

# Securities Finance

## Market Activity Review Q2 2025

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President and Head of Fidelity  
Agency Lending

July 17, 2025



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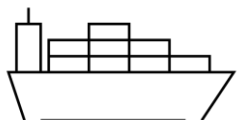
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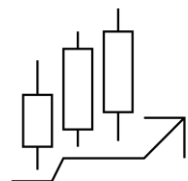
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# Q2 2025

Trade, defense and volatility mark a wild second quarter



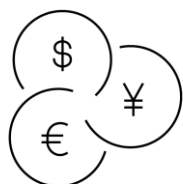
**US trade policies continue to dominate headlines across financial markets**



**Stock markets fall sharply and then recover quickly as a 90-day pause in tariff implementation is announced**



**Defence spending grows as geopolitical tensions increase**



**Central Banks took varied approaches to react to both economic data and tariff news**



**Securities lending revenues increase 22% YoY during Q2 as volatility grows as Coreweave Inc (CRWV) becomes the “special” of H1**

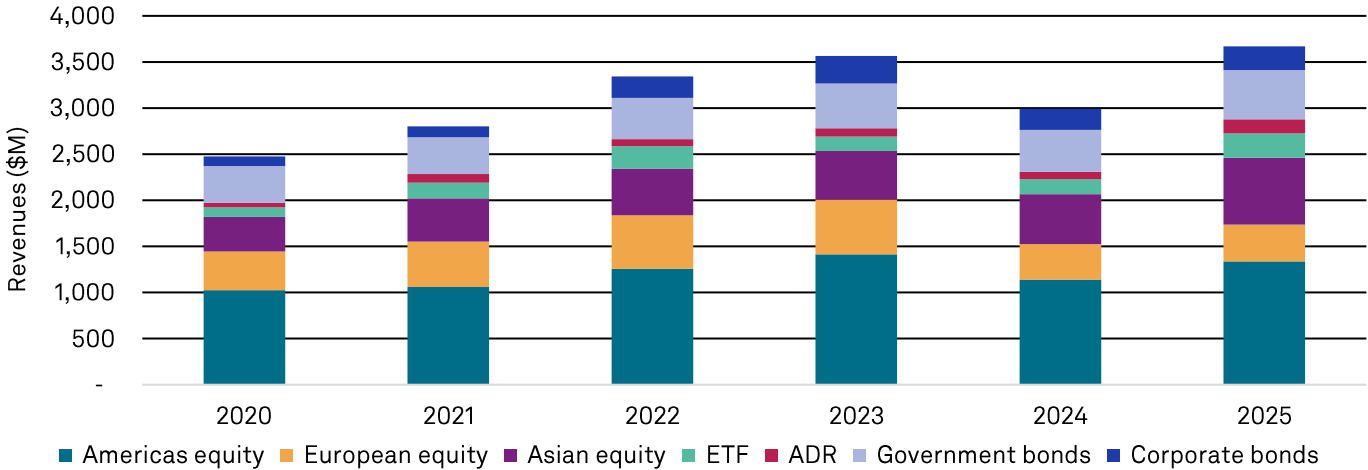
# Market revenues – Q2 2025

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	\$3,736	22%	\$6,611	\$3,025	14%	0.49%	7%	\$41,508	11%	5.7%	3%
All Equity	\$2,927	24%	\$5,007	\$1,353	15%	0.85%	8%	\$31,213	11%	3.2%	7%
Americas Equity	\$1,336	16%	\$2,208	\$690	9%	0.76%	6%	\$22,900	11%	2.4%	2%
Asia Equity	\$728	34%	\$1,354	\$246	20%	1.17%	12%	\$3,128	13%	5.2%	15%
EMEA Equity	\$399	4%	\$605	\$244	22%	0.64%	-15%	\$4,147	11%	4.7%	13%
ADR	\$153	109%	\$229	\$36	28%	1.65%	61%	\$266	5%	10.1%	25%
ETP	\$264	60%	\$530	\$127	24%	0.82%	30%	\$647	21%	11.0%	8%
Government Bond	\$533	15%	\$1,066	\$1,281	10%	0.16%	5%	\$4,999	11%	20.4%	-2%
Corporate Bond	\$256	11%	\$500	\$365	22%	0.28%	-9%	\$4,917	11%	6.3%	8%

