	1%
ETP	$44	-34%	$128	$95	-10%	0.54%	-27%	$523	18%	9.7%	-15%
Government Bond	$173	2%	$470	$1,138	4%	0.18%	-4%	$4,472	11%	20.4%	-5%
Corporate Bond	$81	-21%	$239	$297	13%	0.32%	-31%	$4,456	18%	5.7%	-4%

Note: Includes only transactions with positive fees
Source: S&P Global Market Intelligence Securities Finance

What a difference a year makes.

March 2023 was one of the most turbulent months for financial markets since the onset of the global financial crisis. With the collapse of Silicon Valley Bank (SVB) and the subsequent forced takeover of Credit Suisse by UBS, a risk off environment prevailed with a sharp rally seen across government bond yields. One year later and financial markets couldn't look much different. Central bankers are planning to cut interest rates as inflation continues to fall, equity markets have been rallying to all-time highs, and investors appear unaffected by any potential risks that appear on the horizon.

During March, equity markets continued their upward trajectory that started at the beginning of December. The S&P 500 and the Dow Jones Industrial Average continued to hit new highs during March as the Nikkei 225, the EuroStoxx 600 and the TSX in Canada all achieved new records. Chinese equity markets also started to rebound following a series of stimulus announcements.

The artificial-intelligence frenzy continued during the month with Nvidia (NVDA) leading the charge. Now the most traded stock across Wall Street, after recently overtaking Tesla (TSLA), the company which remains the poster child for artificial intelligence, climbed over 80% during its most recent ten-week rally, that continued throughout the month. Similar increases were also seen across a number of US stocks as a result of strong earnings and an overall downward trend in inflation, leading calls of a

return of a FOMO (fear of missing out) rally taking hold. As much of the S&P 500's 30% rise over the past year has been generated from just a handful of stocks, some market participants have therefore started to fear that markets may soon see a correction.

Positive momentum has however been building across the globe as a result of a resilient US economy. The Fed raised its forecast for gross domestic product (GDP) during the month which investors read as a positive sign for future corporate earnings. Towards the end of the month the range of technology stocks responsible for instigating this rally started to experience slower gains as investors began to take profits and rotate into other sectors. This was perceived as a positive sign in the markets as it created the potential for a broadening out of the current market rally.

March was an important month for central bank meetings as investors had previously predicted that central bankers may start to cut rates at the end of the first quarter. During the month the central banks of Japan and Taiwan raised their rates and Switzerland was the first (and only) central bank to cut. The US Federal Reserve, the Bank of England, the Reserve Bank of Australia, and the Bank of Canada all held their benchmark rates steady with expectations remaining neutral to slightly dovish. As a result, alternative currencies such as gold and bitcoin also joined the market rally and hit all-time highs. Bitcoin surged past $72,000 marking a 150% gain YoY whilst an increase in demand from Chinese investors for gold, following well documented

issues in the real estate market and a growing conviction of interest rate cuts, pushed prices over $2,100 per ounce.

In the securities lending markets, monthly revenues surpassed the $1B mark for the first time this year as market revenues reached **$1.056B**. All asset classes experienced YoY revenue declines during the month with EMEA equities, Exchange Traded Products and ADR's all down by over 30%. The decline in revenues was due to the 17% YoY decline in average fees. This was a trend that affected all asset classes as fees during Q1 and Q2 of 2023 were close to all-time highs. Asian equities and Government bonds experienced the smallest declines of 9% and 4% respectively. All other asset classes suffered double digit decreases. As expected, average lendable balances grew at a rapid pace over the month. Average lendable finished the month at a recent high of $37.3T.

In the equity markets many of the same trends that have been seen in the preceding quarters continued during March. The lack of demand that has affected EMEA equity lending continued. YoY revenues declined less than during the previous months of the quarter (-31%) but performance remained weak. Average fees were strong across France, Belgium and Sweden but remained weak elsewhere with double digit YoY decreases. Utilization remained sub 4% (3.7% a decline of 32% YoY) as valuations pushed lendable higher. Across the Americas, revenues remained robust (just not when compared to 2023). 2023 was a strong year for Americas equities, so a decline in revenues is to be expected. when compared to previous years, revenues remain higher than those seen previously. Across Asia, a strong divergence in performance continued to be seen. With the on-going short selling bans across the region and a continuation of economic uncertainty, as the Chinese economy continues to underperform, weighed upon returns. Taiwan and Malaysia were the bright spots in the region with a 30% and 44% YoY increase in revenues. Average fees declined across all markets apart from Malaysia which experienced an increase of 4% YoY. ETPs and ADRs experienced lackluster performance during the month as revenues and average fees declined YoY. In relation to revenues, ETPs experienced their worst March performance for many years. The shrinking revenues produced by the asset class can be clearly seen in the March revenue graph.

In the fixed income markets, there was better news on offer as Government bond revenues increased YoY by 2% ($173M). This was despite a decline in average fees. A 4% increase in average balances helped to push revenues higher. US Treasuries were the driver of stronger revenues as a number of specials were present in the market. Revenues and average fees declined across all other regions, falling the most across emerging market bonds. Corporate bond fees continued to decline from the all-time highs seen last year. Revenues fell as a result. A number of private placement bonds became popular during the month generating strong revenues. Balances increased by 13% YoY which helped to offset some of the decline seen in average fees.

March Securities Finance Revenues by Asset Class (USD)
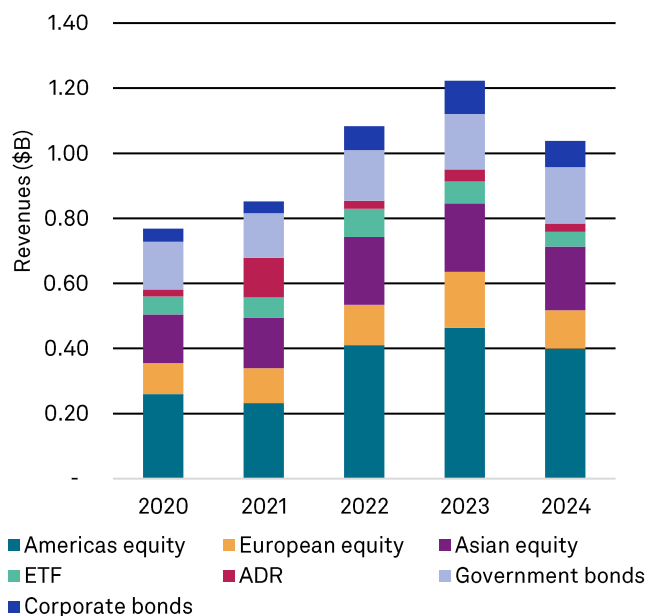
Source: S&P Global Market Intelligence Securities Finance   © 2024 S&P Global Market Intelligence

Securities lending revenues rebounded during March with strong MoM performance seen in across a number of asset classes. Whilst revenues have declined YoY, 2023 and 2022 generated banner returns for participants so a decline should be expected. Higher valuations have been supportive of stronger revenues across all markets. Heading into Q2 and the seasonal revenue period across European equities, if volatility does re-enter the market in the coming weeks, the second quarter of 2024 could generate some strong returns for lenders.

SAVE THE DATE

Our regular **Q1 Webinar** will be taking place on the **April 25th 3PM UK / 10AM EST,** with guest speakers **Mike Brooks** and **Jim Moroney** from **eSecLending.** In addition to the normal quarterly update, Mike and Jim will be running through the most recent trends seen across both the equity and fixed income markets. To register, please click HERE.

On May 1st, ISLA Connects, and S&P Global Market Intelligence will be hosting an in-person educational briefing for new or recent entrants into the industry who are looking to further their knowledge on the **use of data within the Securities Finance markets**. To find out more, please click HERE.

The **S&P Global Market Intelligence Securities Finance Forum** will once again be taking place in London on the **16th May** at **One Moorgate Place EC2R 6EA**. The forum will consist of an afternoon of discussion and insights from market experts, guided by the Securities Finance team. An official "save the date" will be sent in the coming weeks but we are looking forward to hosting an afternoon of lively discussion and topical debate with our clients, friends, and partners.

If you would like to attend the forum, you can do so by registering HERE.

Global Securities Finance Snapshot - Q1 2024

Asset Class	Rev ($M)	Rev YoY % Change	YTD Rev ($M)	Avg Balance ($B)	Bal YoY % Change	Avg Fee	Fee YoY % Change	Avg Lendable ($B)	Lendable YoY % Change	Avg Utilization	Util YoY % Change
All Securities	$2,748	-20%	$2,748	$2,569	-2%	0.42%	-20%	$36,164	16%	5.5%	-15%
All Equity	$2,020	-22%	$2,020	$1,139	-9%	0.70%	-17%	$26,937	17%	3.0%	-22%
Americas Equity	$1,071	-24%	$1,071	$632	-5%	0.67%	-23%	$19,728	22%	2.5%	-21%
Asia Equity	$490	-4%	$490	$223	-3%	0.87%	-4%	$2,692	8%	4.9%	-10%
EMEA Equity	$225	-40%	$225	$157	-30%	0.55%	-18%	$3,646	6%	3.4%	-36%
ADR	$79	-23%	$79	$31	3%	1.00%	-27%	$245	-1%	9.0%	3%
ETP	$128	-21%	$128	$90	-7%	0.56%	-16%	$515	14%	9.4%	-10%
Government Bond	$470	-3%	$470	$1,122	3%	0.17%	-9%	$4,438	11%	20.4%	-6%
Corporate Bond	$239	-20%	$239	$289	10%	0.33%	-29%	$4,430	15%	5.6%	-4%

Note: Includes only transactions with positive fees
Source: S&P Global Market Intelligence Securities Finance

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A global economy that continues to defy expectations.

Resilient corporate earnings, a continuation of AI exuberance and hopes that central banks will soon be cutting interest rates led the S&P500 to its best opening three months of the year since 2019. Over the first quarter of 2024 the benchmark US index gained circa 10%. As the quarter proceeded, the market rally, which originally focused upon those stocks linked to artificial intelligence, broadened out, with all but one of the eleven sectors of the S&P500 experiencing an increase. This situation was seen across the globe as European stocks also finished the quarter higher.

Setting new records was very much the trend of the quarter, as everything from equities to Bitcoin reached new highs, as the ability of global economies to withstand higher interest rates defied expectations. The first quarter of the year experienced one of the busiest periods for IPO activity in the last few years with Reddit (RDDT) surging 48% on its trading debut. The number of M&A deals worth at least $10B also more than doubled those seen during the same period of 2023, with investors hoping that the rebound will continue into the rest of the year.