Note: Includes only transactions with positive fees

Source: S&P Global Market Intelligence Securities Finance

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Q2 revenues of \$3.7B

Revenues grow 22% YoY

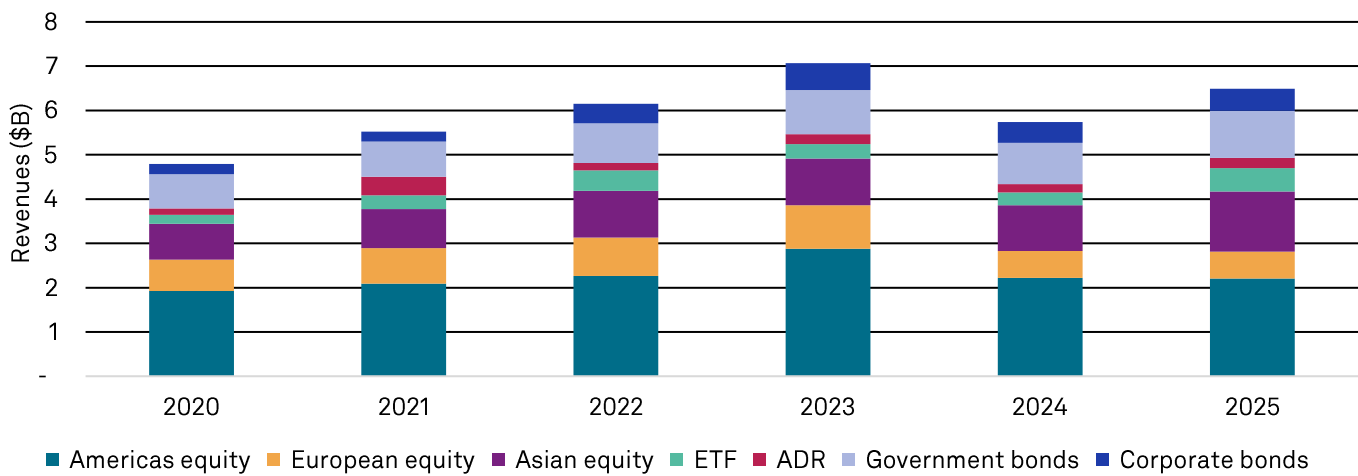
Average balances grow 14% YoY

# Market revenues – H1 2025

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	\$6,611	14%	\$6,611	\$2,943	12%	0.44%	1%	\$41,370	13%	5.5%	1%
All Equity	\$5,007	14%	\$5,007	\$1,296	12%	0.76%	2%	\$31,244	14%	3.1%	2%
Americas Equity	\$2,208	0%	\$2,208	\$674	7%	0.64%	-7%	\$23,187	15%	2.3%	-4%
Asia Equity	\$1,354	31%	\$1,354	\$244	14%	1.10%	15%	\$3,011	10%	5.3%	12%
EMEA Equity	\$605	-1%	\$605	\$214	20%	0.54%	-17%	\$4,012	9%	4.2%	11%
ADR	\$229	51%	\$229	\$34	15%	1.30%	28%	\$271	9%	9.5%	10%
ETP	\$530	81%	\$530	\$122	26%	0.87%	46%	\$641	22%	10.3%	5%
Government Bond	\$1,066	14%	\$1,066	\$1,266	11%	0.17%	4%	\$4,921	10%	20.6%	0%
Corporate Bond	\$500	6%	\$500	\$356	21%	0.28%	-12%	\$4,821	9%	6.2%	9%

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

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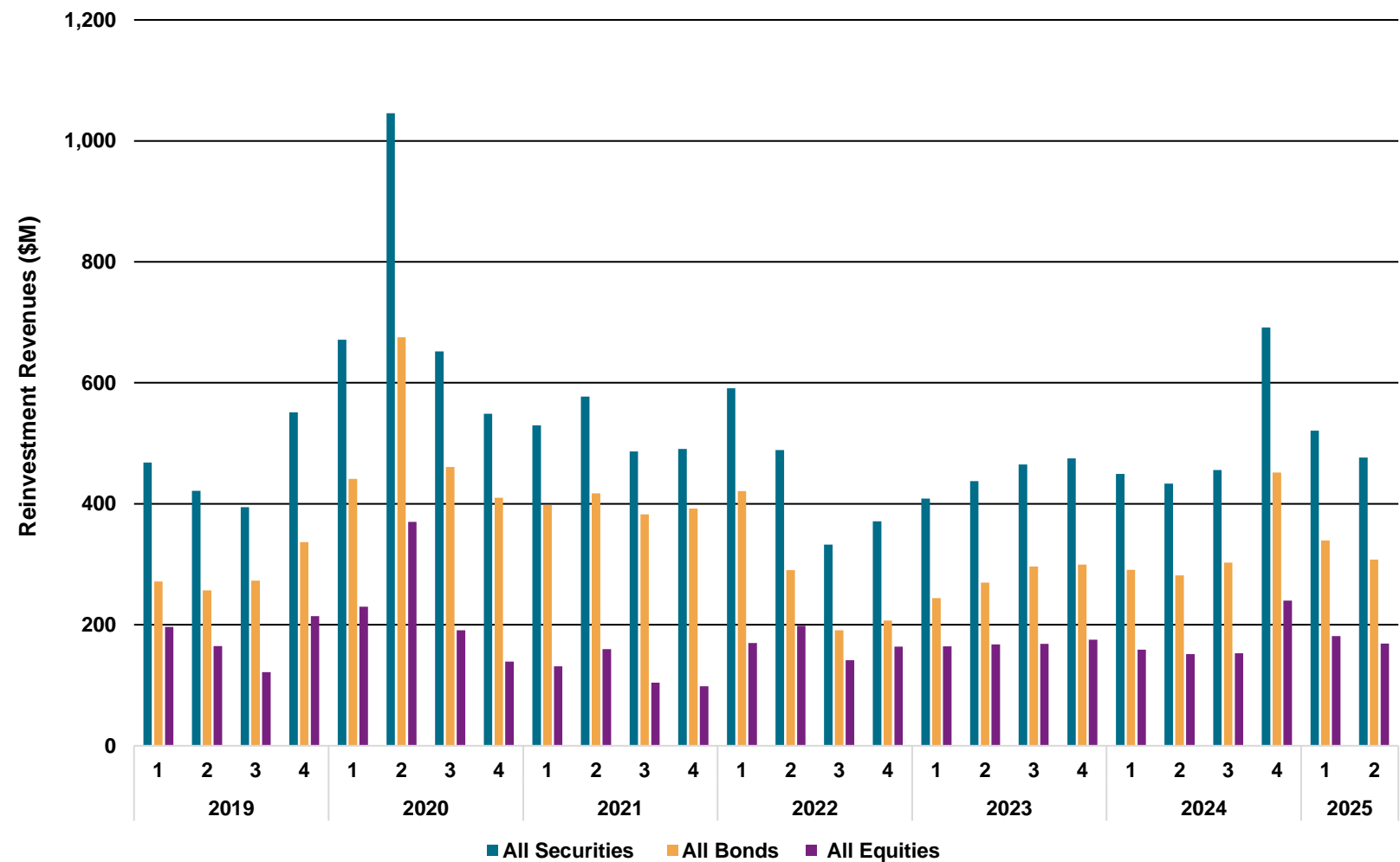


H1 revenues of \$6.1B

Revenues grow 14% YoY

Average balances grow 12% YoY

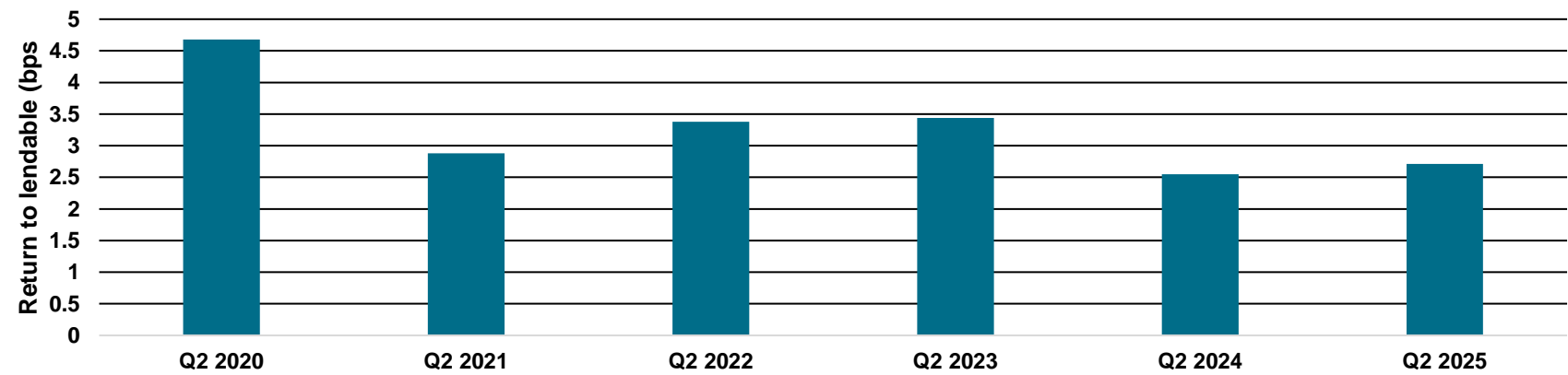
# Market revenues – Reinvestment returns



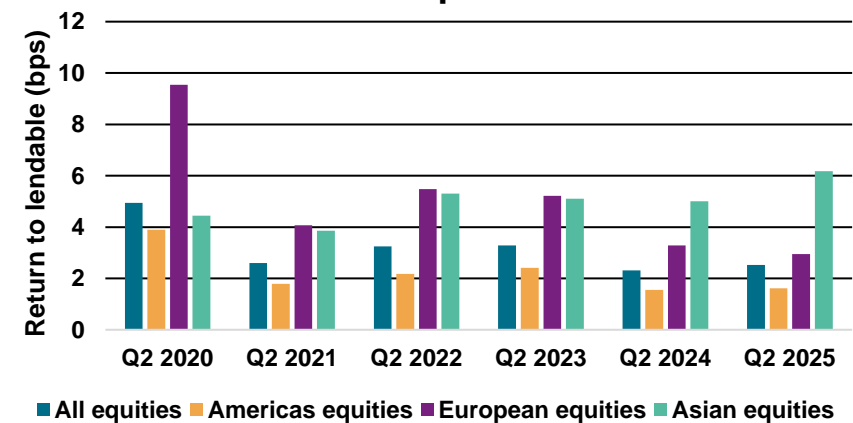
Quarterly cash reinvestment returns decline as Fed pause continues