Heading into Q2 and Q3, investors are likely to become increasingly reactive to central bank decision making, as expectations of multiple rate cuts have already been priced into market valuations. As the rhetoric surrounding the impending Presidential election in the US starts to increase, given the stark difference in economic outlook from the two candidates, investors will also be increasingly responsive to moves in voter sentiment.

Given the momentum that has been building throughout the first quarter, Q2 is likely to focus more on company fundamentals to see whether they can catch up with market moves. If not, and investors become complacent, Q2 could see a more volatile trading environment than has been experienced since the beginning of the year.

In the securities lending markets, revenues during the first quarter of the year were underwhelming when compared with Q1 2023, with a reduction of 20% YoY. When compared

to the period of 2020-2022 however, 2024 revenues fared well. The decline in quarterly revenues across equities (-22%) was largely responsible for the YoY decline. A substantial decline in equity revenues from EMEA (-40% YoY) and the Americas (-24%) pulled market revenues lower. As seen throughout the quarter, average fees across equities continued to decline (-17% YoY) along with average balances (-9% YoY). EMEA equities suffered from a lack of demand with YoY balances falling by 30%.

In the fixed income markets, quarterly revenues also declined YoY across both corporate (-20%) and government bonds (-3%). This was a direct result of a fall in average fees as speculation in regard to future moves in interest rates started to subside. When compared with the 2020-2022 period, the strength of corporate bond revenues during Q1 2024 can be seen. Despite falling revenues, demand remained strong with average balances increasing by 10% YoY. Across the government bond market, US Treasuries were the driving force behind the revenues during the quarter. Revenues generated from this asset class helped to offset the 29% YoY decline in revenues experienced by EMEA government bonds. Balances remained stable increasing by 3%.

Q1 Securities Finance Revenues by Asset Class (USD)
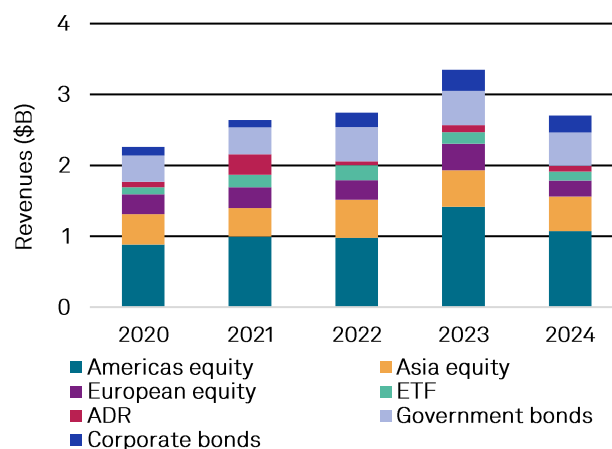
Source: S&P Global Market Intelligence Securities Finance © 2024 S&P Global Market Intelligence

Americas Equities

	Revenues		Average Value on Loan		Weighted Average Fee		Average Utilization
	$399M ▼ -14%		$661B ▲ 0%		0.70% ▼ -15%		2.5% ▼ -20%

New specials hit the US, pushing fees higher.

As US stock indices continually surpassed record-highs during recent months, Canadian equities finally joined the party during March, as the TSX recorded its highest ever closing price - beating its previous high by 0.04 points. With indices hitting all-time highs, FOMO, the fear of missing out, appeared to be a much more powerful driver of equity prices than the fear of high valuations. The continuation of AI exuberance and a potential easing of interest rates in the US provided the perfect environment for stocks to outperform. A broadening in investment focus took place throughout the month as economic data confirmed the strength of the US economy. This was particularly evident across the equal-weighted S&P 500, which measures each company equally rather than by market capitalization, which also marked a new record high.

Performance was also pushed higher across both bonds and equities as markets celebrated a statement by Jerome Powell, affirming that US regulators were likely to make "broad and material" changes to plans requiring large banks to hold more capital, marking a major win for lenders. In the same speech he also stated that he was in no rush to lower rates, though a cut will likely be appropriate "at some point this year". With a strong economy and labor market, policymakers have time to wait for more evidence that inflation is heading back to target before making any moves lower.

During the month, the much-anticipated IPO of Reddit (RDDT) took place. Shares jumped 67% within 24-hours providing a promising market check for other IPO candidates in the coming months.

In the securities lending markets, revenues across Americas equities declined by 14%YoY. This was despite generating the highest revenues of 2024 so far and revenues increasing by 17% MoM. Average fees also hit 0.70%, their highest since August 2022 (0.91%). Revenues across Americas equities have continued to climb throughout the first quarter of the year as average fees and higher valuations have increased in tandem.

Across US equities, the valuation of on loan assets surpassed $610B for the first time since January 2023. This increased utilization by 5bps to 2.36%, its highest in 2024. Whilst Q1 average fees across US equities remained significantly under those experienced during Q1 2023 (0.66% Q1 2024 vs 0.88% Q1 2023) they did surpass those seen during Q4 2024 (0.61%). A number of new specials helped to increase average fees, with increases seen in both Cummins Inc (CMI), and Trump Media & Technology Group Corp (DJT).

Revenues from Canadian equities remained in line with those seen throughout the year at $34M. Despite Q1 revenues declining 4.5% YoY they were higher than those generated during Q4 2023 ($102.9M). The highest revenue generating Canadian equity over the month was Canadian Natural Resources Ltd (CNQ) which generated $3.1M, followed by Canadian Imperial Bank Of Commerce (CM)($2.2M). Average fees declined MoM by 33% and YoY by 8%.

ADR revenues were in-line with those generated throughout February. Average fees dipped below 1% for the first time this year after falling 34% YoY and 8% MoM. On loan balances continued to climb reaching their highest level this year.
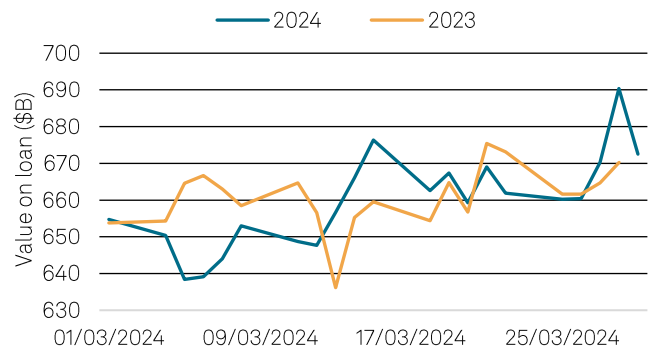
March Fee Trend
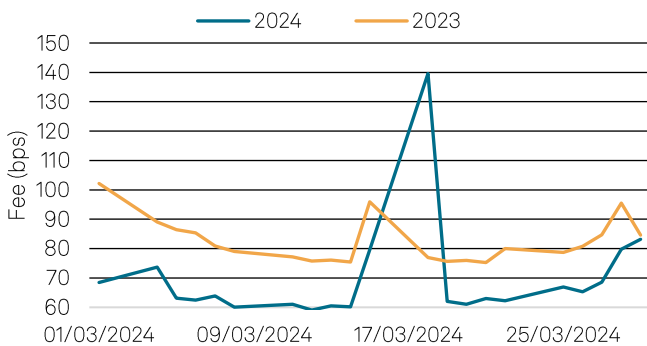
March Balance Trend

Utilization across ADRs tops 9%	Americas equity average fees continue to climb reaching 0.70%	Revenues in Cummins Inc (CMI) increase rapidly, topping $20M	Average lendable in Brazil continues to increase YoY

Country Details

Country	Revenue ($M)	Rev YoY % Change	YTD Rev ($M)	Avg Balances ($B)	Bal YoY % Change	Avg Fee	Fee YoY % Change	Avg Lendable ($B)	Lendable YoY % Change	Avg Util	Util YoY % Change
USA Equity	$362	-14%	$959	$599	1%	0.70%	-15%	$19,560	29%	2.4%	-19%
Canada Equity	$34	-16%	$103	$58	-12%	0.67%	-8%	$715	10%	6.3%	-19%
Brazil Equity	$3	12%	$7	$4	54%	0.82%	-28%	$3	106%	9.6%	-26%
Mexico Equity	$0.5	-46%	$2	$1	3%	0.66%	-48%	$47	13%	1.6%	-13%
ADR	$26	-30%	$79	$33	5%	0.92%	-34%	$248	4%	9.2%	1%

Note: Includes only transactions with positive fees
Source: S&P Global Market Intelligence Securities Finance

USA Specials Revenues and Balances
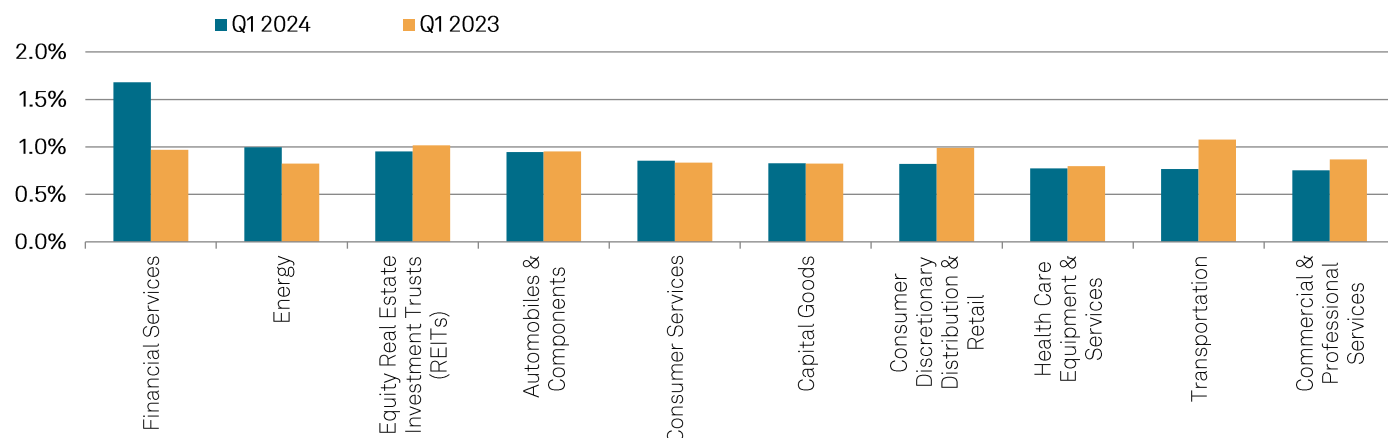
Year	Specials Revenue ($M)	Specials Balances ($B)	Total Revenues ($M)	Total Balance ($B)	% Revenues from Specials	% Balance from Specials
2024	$247.8	$14.8	$334.9	$598.5	74.0	2.5
2023	$324.2	$18.3	$425.6	$595.4	76.2	3.1
YoY % Change	-24%	-19%	-21%	0%		

Source: S&P Global Market Intelligence Securities Finance

Canada Specials Revenues and Balances

Year	Specials Revenue ($M)	Specials Balances ($B)	Total Revenues ($M)	Total Balance ($B)	% Revenues from Specials	% Balance from Specials
2024	$6.6	$632.6	$30.3	$57.1	21.6	1.1
2023	$11.3	$957.4	$41.3	$65.3	27.3	1.5
YoY % Change	-42%	-34%	27%	-13%		

Source: S&P Global Market Intelligence Securities Finance

Top 10 Revenue Generating Americas Equities

Top Earning Assets	Ticker	Sector	Country	Revenue Generated ($M)
Sirius XM Holdings Inc	SIRI	North America Media and Entertainment	US	$22.1
Cummins Inc	CMI	North America Capital Goods	US	$20.9
Lucid Group Inc	LCID	North America Automobiles & Components	US	$19.9
Beyond Meat Inc	BYND	North America Food, Beverage & Tobacco	US	$19.2
Trump Media & Technology Group Corp	DJT	SPAC	US	$18.1
Atmus Filtration Technologies Inc	ATMU	North America Automobiles & Components	US	$11.0
Immunity Bio Inc	IBRX	North America Pharma, Biotech & Life Sciences	US	$10.8
B Riley Financial Inc	RILY	North America Financial Services	US	$10.7
Visa Inc	V	North America Financial Services	US	$9.3
Soundhound AI Inc	SOUN	North America Software & Services	US	$6.5

Source: S&P Global Market Intelligence Securities Finance

Americas Equities Q1 2024

Revenues
$1,071M ▼ -24%

Average Value on Loan
$632B ▼ -5%

Weighted Average Fee
0.67% ▼ -23%

Average Utilization
2.5% ▼ -21%

Country Details Q1 2024

Country	Q1 Revenue ($M)	Rev YoY % Change	Avg Balances ($B)	Bal YoY % Change	Avg Fee	Fee YoY % Change	Avg Lendable ($B)	Lendable YoY % Change	Avg Util	Util YoY % Change
USA Equity	$959	-26%	$575	-5%	0.66%	-25%	$18,976	23%	2.3%	-21%
Canada Equity	$103	-4%	$53	-14%	0.74%	8%	$702	4%	5.9%	-19%
Brazil Equity	$7	-12%	$3	38%	0.84%	-38%	$3	95%	5.8%	-61%
Mexico Equity	$2	-37%	$1	10%	0.70%	-45%	$47	14%	1.7%	-5%
ADR	$79	-23%	$31	3%	1.00%	-27%	$245	-1%	9.0%	3%

Note: Includes only transactions with positive fees
Source: S&P Global Market Intelligence Securities Finance

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Top 10 Revenue Generating Americas Equities Q1 2024

Top Earning Assets	Ticker	Sector	Country	Revenue Generated ($M)
Sirius XM Holdings Inc	SIRI	North America Media and Entertainment	US	$104.8
Beyond Meat Inc	BYND	North America Food, Beverage & Tobacco	US	$54.8
Lucid Group Inc	LCID	North America Automobiles & Components	US	$45.5
Visa Inc	V	North America Financial Services	US	$26.3
B Riley Financial Inc	RILY	North America Financial Services	US	$25.9
C3.Ai Inc	AI	North America Software & Services	US	$23.2
Trump Media & Technology Group Corp	DJT	SPAC	US	$23.0
Atmus Filtration Technologies Inc	ATMU	North America Automobiles & Components	US	$21.8
Immunitybio Inc	IBRX	North America Pharma, Biotech & Life Sciences	US	$21.6
Cummins Inc	CMI	North America Capital Goods	US	$21.3

Source: S&P Global Market Intelligence Securities Finance

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$ Short Loan Value as a % of Market Cap Q1 2024

Source: S&P Global Market Intelligence Securities Finance

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APAC Equities

Revenues $196M ▼ -7%	**Average Value on Loan** $269B ▲ 1%	**Weighted Average Fee** 0.84% ▼ -9%	**Average Utilization** 6.2% ▼ -8%
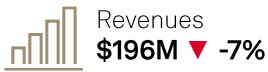
Taiwanese equities continue to see demand.

Focus remained strongly on Japan during the month as the NIKKEI 225 continued to post new record highs, surpassing previous records that were set as much as 34 years prior. As other central banks across the globe prepare for rate cuts, the Bank of Japan, the last central bank to have negative rates, raised its benchmark rate by 10bps, marking its first-rate hike since 2007. The central bank scrapped its yield curve control program, as well as announcing the end of the purchasing of exchange traded funds and other risk assets. Japanese bonds gained and the Topix closed at its highest level since 1990 as a result.

China's equity markets climbed higher during the month as Beijing continued to deploy modest stimulus measures whilst retaining a ban on short selling. An improvement in economic data was seen despite on-going pressures across the country's ailing property sector.

In Thailand, the country's Securities and Exchange commission released plans to introduce new rules on short selling. The new rules included stricter requirements for the eligibility to trade, a cut in the ratio of stocks permissible from 30% to 20%, and limits on individual firms permitted daily volumes. The rules have reportedly been designed to improve transparency and curb high-frequency trading by non-Thai entities.

Short bets in mineral companies across Australia also came into focus during the month as a recent pricing rout in minerals such as Lithium started to ease. News of a revival in the price of key materials used to power electric vehicles were reflected across commodity company share prices, some of which, were previous targets for short sellers.

In the securities lending markets APAC revenues decreased by 7% YoY to $196M. Despite falling YoY, revenues incraesed by 37% MoM. Whilst average fees fell to their lowest level of 2024 so far, average balances increased by 30% MoM which was supportive for the regions revenues. Utilization also experienced a marked increase MoM rising from 4.43% during February to a healthy 6.2% in March. This was the highest level seen since September 2023.

A strong divergence in performance continued to be seen during the month with popular markets such as Taiwan increasing revenues by 30% YoY and other markets such as Hong Kong and South Korea experiencing YoY declines in revenues of 31% and 50% respectively. Taiwanese equity revenues have consistently outperformed when compared YoY throughout the year with Q1 revenues 26% higher when compared with Q1 2023. This is despite a 6% YoY decline in quarterly average fees. The recent increase in supply has revitalized the market as economic policy and geopolitical risk continue to generate opportunities for borrowers.

Revenues generated by Hong Kong equities fell to their lowest level seen for months during March. Revenues declined by 31% YoY and 6% MoM. Utilization and balances remained significantly down on those seen during 2023 along with the number of specials generated in the market.
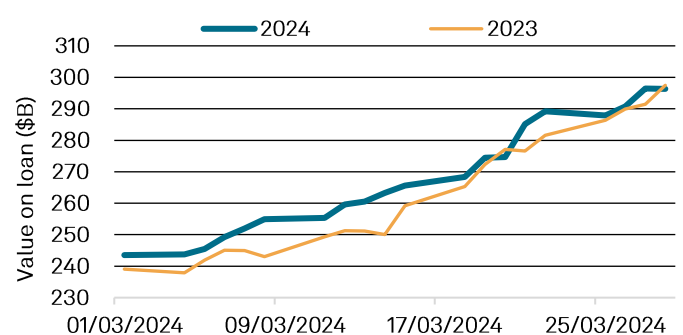
March Fee Trend
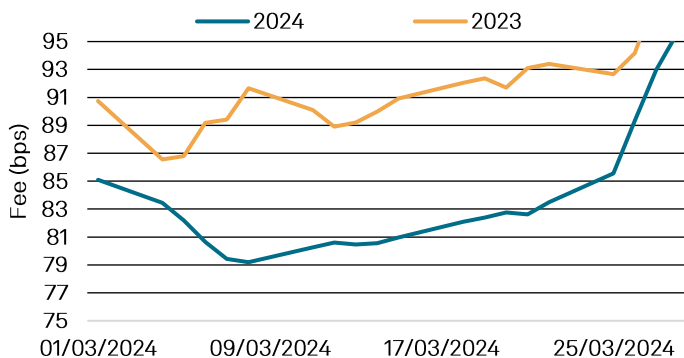
March Balance Trend

| Q1 revenues increase 26% YoY in Taiwan | March average fees decline 40% YoY in South Korea | Average Q1 fees increase 20% YoY in Malaysia | Utilization decreases across all countries during March |

Country Details

Country	Revenue ($M)	Rev YoY % Change	YTD Rev ($M)	Avg Balances ($B)	Bal YoY % Change	Avg Fee	Fee YoY % Change	Avg Lendable ($B)	Lendable YoY % Change	Avg Util	Util YoY % Change
Japan Equity	$90	-1%	$186	$182	4%	0.56%	-5%	$1,291	25%	8.9%	-11%
Taiwan Equity	$55	30%	$145	$27	41%	2.34%	-9%	$192	81%	6.7%	-12%
Hong Kong Equity	$25	-31%	$76	$23	-27%	1.25%	-6%	$457	-18%	3.9%	-14%
South Korea Equity	$12	-50%	$41	$13	-17%	1.11%	-40%	$182	19%	2.9%	-47%
Australia Equity	$10	-16%	$28	$20	2%	0.59%	-18%	$519	11%	3.3%	-7%
Malaysia Equity	$3	44%	$7	$0.62	37%	5.04%	4%	$12	15%	4.2%	-100%
Singapore Equity	$1	-58%	$3	$2	-15%	0.51%	-51%	$60	-5%	3.4%	-3%
Thailand equity	$1	-12%	$3	$0.7	-14%	1.64%	1%	$16	-11%	3.67%	0%
New Zealand Equity	$0.16	-62%	$0.42	$0.38	-18%	0.49%	-54%	$9	-7%	3.7%	-11%