# Market revenues – Lenders return to lendable

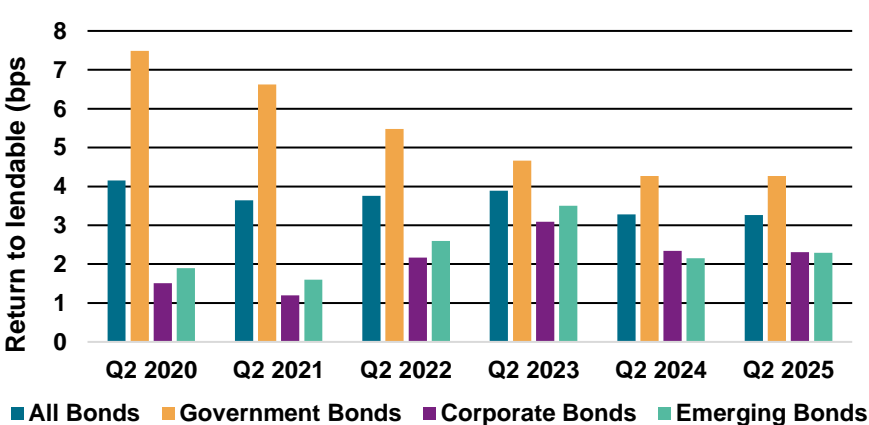
All Securities



All Equities



All Bonds

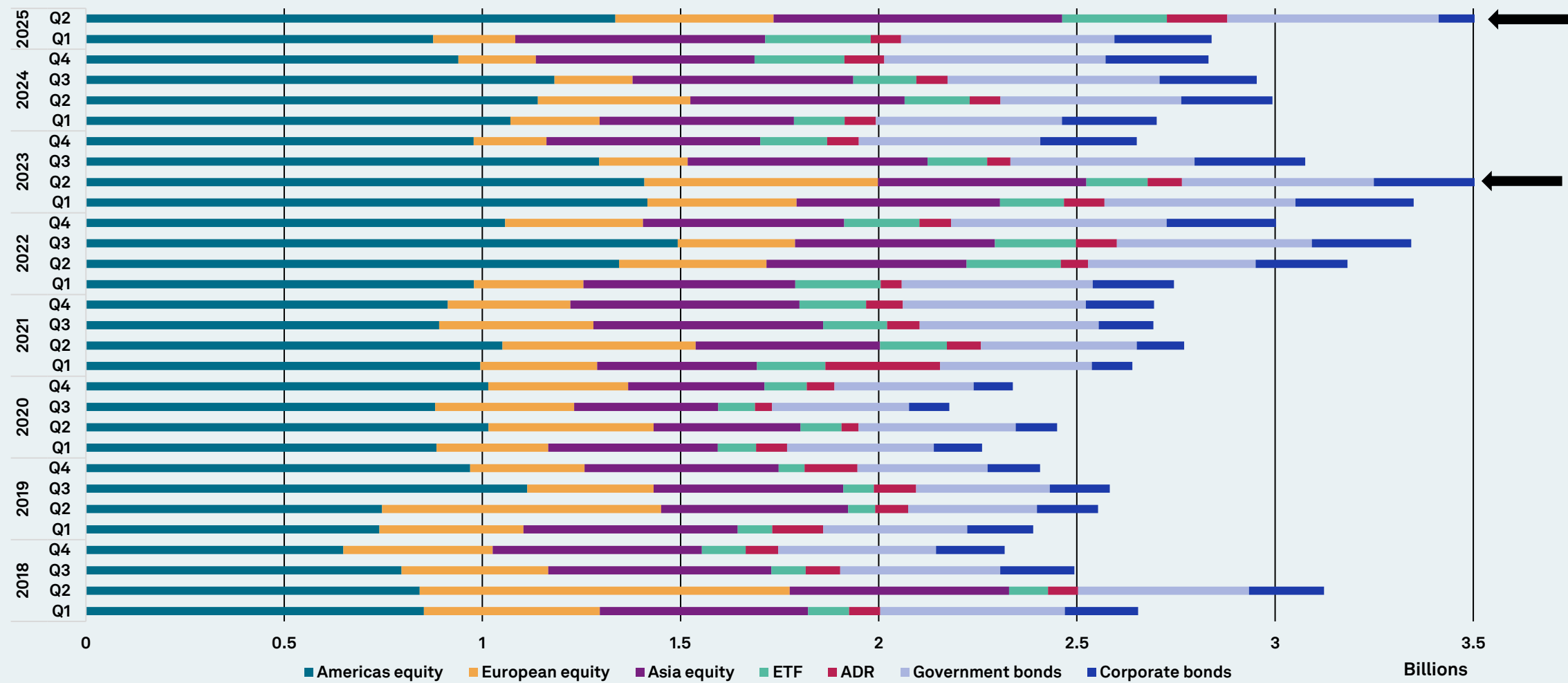


All securities  
2.71bps

All equity  
2.53bps

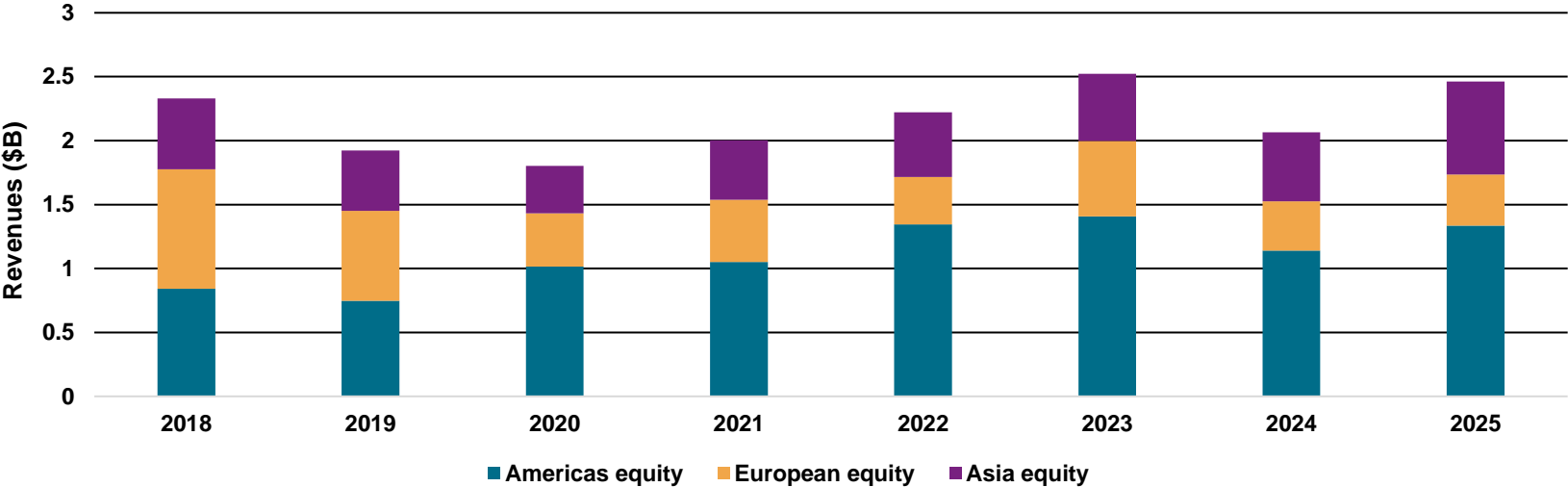
All Bonds  
3.26bps

# Quarterly revenues by asset class

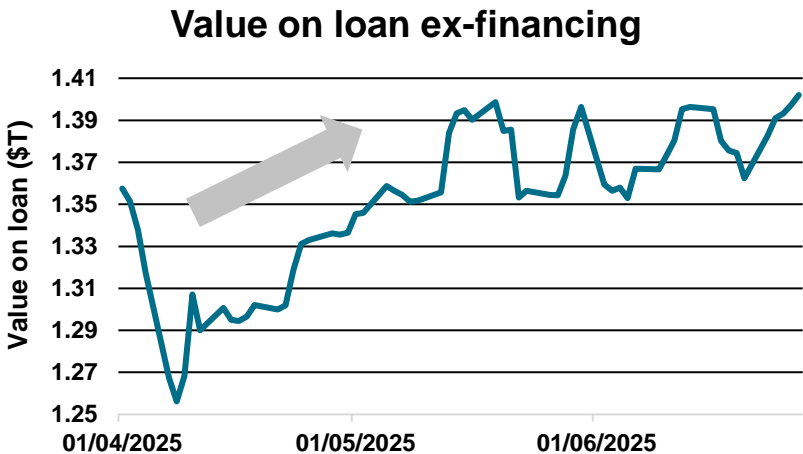
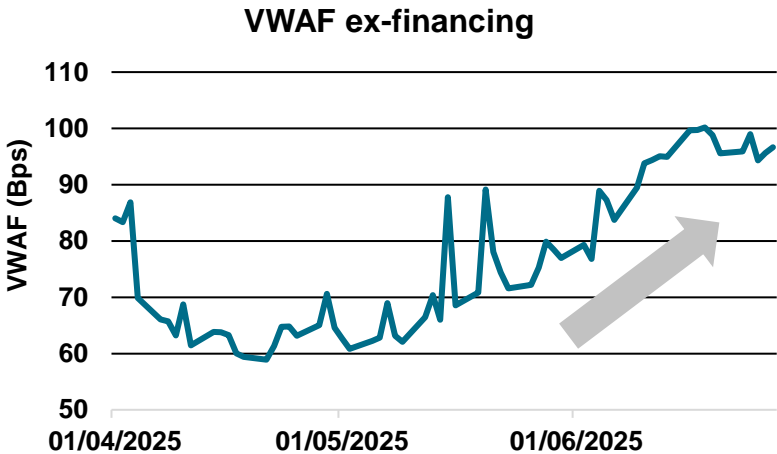