Note: Includes only transactions with positive fees
Source: S&P Global Market Intelligence Securities Finance
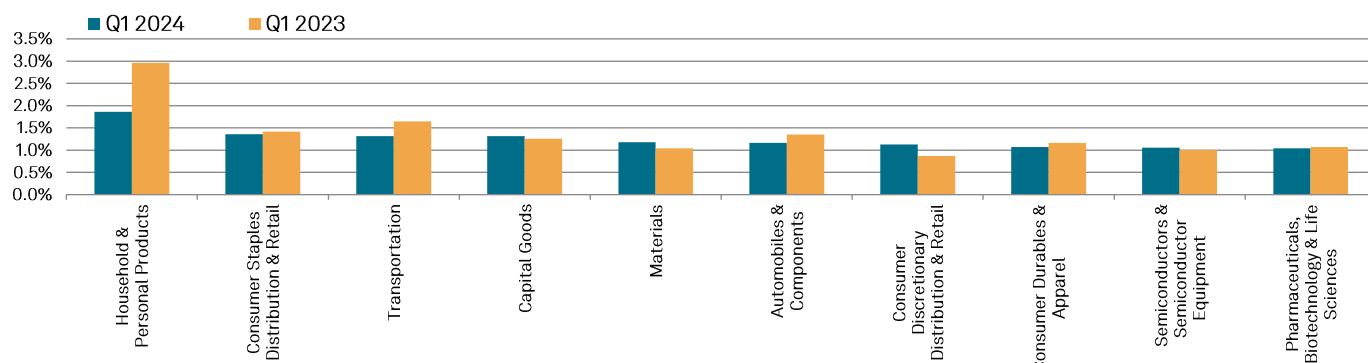
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Specials Revenues and Balances

	Specials Revenue ($M)	Specials Balances ($B)	Total Revenues ($M)	Total Balance ($B)	% Revenues from Specials	% Balance from Specials
2024	$73.1	$12.2	$180.5	$267.6	40.5	4.5
2023	$82.0	$11.0	$213.7	$266.7	38.4	4.1
YoY % Change	-11%	11.2%	-16%	0%		

Source: S&P Global Market Intelligence Securities Finance

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Top 10 Revenue Generating APAC Equities

Top Earning Assets	Ticker	Sector	Country	Revenue Generated ($M)
Aozora Bank Ltd	8304	Japan Banks	JP	$2.4
Mitsubishi Ufj Financial Group Inc	8306	Japan Banks	JP	$2.1
Toyota Motor Corp	7203	Japan Automobiles & Components	JP	$2.0
East Buy Holding Ltd	1797	Asia Consumer Services	HK	$2.0
Sumitomo Mitsui Financial Group Inc	8316	Japan banks	JP	$1.9
Takeda Pharmaceutical Co Ltd	4502	Japan Pharmaceuticals, Biotechnology & Life Sciences	JP	$1.7
Globalwafers Co Ltd	6488	Asia Semiconductors & Semiconductor Equipment	TW	$1.7
Itochu Corp	8001	Japan Capital Goods	JP	$1.6
Tokio Marine Holdings Inc	8766	Japan Insurance	JP	$1.5
Kddi Corp	9433	Japan Telecommunication Services	JP	$1.4

Source: S&P Global Market Intelligence Securities Finance

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APAC Equities Q1 2024

Revenues
$490M ▼ -4%

Average Value on Loan
$223B ▼ -3%

Weighted Average Fee
0.87% ▼ -4%

Average Utilization
4.9% ▼ -10%

Country Details

Country	Q1 Revenue ($M)	Rev YoY % Change	Avg Balances ($B)	Bal YoY % Change	Avg Fee	Fee YoY % Change	Avg Lendable ($B)	Lendable YoY % Change	Avg Util	Util YoY % Change
Japan Equity	$186	8%	$140	2%	0.51%	6%	$1,248	21%	6.2%	-13%
Taiwan Equity	$145	26%	$25	31%	2.32%	-6%	$180	82%	6.3%	-20%
Hong Kong Equity	$76	-31%	$22	-33%	1.37%	2%	$450	-23%	3.8%	-14%
South Korea Equity	$41	-36%	$14	-6%	1.16%	-34%	$175	12%	3.5%	-32%
Australia Equity	$28	-25%	$19	-8%	0.60%	-20%	$512	4%	3.1%	-9%
Malaysia Equity	$7	55%	$0.58	25%	4.85%	20%	$12	3%	4.0%	-9%
Thailand Equity	$3	-8%	$0.69	-18%	1.77%	9%	$17	-15%	3.7%	1%
Singapore Equity	$3	-45%	$2	-20%	0.55%	-33%	$61	-7%	3.0%	-6%
New Zealand Equity	$0.42	-49%	$0.33	-15%	0.51%	-40%	$10	-6%	3.1%	-8%

Note: Includes only transactions with positive fees
Source: S&P Global Market Intelligence Securities Finance

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Top 10 Revenue Generating APAC Equities

Top Earning Assets	Ticker	Sector	Country	Revenue Generated ($M)
East Buy Holding Ltd	1797	Asia Consumer Services	HK	$7.3
Aozora Bank Ltd	8304	Japan Banks	JP	$5.8
Global Unichip Corp	3443	Asia Semiconductors & Semiconductor Equipment	TW	$4.3
Ecopro Co Ltd	086520	Asia Capital Goods	KR	$3.9
Weebit Nano Ltd	WBT	Asia Semiconductors & Semiconductor Equipment	AU	$3.4
Country Garden Holdings Co Ltd	2007	Asia Real Estate Management & Development	HK	$3.4
Alchip Technologies Ltd	3661	Asia Semiconductors & Semiconductor Equipment	TW	$3.4
Itochu Corp	8001	Japan Capital Goods	JP	$3.3
Toyota Motor Corp	7203	Japan Automobiles & Components	JP	$3.2
Jinan Acetate Chemical Co Ltd	4763	Asia Materials	TW	$2.8

Source: S&P Global Market Intelligence Securities Finance

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$ Short Loan Value as a % of Market Cap Q1 2024

Source: S&P Global Market Intelligence Securities Finance

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EMEA Equities

Revenues
$118M ▼ -31%

Average Value on Loan
$174B ▼ -25%

Weighted Average Fee
0.78% ▼ -10%

Average Utilization
3.7% ▼ -32%
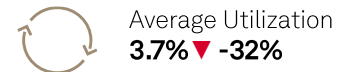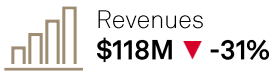
Short loan value falls to its lowest level in a decade across EMEA equities.

As recession fears continued to fade across Europe, investors were reportedly buying up European travel, retail, and luxury goods stocks during the month as expectations of increased consumer confidence, as a result of a rebound in the region's economy, took hold. As seen across the US, this positive sentiment helped to broaden out the EuroStoxx600 rally which was previously being led by only a handful of stocks. As a result, the EuroStoxx600 Index claimed its ninth straight week of gains during March, its longest winning streak in over 11 years. The Index subsequently reached 500 points during the month for the first time ever.

Both the European Central Bank and the Bank of England kept interest rates on hold during March whilst sharing dovish comments in press conferences implying that rate cuts may be possible from June onwards. Whilst Lagarde, the governor of the European Central Bank, stated that policymakers were not currently "sufficiently confident" on inflation to lower rates, she did state that they "will know a lot more in June". Traders are still pricing in 100bps of cuts for 2024.

The potential for easier monetary policy in the second half of the year, shown by an unexpected rate cut by the Swiss National bank, strong signals by the Bank of England that rate cuts were "in play" and signs that inflation continues to fall faster than expected across the Eurozone, are setting European

stocks up for a strong second quarter of the year. All of this renewed optimism continued to dampen demand across the region as short loan value dipped to its lowest level in a decade.

Across EMEA equities, securities lending revenues continued to experience sharp declines YoY, with $118M generated throughout the month (-31% YoY). Monthly revenues declined across the majority of countries with only Sweden, Norway and Belgium marking YoY increases. Revenues increased in Sweden thanks to a 22% YoY increase in average fees to 1.79% - the highest level seen since April 2023 (1.99%). Utilization increased in the country to 9.57%, its highest level since May 2023 (9.74%). Balances also increased MoM, topping a great month of performance for the country.

Despite posting a 12% YoY decrease in monthly revenues, France experienced a 57% increase in average fees during the month. Revenues increased significantly when compared with both January and February which was a direct result of the increase seen in the average fee (0.60% in March from 0.38% during February). Two stocks, Orpea SA (ORP) and Eutelsat Communications SA (ETL) were responsible for 50% of all revenues generated in this country.

Average fees increased by 17% YoY in Spain and revenues increased by 14% YoY to $1.9M. Caixabank SA (CABK) and Banco Bilbao Vizcaya Argentaria SA (BBVA) were the two highest revenue generating borrows in the country, generating $760K collectively.
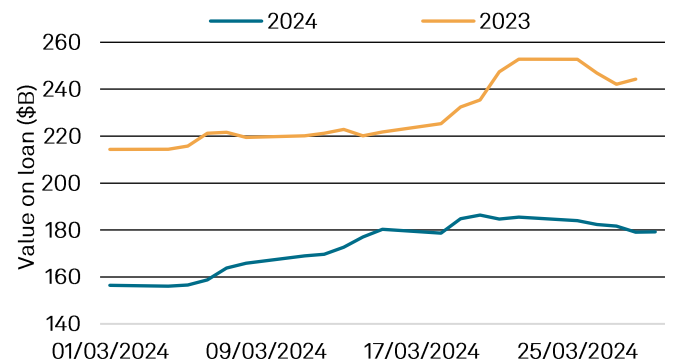
March Fee Trend
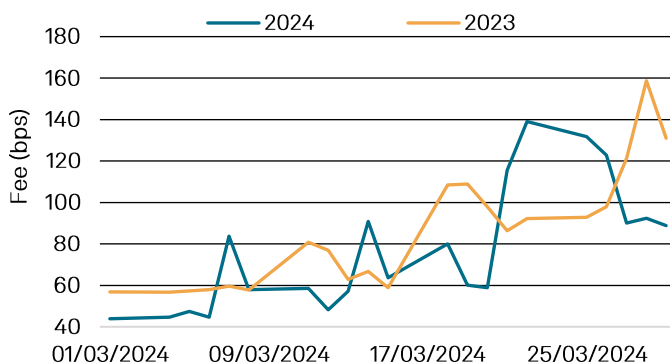
March Balance Trend

| EMEA monthly revenues declined 31% YoY | Swedish equity Volume Weighted Average Fees (VWAF) increased 22% YoY | Balances across both France and Germany declined by 48% YoY | Revenues in UK fell 54% YoY |