# Equities – Revenues, VWAF and Balances

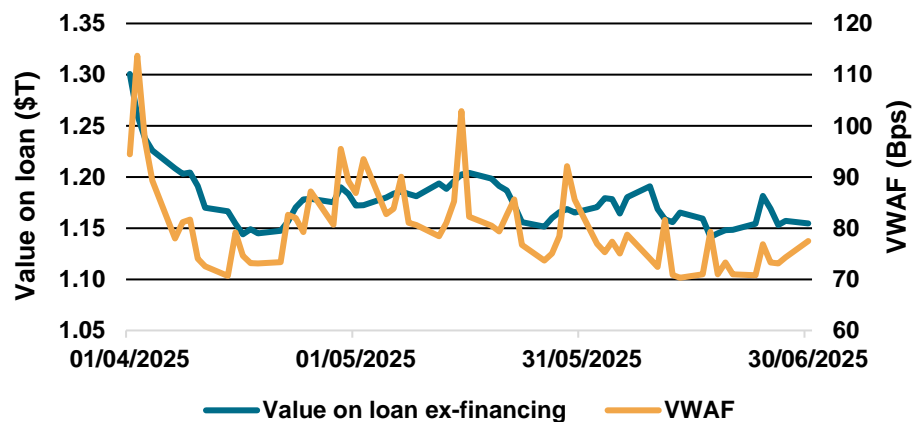


Q2 equity revenues increased 24% YoY

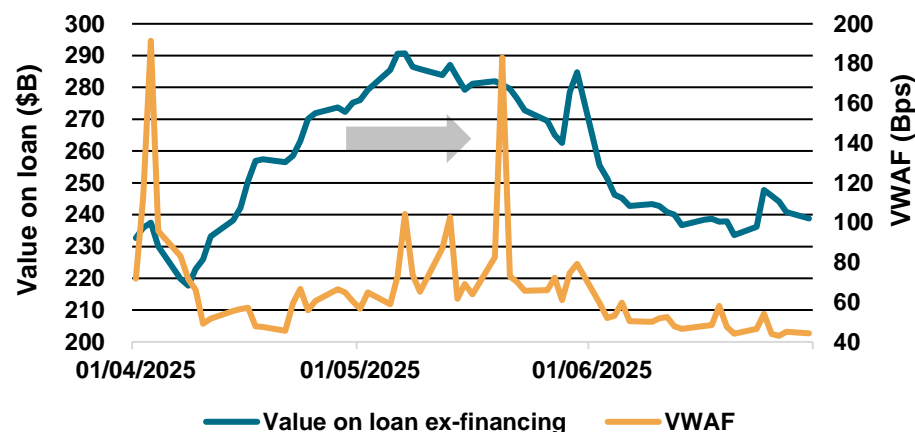


# Equities - Average fees and balances

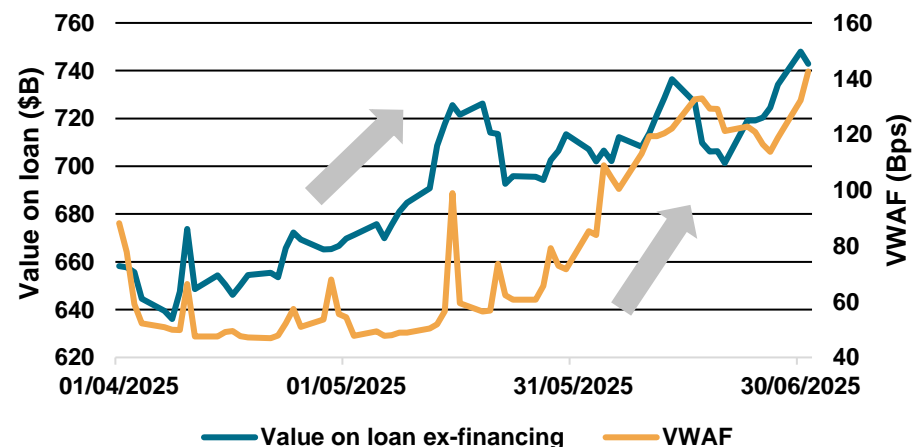
## All Equities



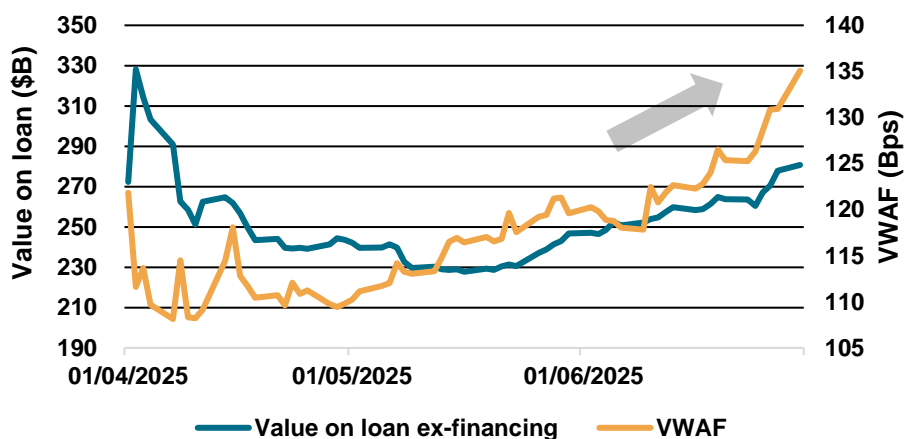
## European Equities



## Americas equities



## Asia equities



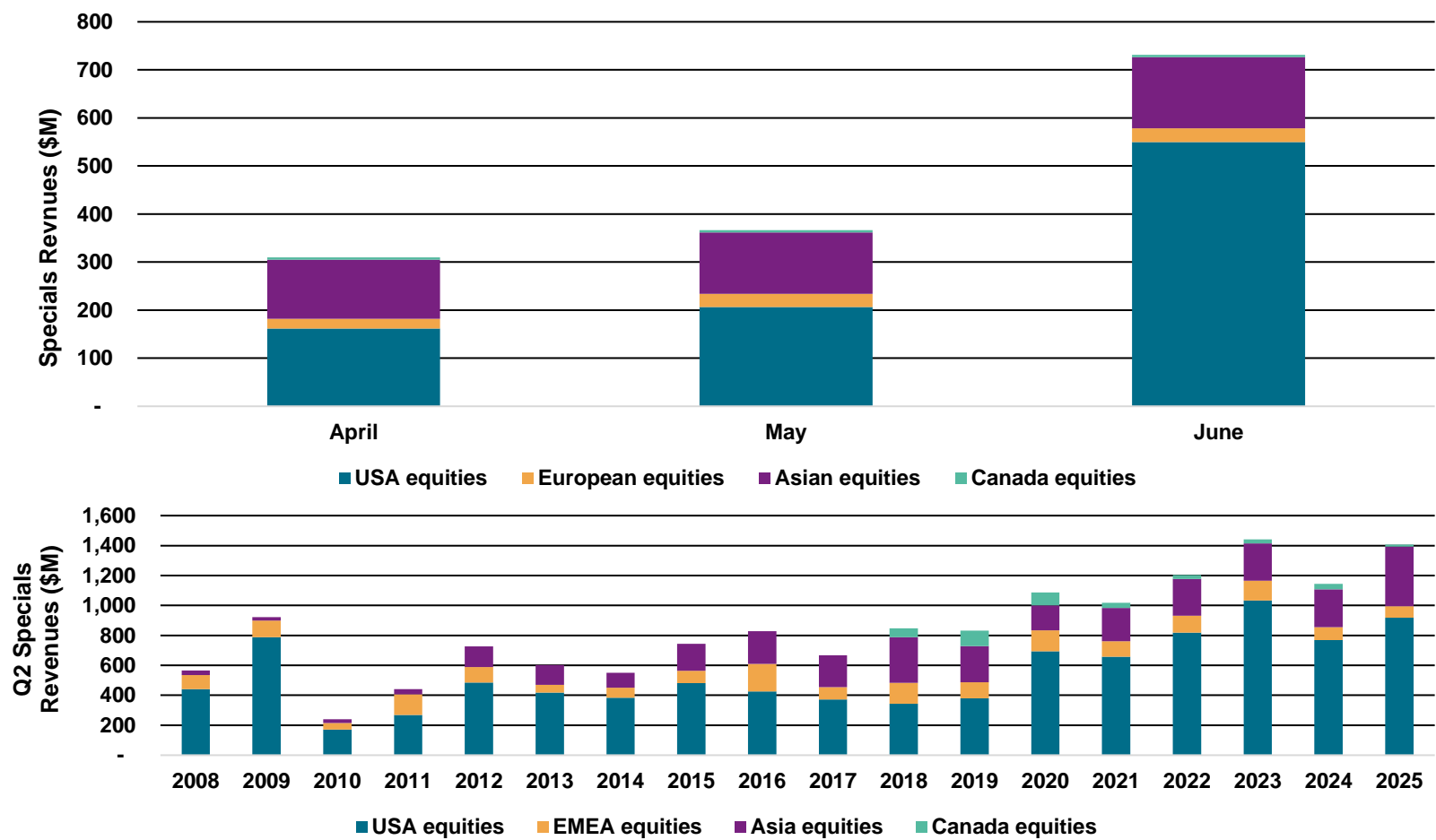
All equities 85bps

Americas equities  
76bps

EMEA equities  
64bps

APAC equities  
117bps

# Q2 equity specials revenues by region



Specials revenues of \$1.4B were generated during Q2

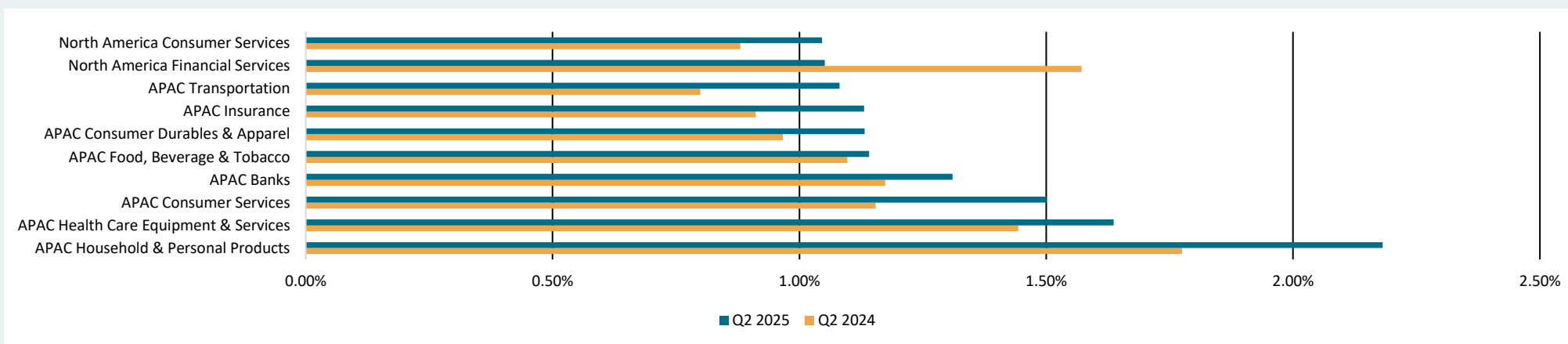
Specials > 500bps fee

# Equities – Top revenue generators and most shorted sectors of Q2 2025

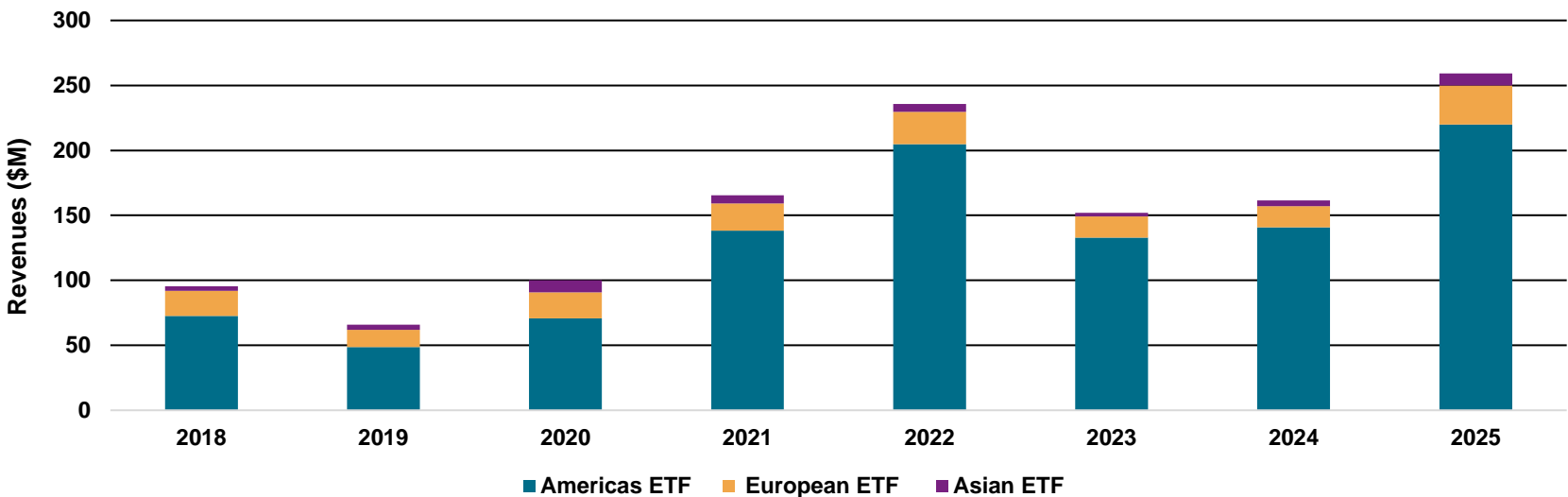
Stock Name	Ticker	Sector	Country & Index	Q2 Revenues (\$M)
Coreweave Inc	CRWV	North America Software & Services	US Equity (Others)	\$311.2
Quantum Computing Inc	QUBT	North America Software & Services	US Equity (Others)	\$49.0
Endeavor Group Holdings Inc	EDR	North America Media and Entertainment	US Equity (Others)	\$44.7
Metaplanet Inc	3350	Japan Consumer Services	JP Equity (Others)	\$34.6
Plug Power Inc	PLUG	North America Capital Goods	US Equity (RUSSELL 2000)	\$32.8
Nano Nuclear Energy Inc	NNE	North America Capital Goods	US Equity (RUSSELL 2000)	\$31.5
Pony AI	PONY	North America Software & Services	CN ADR	\$30.8
Rocket Companies Inc	RKT	North America Financial Services	US Equity (Others)	\$30.4
iShares Iboxx High Yield Bond	HYG	NULL	US ETF	\$30.1
Lg Energy Solution Ltd	373220	Asia Capital Goods	KR Equity (KOSPI50)	\$30.0