Country Details

Country	Revenue ($M)	Rev YoY % Change	YTD Revenues ($M)	Avg Balances ($B)	Bal YoY % Change	Avg Fee	Fee YoY % Change	Avg Lendable ($B)	Lendable YoY % Change	Avg Util	Util YoY % Change
Sweden Equity	$35	19%	$51	$22	-5%	1,79%	22%	$190	11%	9.6%	-10%
Switzerland Equity	$28	-54%	$40	$30	-21%	1.07%	-41%	$514	7%	4.4%	-31%
France Equity	$15	-12%	$28	$26	-48%	0.60%	57%	$677	10%	3.1%	-53%
Germany Equity	$10	-48%	$27	$22	-48%	0.52%	-1%	$411	6%	4.0%	-56%
UK Equity	$7	-54%	$20	$26	1%	0.32%	-55%	$951	5%	2.2%	4%
Finland Equity	$4	-10%	$7	$3	-6%	1.41%	-5%	$52	-3%	5.4%	4%
South Africa	$4	-15%	$6	$5	8%	0.79%	-29%	$41	-9%	6.8%	2%
Italy Equity	$4	-8%	$9	$13	16%	0.37%	-23%	$161	30%	6.0%	-14%
Norway Equity	$4	1%	$13	$5	15%	0.91%	-12%	$37	-19%	10.3%	42%
Netherlands Equity	$2	-48%	$7	$8	-41%	0.28%	-13%	$311	20%	2.1%	-49%

Note: Includes only transactions with positive fees
Source: S&P Global Market Intelligence Securities Finance
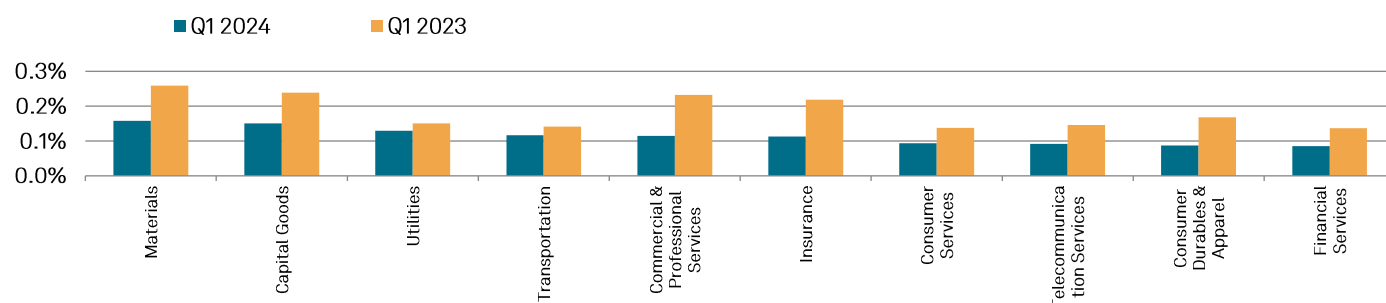
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Specials Revenues and Balances

	Specials Revenue ($M)	Specials Balances ($B)	Total Revenues ($M)	Total Balance ($B)	% Revenues from Specials	% Balance from Specials
2024	$31.4	$2.5	$109.3	$173.4	28.7	1.4
2023	$50.9	$4.3	$174.3	$230.9	29.2	1.9
YoY % Change	-39%	-42%	-37%	-25%		

Source: S&P Global Market Intelligence Securities Finance

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Top 10 Revenue Generating European Equities

Top Earning Assets	Ticker	Sector	Country	Revenue Generated ($M)
Svenska Handelsbanken Ab	SHB A	EMEA Banks	SE	$10.7
Roche Holding	ROG	EMEA Pharmaceuticals, Biotechnology & Life Sciences	CH	$7.4
Novartis AG	NOVN	EMEA Pharmaceuticals, Biotechnology & Life Sciences	CH	$7.1
Opera SA	ORP	EMEA Health Care Equipment & Services	FR	$6.1
Skandinaviska Enskilda Banken Ab	SEB A	EMEA Banks	SE	$4.5
Idorsia Ltd	IDIA	EMEA Pharmaceuticals, Biotechnology & Life Sciences	CH	$3.5
Swedbank Ab	SWED A	EMEA Banks	SE	$3.3
Volvo Ab	VOLV B	EMEA Capital Goods	SE	$3.1
Meyer Burger Technology Ag	MBTN	EMEA Semiconductors & Semiconductor Equipment	CH	$3.1
Nordea Bank Abp	NDA FI	EMEA Banks	FI	$3.0

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EMEA Equities Q1 2024
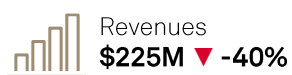
Revenues
$225M ▼ -40%

Average Value on Loan
$157B ▼ -30%

Weighted Average Fee
0.55% ▼ -18%

Average Utilization
3.4% ▼ -36%

Country Details

Country	Q1 Revenue ($M)	Rev YoY % Change	Avg Balances ($B)	Bal YoY % Change	Avg Fee	Fee YoY % Change	Avg Lendable ($B)	Lendable YoY % Change	Avg Util	Util YoY % Change
Sweden Equity	$51	-13%	$18	-7%	0.97%	-15%	$184	5%	8.2%	-9%
Switzerland Equity	$40	-50%	$24	-27%	0.58%	-34%	$515	5%	3.6%	-36%
France Equity	$28	-40%	$23	-54%	0.46%	20%	$657	8%	2.8%	-57%
Germany Equity	$27	-51%	$20	-55%	0.54%	6%	$399	1%	3.7%	-60%
UK Equity	$20	-54%	$26	-3%	0.30%	-54%	$945	2%	2.2%	-3%
Norway Equity	$13	-39%	$5	-4%	1.13%	-30%	$38	-23%	9.7%	15%
Italy Equity	$9	-21%	$10	12%	0.35%	-33%	$153	23%	5.0%	-15%
Netherlands Equity	$7	-28%	$9	-35%	0.31%	8%	$297	12%	2.3%	-44%
Finland Equity	$7	-28%	$3	-6%	0.77%	-27%	$53	-4%	5.0%	4%
South Africa Equity	$6	-12%	$3	12%	0.64%	-25%	$42	-13%	4.3%	16%

Note: Includes only transactions with positive fees
Source: S&P Global Market Intelligence Securities Finance

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Top 10 Revenue Generating European Equities

Top Earning Assets	Ticker	Sector	Country	Revenue Generated ($M)
Svenska Handelsbanken Ab	SHB A	EMEA Banks	SE	$11.2
Roche Holding Par	ROG	EMEA Pharmaceuticals, Biotechnology & Life Sciences	CH	$8.3
Novartis AG	NOVN	EMEA Pharmaceuticals, Biotechnology & Life Sciences	CH	$7.9
Idorsia Ltd	IDIA	EMEA Pharmaceuticals, Biotechnology & Life Sciences	CH	$6.6
Orpea SA	ORP	EMEA Health Care Equipment & Services	FR	$6.4
Skandinaviska Enskilda Banken Ab	SEB A	EMEA Banks	SE	$4.7
Equinor ASA	EQNR	EMEA Energy	NO	$4.4
Meyer Burger Technology AG	MBTN	EMEA Semiconductors & Semiconductor Equipment	CH	$3.9
Swedbank AB	SWED A	EMEA Banks	SE	$3.5
Nagarro SE	NA9	EMEA Software & Services	DE	$3.5

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$ Short Loan Value as a % of Market Cap

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Exchange Traded Products

Revenues
$44M ▼ -34%

Average Value on Loan
$95B ▼ -10%

Weighted Average Fee
0.54% ▼ -27%

Average Utilization
9.7% ▼ -15%
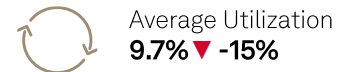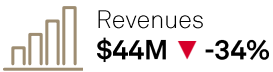
ETP revenues continue to decline.

The ease of investing in ETFs can often lead to flows being quite volatile. Investor flows often reflect the changing macroeconomic environment and the prevailing investor sentiment. Over the first quarter of the year, SPY which tracks the S&P 500 and holds the title for being the first ETF to reach $500B in assets, has registered outflows of close to $30B during 2024. SPY is one of the most traded and liquid ETFs in the market and is used by financial investors for a multitude of reasons including long and short exposure and hedging. Despite the S&P 500 reaching an all-time high during the month, the ETF continues to suffer monthly outflows. Given the growing confidence in the economic environment, the outflows may signify a broadening of the rally as investors look to diversify their holdings or simple profit taking.

Given the volatility seen in the price of Bitcoin over the month the headlines in the ETF market continued to be dominated by the asset class. After just two months in existence, IBIT, the iShares Bitcoin ETF, surpassed MicroStrategy (MSTR) as one of the largest holders of Bitcoin. IBIT reportedly held over 200k coins during the month as investor demand surged. Inflows in spot Bitcoin products surpassed $1B in just one week during the first week of March.

As a testament to the liquidity and governance that exists around exchange traded funds, the Commodity Futures Trading Commission committee (CFTC) recommended during the month that US Treasury ETFs should be used as collateral for uncleared swaps. "This enhancement, driven by factors such as diversification, liquidity, efficiency, and market stability, could prove beneficial for end-users seeking a wider range of eligible IM, CSEs and the broader financial markets", the CFTC stated.

ETP securities lending revenues declined 34% YoY to $44M during the month of March. Both balances and average fees also declined YoY, with average fees hitting their lowest level of 2024 so far at 0.54%. Balances continued to climb MoM as market valuations increased. This had a positive impact upon utilization which increased to 9.74% over the month from 9.41% during February.

When looking across the different regions, Americas ETFs experienced their strongest revenues of the year so far. This was despite a reduction MoM in average fees. Higher valuations and an increase in utilization helped revenues to push higher. On March 19th, on loan balances reached $99.4B, their highest level since September 2023. Revenues across EMEA ETPs remained subdued during the month decreasing by 18% YoY but marking a slight increase of 10% MoM. Average fees decreased from 1.33% to 1.29% during the month which appears to be an ongoing trend seen since January. Across Asia, ETPs did experience an increase in revenues of 59% YoY but this only represents an increase of $480K. Balances increased 35% YoY but utilization continued to decline MoM, despite the 52% YoY increase.