Source: S&P Global Market Intelligence Securities Finance

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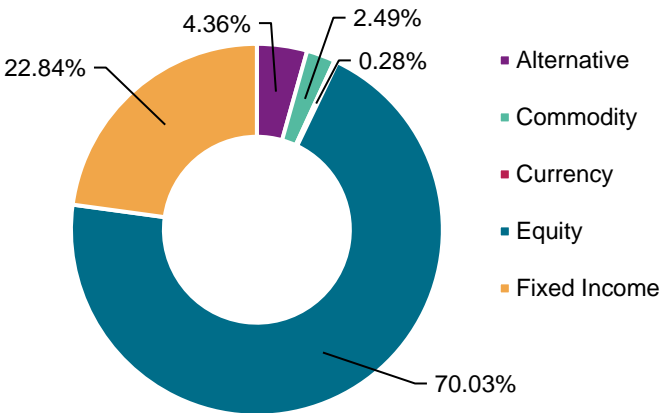
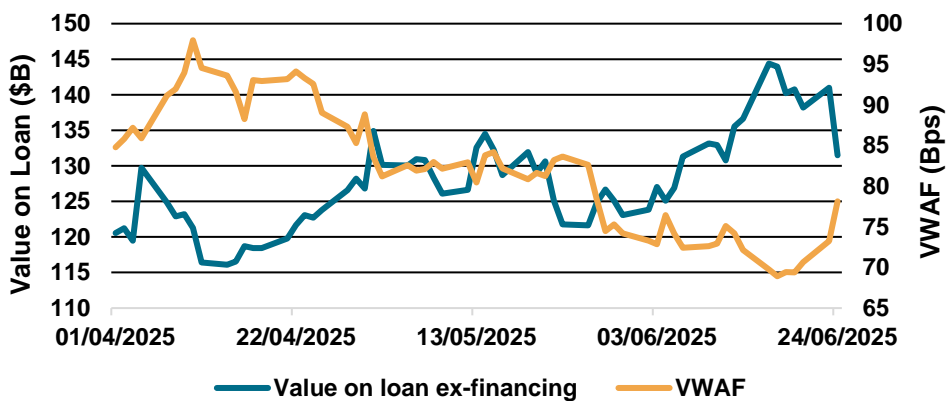


# ETF's Q2 2024



ETF revenues  
explode during  
Q2 growing by  
60% YoY

Balance vs VWAF ex-financing



# ETF's – Top revenue generators

## Top 10 Revenue Generating Equity ETFs

ETF Name	Ticker	Investment type	Country	Revenue Generated (\$M)
Defiance Daily Target 2X Long MicroStrategy	MSTX	Equity	US	\$4.7
T Rex 2X Long MicroStrategy Daily Target	MSTU	Equity	US	\$4.1
Graniteshares Nvidia Long Daily	NVDL	Equity	US	\$3.1
Ark Innovation	ARKK	Equity	US	\$2.2
Direxion Daily Tesla Bull 2X	TSLL	Equity	US	\$1.9
Graniteshares Coin Daily	CONL	Equity	US	\$1.8
iShares MSCI China A Ucits USD (Acc)	CNYA	Equity	IE	\$1.7
Defiance Daily Target 2X Long SMCi	SMCX	Equity	US	\$1.4
Xtracker Harvest CSI 300 China A Shares	ASHR	Equity	US	\$1.1
SPDR S&P Biotech	XBI	Equity	US	\$1.1

Source: S&P Global Market Intelligence Securities Finance

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## Top 5 Revenue Generating Fixed Income ETFs

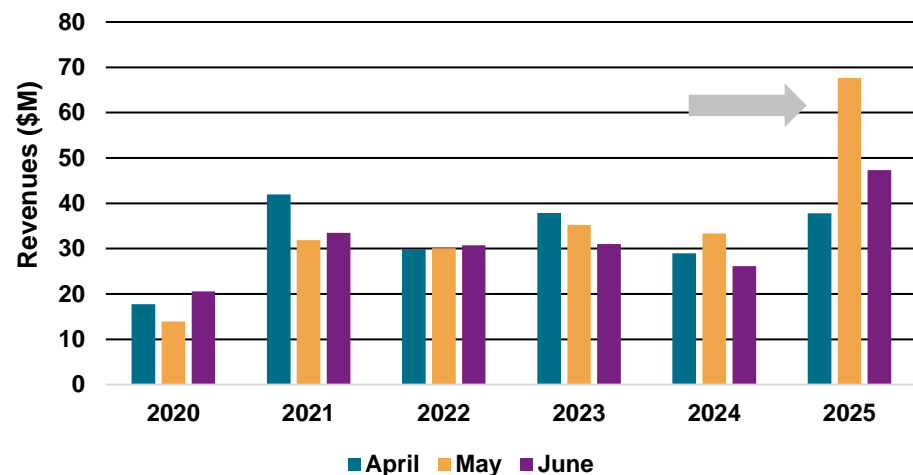
ETF Name	Ticker	Investment type	Country	Revenue Generated (\$M)
iShares Iboxx Investment Grade Bond	LQD	Fixed Income	US	\$1.7
iShares Iboxx High Yield Bond	HYG	Fixed Income	US	\$1.7
Barclays Ipath Srs B S&P Short Term	VXX	Fixed Income	UK	\$0.7
Vanguard Muni Bond Tax Exempt	VTEB	Fixed Income	US	\$0.4
iShares JPMorgan USD Mts Bond	EMB	Fixed Income	US	\$0.4