March Fee Trend
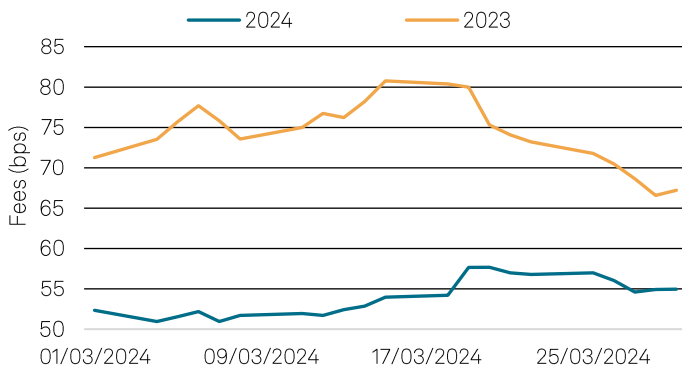
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March Balance Trend
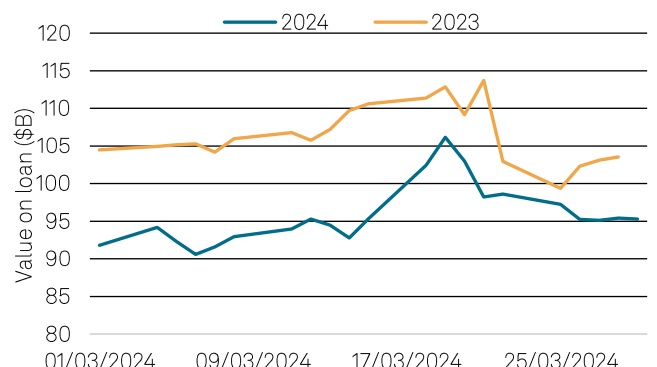
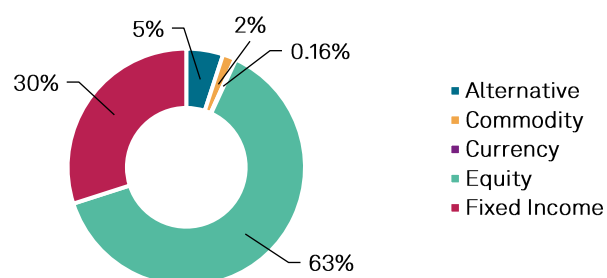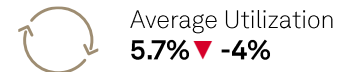Source: S&P Global Market Intelligence Securities Finance   ©2024 S&P Global Market Intelligence

iShares Russell 2000 highest revenue equity ETF	Asia ETF revenues increased by 59% YoY	Asia ETF balances increased by 35% YoY	Biotech and Technology ETFs continued to see demand to borrow

Regional Details

Regional	Revenue ($M)	Rev YoY % Change	Revenues YTD ($M)	Avg Balances ($B)	Bal YoY % Change	Avg Fee	Fee YoY % Change	Avg Lendable ($B)	Lendable YoY % Change	Avg Util	Util YoY % Change
Americas ETFs	$37	-38%	$107	$89	-11%	0.48%	-31%	$359	19%	13.2%	-16%
European ETFs	$5	-18%	$14	$5	-10%	1.29%	-9%	$99	22%	2.8%	-20%
Asia ETFs	$1	59%	$3	$1	35%	1.14%	16%	$4	17%	12.5%	52%

Note: Includes only transactions with positive fees
Source: S&P Global Market Intelligence Securities Finance

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Top 10 Revenue Generating Equity ETFs

ETF Name	Ticker	Investment type	Country	Revenue Generated ($M)
iShares Russell 2000 ETF	IWM	Equity	US	$1.1
SPDR S&P Biotech ETF	XBI	Equity	US	$0.8
Proshares Ultrapro QQQ ETF	TQQQ	Equity	US	$0.8
iShares MSCI China A UCITS ETF	CNYA	Equity	IE	$0.7
Ark Innovation ETF	ARKK	Equity	US	$0.7
SPDR S&P Retail ETF	XRT	Equity	US	$0.6
Invesco QQQ Trust Series 1 ETF	QQQ	Equity	US	$0.6
Xtracker Harvest CSI 300 China A Shares ETF	ASHR	Equity	US	$0.6
iShares Semiconductor ETF	SOXX	Equity	US	$0.6
SPDR S&P 500 ETF	SPY	Equity	US	$0.6

Source: S&P Global Market Intelligence Securities Finance

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Top 5 Revenue Generating Fixed Income ETFs

ETF Name	Ticker	Investment type	Country	Revenue Generated ($M)
iShares IBOXX High Yield Bond ETF	HYG	Fixed Income	US	$1.9
iShares National Muni Bond ETF	MUB	Fixed Income	US	$1.5
iShares IBOXX Investment Grade ETF	LQD	Fixed Income	US	$1.3
Vanguard Muni Bond Tax Exempt ETF	VTEB	Fixed Income	US	$0.7
Vanguard Long term Core Bond ETF	VCLT	Fixed Income	US	$0.3

Source: S&P Global Market Intelligence Securities Finance

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Exchange Traded Products Q1 2024

Revenues
$128M ▼ -21%

Average Value on Loan
$90B ▼ -7%

Weighted Average Fee
0.56% ▼ -16%

Average Utilization
9.4% ▼ -10%

Regional Details

Regional	Q1 Revenue ($M)	Rev YoY % Change	Avg Balances ($B)	Bal YoY % Change	Avg Fee	Fee YoY % Change	Avg Lendable ($B)	Lendable YoY % Change	Avg Util	Util YoY % Change
Americas ETFs	$107	-21%	$84	-6%	0.50%	-17%	$352	15%	12.7%	-9%
European ETFs	$14	-25%	$4	-22%	1.33%	-6%	$98	21%	2.6%	-35%
Asia ETFs	$3	38%	$1	20%	1.15%	13%	$3	-1%	12.6%	56%

Note: Includes only transactions with positive fees
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Top 5 Revenue Generating Equity ETFs

ETF Name	Ticker	Investment type	Country	Revenue Generated ($M)
Proshares Ultrapro QQQ ETF	TQQQ	Equity	US	$2.6
SPDR S&P Biotech ETF	XBI	Equity	US	$2.3
iShares Russell 2000 ETF	IWM	Equity	US	$2.1
Ark Innovation ETF	ARKK	Equity	US	$1.7
iShares MSCI China A UCITS ETF	CNYA	Equity	IE	$1.7

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Top 5 Revenue Generating Fixed Income ETFs

ETF Name	Ticker	Investment type	Country	Revenue Generated ($M)
iShares IBOXX Investment Grade	LQD	Fixed Income	US	$12.3
iShares National Muni Bond ETF	MUB	Fixed Income	US	$3.7
iShares IBOXX High Yield Bond ETF	HYG	Fixed Income	US	$2.8
Vanguard Muni Bond Tax Exempt	VTEB	Fixed Income	US	$1.7
Vanguard Long term Core Bond	VCLT	Fixed Income	US	$1.2

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Q1 Lending Revenues by Region
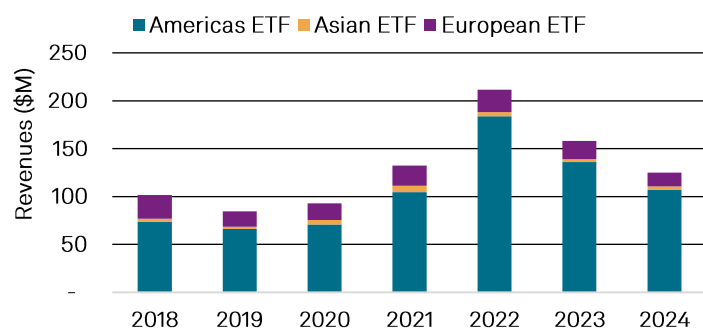
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Q1 Lending Revenues by Asset Class

Source: S&P Global Market Intelligence Securities Finance © 2024 S&P Global Market Intelligence

Corporate Bonds

Revenues
$81M ▼ -21%

Average Value on Loan
$297B ▲ 13%

Weighted Average Fee
0.32% ▼ -31%

Average Utilization
5.7% ▼ -4%
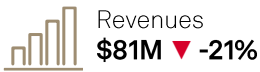
Issuance hits new highs as spreads hit new lows.

As confidence continues to grow across the eurozone economy, a growing demand for investment grade credit has moved credit spreads against benchmark bonds to a two year low. The difference in spreads between Europe and the US also declined to its narrowest level in ten months during March. The narrowing in spread reflects a growing confidence that the eurozone has managed to tame inflation without damaging the economy. Credit spreads in Europe have now caught up with the rapid tightening that was seen across the US as the soft-landing narrative has gained traction.

Inflows into US corporate bond funds reportedly topped $23B during the first quarter of the year, marking the first positive start to a year in five years. This record amount has been responsible for increasing asset prices and compressing spreads to their lowest point for nearly two years. The majority of inflows have reportedly been seen across investment grade funds despite high yield spreads falling to their lowest level since 2007. Yields remain at their highest levels seen for many years and investors remain keen to lock in the premiums on offer before interest rate cuts take hold.

As demand for corporate bonds continues to increase, as mentioned in February's snapshot, issuers continue to take advantage of the buoyant market conditions. Investment grade companies have reportedly issued circa $560B in dollar-denominated bonds year-to-date, the largest

volumes recorded since at least 1990. High yield issuance has also been growing, up over 60% YoY, to just shy of $60B, the highest seen in three years.

In the securities lending markets, corporate bonds generated **$81M** in revenues during March representing a 21% decline YoY. Average fees also declined both YoY (-31%) and MoM (-3%). Average fees have been in decline since Q1 2023 after fees hit their peak as hawkish central banks continued to move interest rates higher. Balances hit a recent high during the month, topping $297B. This represented an increase of 13% YoY and is responsible for the continuation of strong revenues seen from the asset class. Utilization remained unchanged throughout the month at 5.73% but lendable continued to increase.

Conventional bonds continued to generate the largest revenues, with $77.9M generated during March, up from $73.6M during February. Average fees continue to decline in an orderly fashion, but utilization has been increasing during the year which has been supportive for revenues.

Revenues, fees, and balances all declined both YoY and MoM across convertible bonds. Revenues have decreased continually since January 2023 with a similar decline seen across average fees. Lendable did reach a recent high during the month however, topping $36B. The highest revenue generating convertible bond was the Biomarin Pharmaceutical Inc (1.25% 15-May-2027) (09061GAK7) which generated $600K during March.

March Fee Trend
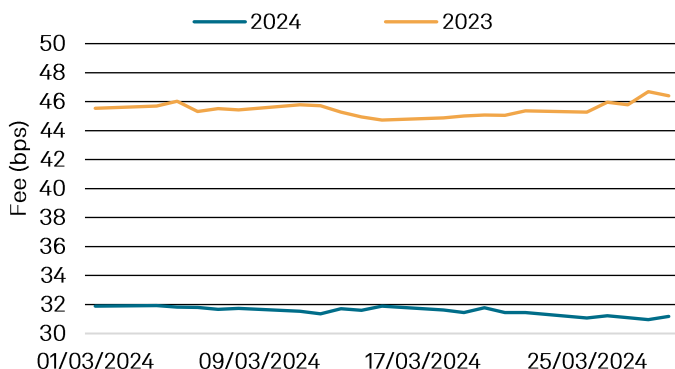
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March Balance Trend
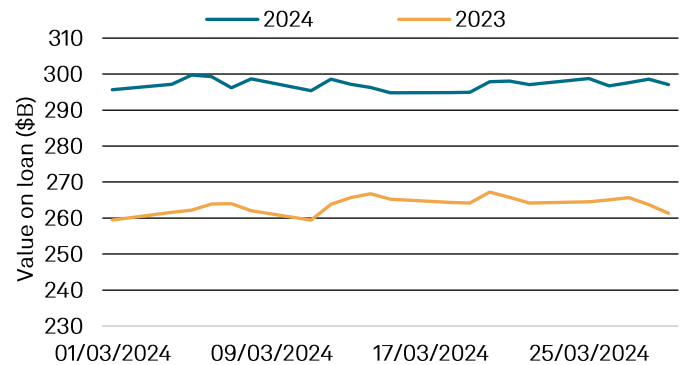
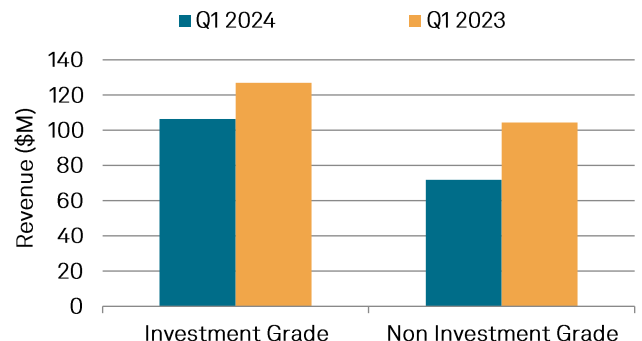Source: S&P Global Market Intelligence Securities Finance   ©2024 S&P Global Market Intelligence

Average fees continued to decline MoM and YoY	Convertibles Bonds experienced a 58% decline in revenues YoY	Corporate Bond balances increase 13% YoY	Revenues increased 92% across Asset Backed Securities

Asset Class Details

Asset Class	Revenue ($M)	Rev YoY % Change	Revenues YTD ($M)	Avg Balances ($B)	Bal YoY % Change	Avg Fee	Fee YoY % Change	Avg Lendable ($B)	Lendable YoY % Change	Avg Util	Util YoY % Change
Conventional Bonds	$78	-19%	$229	$294	13%	0.31%	-29%	$4,084	18%	6.2%	-4%
Convertible Bonds	$2	-58%	$6	$2	-26%	1.13%	-43%	$36	3%	4.9%	-25%
Asset Backed Securities	$0.1	92%	$0.2	$0.4	61%	0.24%	18%	$333	13%	0.1%	45%

Note: Includes only transactions with positive fees
Source: S&P Global Market Intelligence Securities Finance

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Top 5 Revenue Generating USD Denominated Corporate Bonds

Top Earning Assets	CUSIP	Denomination	Asset Class	Revenue Generated ($M)
Hanesbrands Inc (9% 15-Feb-2031)	410345AQ5	USD	Private Placement	$0.7
Biomarin Pharmaceutical Inc (1.25% 15-May-2027)	09061GAK7	USD	N.I.G. Conv Bond (Fixed Rate)	$0.6
3M Co (4% 14-Sep-2048)	88579YBD2	USD	I.G. Corp Bond (Fixed Rate)	$0.6
Level 3 Financing Inc (10.5% 15-May-2030)	527298BU6	USD	Private Placement	$0.4
MPT Operating Partnership LP (5.25% 01-Aug-2026)	55342UAG9	USD	N.I.G. Corp Bond (Fixed Rate)	$0.4
Apple Inc (4.3% 10-May-2033)	037833EV8	USD	I.G. Corp Bond (Fixed Rate)	$0.4

Source: S&P Global Market Intelligence Securities Finance

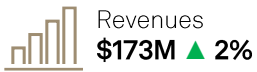© 2024 S&P Global Market Intelligence

Top 5 Revenue Generating EUR Denominated Corporate Bonds

Top Earning Assets	CUSIP	Denomination	Asset Class	Revenue Generated ($M)
Ineos Quattro Finance 2 Plc (8.5% 15-Mar-2029)	G4772GAD7	EUR	N.I.G. Corp Bond (Fixed Rate)	$0.3
Worldline Sa (4.125% 12-Sep-2028)	F9867TJC8	EUR	N.I.G. Corp Bond (Fixed Rate)	$0.2
Eutelsat Sa (2.25% 13-Jul-2027)	F3692FAG2	EUR	N.I.G. Corp Bond (Fixed Rate)	$0.2
Volvo Car Ab (4.25% 31-May-2028)	W9835LAH3	EUR	N.I.G. Conv Bond (Fixed Rate)	$0.2
Intrum Ab (9.25% 15-Mar-2028)	W4998YUK0	EUR	N.I.G. Corp Bond (Fixed Rate)	$0.2

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Top 5 Revenue Generating GBP Denominated Corporate Bonds

Top Earning Assets	CUSIP	Denomination	Asset Class	Revenue Generated ($M)
United Utilities Water Finance Plc (1.875% 03-Jun-2042)	G929RZAU0	GBP	I.G. Corp Bond (Fixed Rate)	$0.2
Very Group Funding Plc (6.5% 01-Aug-2026)	G933KZAA3	GBP	N.I.G. Corp Bond (Fixed Rate)	$0.07
Iceland Bond Co Plc (10.875% 15-Dec-2027)	G4738RAD6	GBP	N.I.G. Corp Bond (Fixed Rate)	$0.06
Travis Perkins Plc (3.75% 17-Feb-2026)	G90202SS5	GBP	N.I.G. Corp Bond (Fixed Rate)	$0.04
Close Brothers Group Plc (2% 11-Sep-2031)	G22120AZ5	GBP	I.G. Corp Bond (Fixed Rate)	$0.04

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Corporate Bonds Q1 2024

Revenues
$239M ▼ -20%

Average Value on Loan
$289B ▲ 10%

Weighted Average Fee
0.33% ▼ -29%

Average Utilization
5.6% ▼ -4%

Asset Class Details

Asset Class	Revenue ($M)	Rev YoY % Change	Avg Balances ($B)	Bal YoY % Change	Avg Fee	Fee YoY % Change	Avg Lendable ($B)	Lendable YoY % Change	Avg Util	Util YoY % Change
Conventional Bonds	$229	-18%	$286	11%	0.32%	-28%	$4,054	16%	6.1%	-4%
Convertible Bonds	$6	-66%	$2	-44%	1.23%	-40%	$36	-6%	4.2%	-40%
Asset Backed Securities	$0.24	101%	$0.4	62%	0.24%	22%	$336	13%	0.1%	43%

Note: Includes only transactions with positive fees
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Top 10 Revenue Generating Corporate Bonds

Top Earning Assets	CUSIP	Denomination	Asset Class	Revenue Generated ($M)
Cassava Sciences Inc	14817C115	USD	N.I.G. Conv Bond (Fixed Rate)	$2.9
3M Co (4% 14-Sep-2048)	88579YBD2	USD	I.G. Corp Bond (Fixed Rate)	$2.0
Biomarin Pharmaceutical Inc (1.25% 15-May-2027)	09061GAK7	USD	N.I.G. Corp Bond (Fixed Rate)	$1.8
Apple Inc (4.3% 10-May-2033)	037833EV8	USD	I.G. Corp Bond (Fixed Rate)	$1.4
Hanesbrands Inc (9% 15-Feb-2031)	410345AQ5	USD	Private Placement	$1.4
Ford Motor Co (5.291% 08-Dec-2046)	345370CS7	USD	N.I.G. Corp Bond (Fixed Rate)	$1.3
MPT Operating Partnership LP (5.25% 01-Aug-2026)	55342UAG9	USD	N.I.G. Corp Bond (Fixed Rate)	$1.1
Mph Acquisition Holdings LLC (5.75% 01-Nov-2028)	553283AC6	USD	Priv. Placement Corp Bond (Fixed Rate)	$1.1
Vistajet Malta Finance Plc (7.875% 01-May-2027)	92840JAD1	USD	Priv. Placement Corp Bond (Fixed Rate)	$1.0
3M Co (2.875% 15-Oct-2027)	88579YAY7	USD	I.G. Corp Bond (Fixed Rate)	$0.9

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Q1 Revenues by Denomination
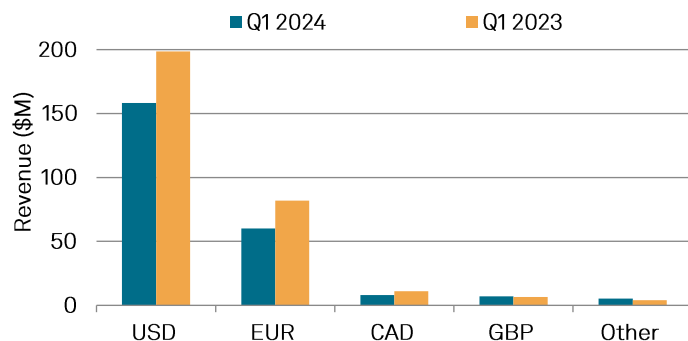
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Q1 Revenues by Ratings Category

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Government Bonds

**Revenues**
$173M ▲ 2%

Average Value on Loan
$1,138B ▲ 4%

Weighted Average Fee
0.18% ▼ -4%

Average Utilization
20.4% ▼ -5%

US Treasuries experienced strong demand during the month of March.

The biggest news in the government bond markets during the month of March came from the Bank of Japan and its decision to end its era of negative rates. Speculation of rate increases had been growing over the preceding months as economic and inflation data started to strengthen, pushing 2-year yields in the market to their highest levels since 2011. The Reserve Bank of Australia decided to leave interest rates on hold during the month but also dropped its reference to the possibility of further rate rises, signaling its tightening cycle may have ended.

Across Europe, markets welcomed central bankers' dovish comments as the Bank of England's governor Andrew Bailey said that rates cuts were "in-play" for future policy meetings after keeping rates on hold during the month. He also noted that the banks had "an increasingly positive story to tell" on inflation. Across the eurozone, interest rates were also kept on hold, with guidance for the first rate cut strengthened for June. As for the Federal Reserve in the US, officials didn't change their outlook for delivering three rate cuts this year after keeping interest rates on hold at a 23 year high. The Bank of Canada was also singing from the same sheet as it requested more data and further evidence of falling inflation before committing to any rate cut.

The US treasury curve has now been inverted since July 2022, the longest period on record, exceeding the record that was last set in 1978. An inverted yield curve is often perceived to be an early warning sign of imminent recession, but this has yet to materialize, and the global economy continues to grow.

In the securities lending markets government bonds generated **$173M** in revenues. This represents a 2% increase YoY and 22% increase MoM. Average fees also declined YoY but increased MoM, rising to an average of 0.18% during the month. This monthly increased helped push the quarterly average fees to 0.17% which was 1bps lower than the Q1 2023 average. Balances hit a recent high during the month, topping $1.138T, with March posting a YoY increase of 4% and Q1 marking a 3% increase YoY. The increase helped push utilization higher over both the month and the quarter to 20.43% and 20.36% respectively.

Across the Americas government bonds generated their highest monthly revenues for over twelve months. Average fees also increased to 0.19% which is the highest level seen since June 2023. US Treasuries continued to dominate the highest revenue generator table with very short-dated bonds still seeing strong demand. Across Europe both revenues and average fees declined both YoY and MoM. Average balances did increase but the decline in average fees impacted revenues.

March Fee Trend
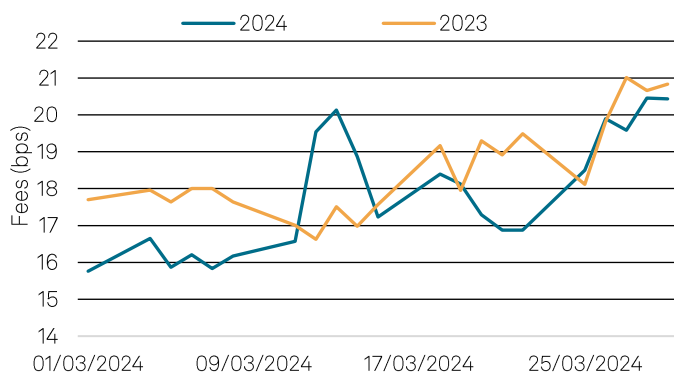
March Balance Trend
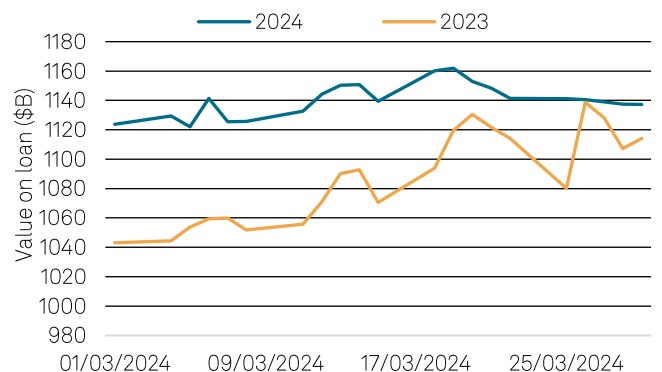
Americas government bond revenues increased by 17% YoY	Average fees across Emerging Market Bonds continued to decline YoY	EMEA lendable increased by 38% YoY	Volume Weighted Average Fee (VWAF) decreased YoY across all regions apart from Americas

Issuer Region Details

Region	Revenue ($M)	Rev YoY % Change	Revenues YTD ($M)	Avg Balances ($B)	Bal YoY % Change	Avg Fee	Fee YoY % Change	Avg Lendable ($B)	Lendable YoY % Change	Avg Util	Util YoY % Change
Americas	$119	17%	$314	$707	6%	0.19%	9%	$2,969	3%	20.5%	1%
Europe	$46	-22%	$130	$378	2%	0.14%	-25%	$1,359	38%	20.7%	-22%
Asia	$9	-12%	$25	$53	0%	0.20%	-13%	$144	-7%	16.4%	17%
Emerging Market	$6	-39%	$20	$21	-21%	0.37%	-23%	$332	12%	5.2%	-31%

Note: Includes only transactions with positive fees
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Top 5 Revenue Generating US Treasuries

Top Earning Assets	CUSIP	Denomination	Country	Revenue Generated ($M)
United States Treasury (4.5% 15-Feb-2044)	912810TZ1	USD	US	$10.8
United States Treasury (4% 15-Feb-2034)	91282CJZ5	USD	US	$4.3
United States Treasury (4.25% 31-Jan-2026)	91282CJV4	USD	US	$3.3
United States Treasury (4.25% 28-Feb-2029)	91282CKD2	USD	US	$3.1
United States Treasury (4.625% 28-Feb-2026)	91282CKB6	USD	US	$1.6

Source: S&P Global Market Intelligence Securities Finance

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Top 5 Revenue Generating CAD Government Bonds

Top Earning Assets	CUSIP	Denomination	Country	Revenue Generated ($M)
Canada (Government) (1.75% 01-Dec-2053)	135087M68	CAD	CA	$0.3
Canada (Government) (1% 01-Sep-2026)	135087L93	CAD	CA	$0.3
Canada (Government) (0.5% 01-Sep-2025)	135087K94	CAD	CA	$0.3
Canada (Government) (2% 01-Dec-2051)	135087H72	CAD	CA	$0.3
Canada (Government) (2.75% 01-Jun-2033)	135087Q23	CAD	CA	$0.2

Source: S&P Global Market Intelligence Securities Finance

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Top 5 Revenue Generating EMEA Government Bonds

Top Earning Assets	CUSIP	Denomination	Country	Revenue Generated ($M)
France, Republic Of (Government) (0.5% 25-May-2029)	F43750KE1	EUR	FR	$0.7
France, Republic Of (Government) (2.75% 25-Oct-2027)	F43750AD4	EUR	FR	$0.6
Germany, Federal Republic Of (Government) (2.1% 12-Apr-2029)	D4085MUK1	EUR	DE	$0.6
United Kingdom Of Great Britain And Northern Ireland (Government) (1% 22-Apr-2024)	G4527HDX6	GBP	UK	$0.6
France, Republic Of (Government) (3.5% 25-Apr-2026)	F40411HN7	EUR	FR	$0.5

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Government Bonds Q1 2024

Revenues
$470M ▼ -3%

Average Value on Loan
$1,122B ▲ 3%

Weighted Average Fee
0.17% ▼ -9%

Average Utilization
20.4% ▼ -6%
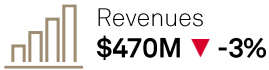
Issuer Region Details

Region	Q1 Revenue ($M)	Rev YoY % Change	Avg Balances ($B)	Bal YoY % Change	Avg Fee	Fee YoY % Change	Avg Lendable ($B)	Lendable YoY % Change	Avg Util	Util YoY % Change
Americas	$314	13%	$696	6%	0.18%	5%	$2,947	3%	20.4%	0%
Europe	$130	-29%	$373	-1%	0.14%	-30%	$1,346	37%	20.6%	-24%
Asia	$25	-15%	$52	6%	0.19%	-22%	$144	-6%	16.8%	33%
Emerging Market	$20	-36%	$20	-22%	0.39%	-20%	$323	10%	5.2%	-31%

Note: Includes only transactions with positive fees
Source: S&P Global Market Intelligence Securities Finance

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Top 10 Revenue Generating Government Bonds

Top Earning Assets	CUSIP	Denomination	Country	Revenue Generated ($M)
United States Treasury (4.5% 15-Feb-2044)	912810TZ1	USD	US	$10.8
United States Treasury (4.25% 31-Jan-2026)	91282CJV4	USD	US	$6.4
United States Treasury (4% 15-Feb-2034)	91282CJZ5	USD	US	$4.5
United States Treasury (4.75% 15-Nov-2043)	912810TW8	USD	US	$4.2
United States Treasury (4.25% 28-Feb-2029)	91282CKD2	USD	US	$3.1
United States Treasury (1.875% 15-Feb-2032)	91282CDY4	USD	US	$2.8
United States Treasury (2.875% 15-May-2032)	91282CEP2	USD	US	$2.8
United States Treasury (3.5% 15-Feb-2033)	91282CGM7	USD	US	$2.8
United States Treasury (2.75% 15-Aug-2032)	91282CFF3	USD	US	$2.6
United States Treasury (1% 15-Dec-2024)	91282CDN8	USD	US	$2.6

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Q1 Average on loan balances
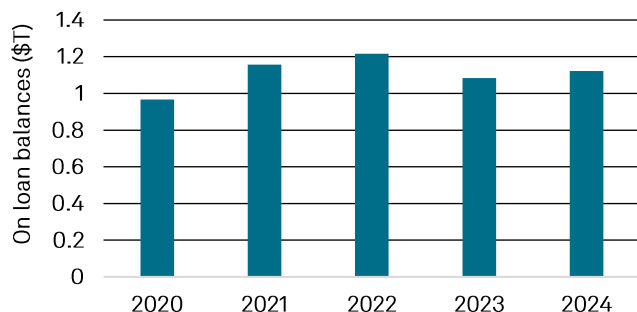
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Q1 Revenues by country
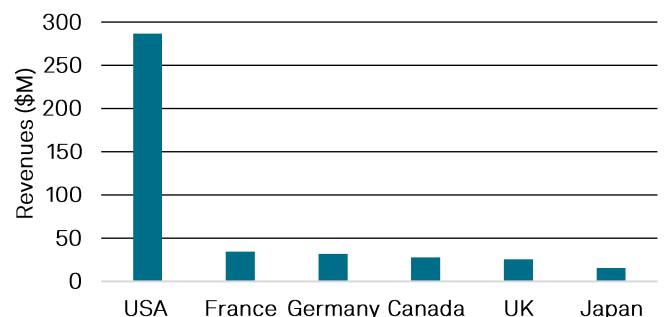
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Author Biography

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Matt Chessum is a director within the securities finance team at S&P Global Market Intelligence and is responsible for all market commentary, thought leadership and media relations. Previously, Matt was an Investment Director at abrdn where his main responsibilities included overseeing the securities lending activity and the management of GBP denominated Money Market mandates.

Matt is a former member of the Bank of England's securities lending committee and a former board member of the International Securities Lending Association (ISLA).

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