Source: S&P Global Market Intelligence Securities Finance

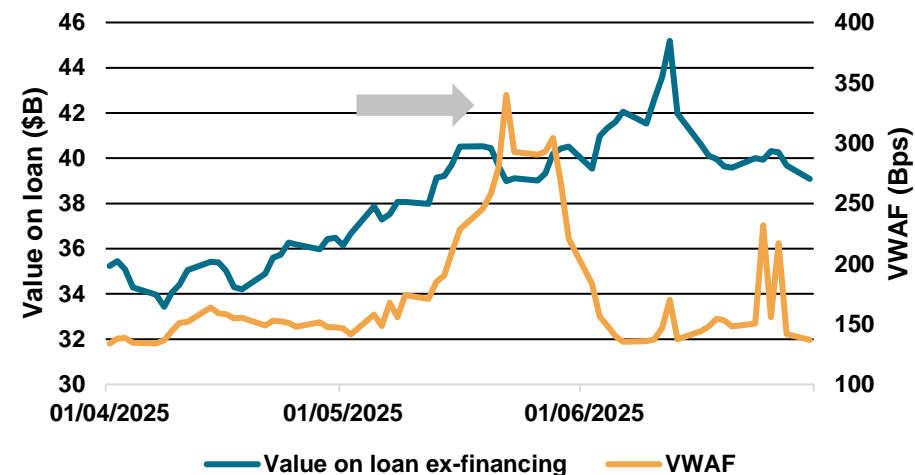
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# Depository Receipts

## Monthly Revenues Q2



## Balance vs VWAF ex-financing



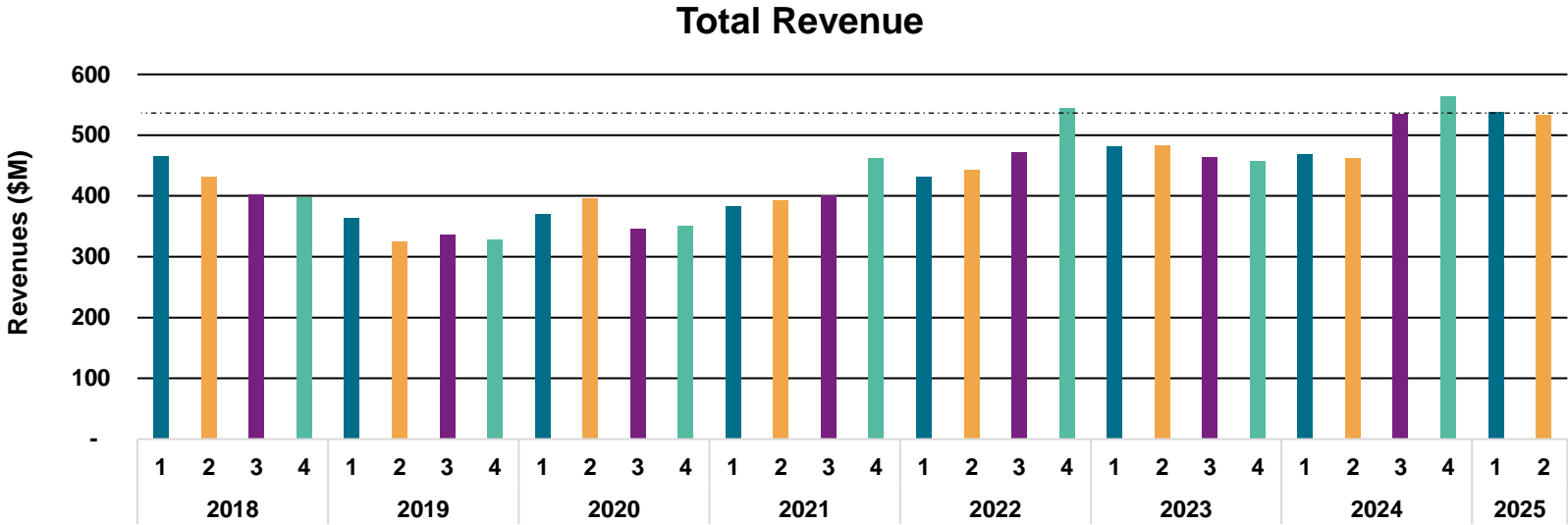
## Top 5 Revenue Generating ADRs

Stock Name	Ticker	Sector	Origin	Revenues (\$M)
Pony Ai	PONY	North America Software & Services	CN	\$30.4
United Micro Electronics Rep 5 Ord	UMC	North America Semiconductors & Semiconductor Equipment	TW	\$20.8
Nio Ads Rep 1 Cl A Ord	NIO	North America Automobiles & Components	CN	\$18.5
Ecopetrol Rep 20 Ord	EC	North America Energy	OTHER	\$7.7
Oatly Group Ads Rep Ord	OTLY	North America Food, Beverage & Tobacco	SE	\$3.2

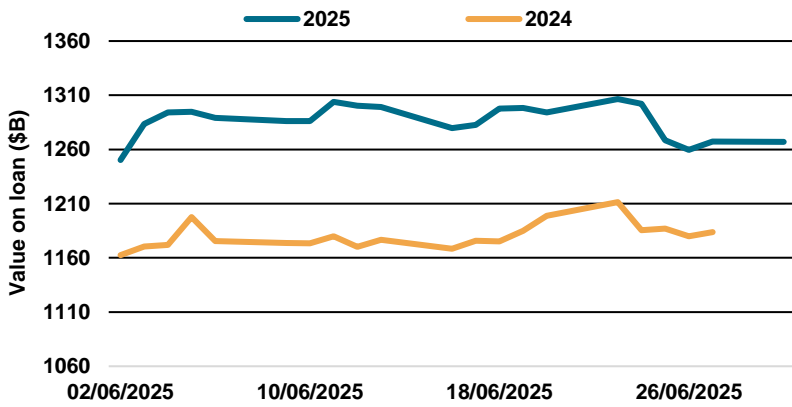
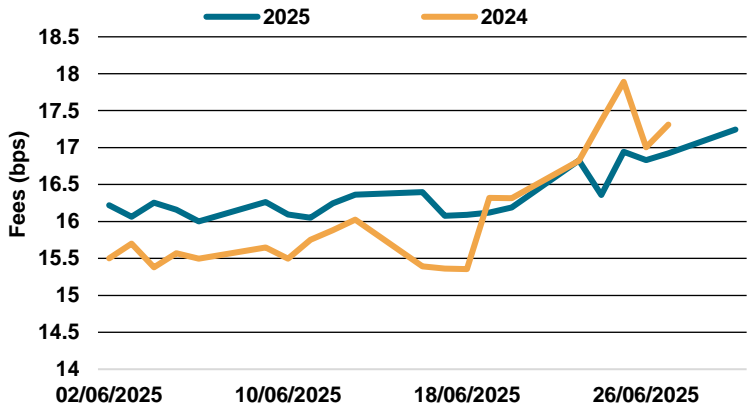
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# Government bond revenues remain elevated



Corporate bonds post their strongest Q2 revenues for many years.

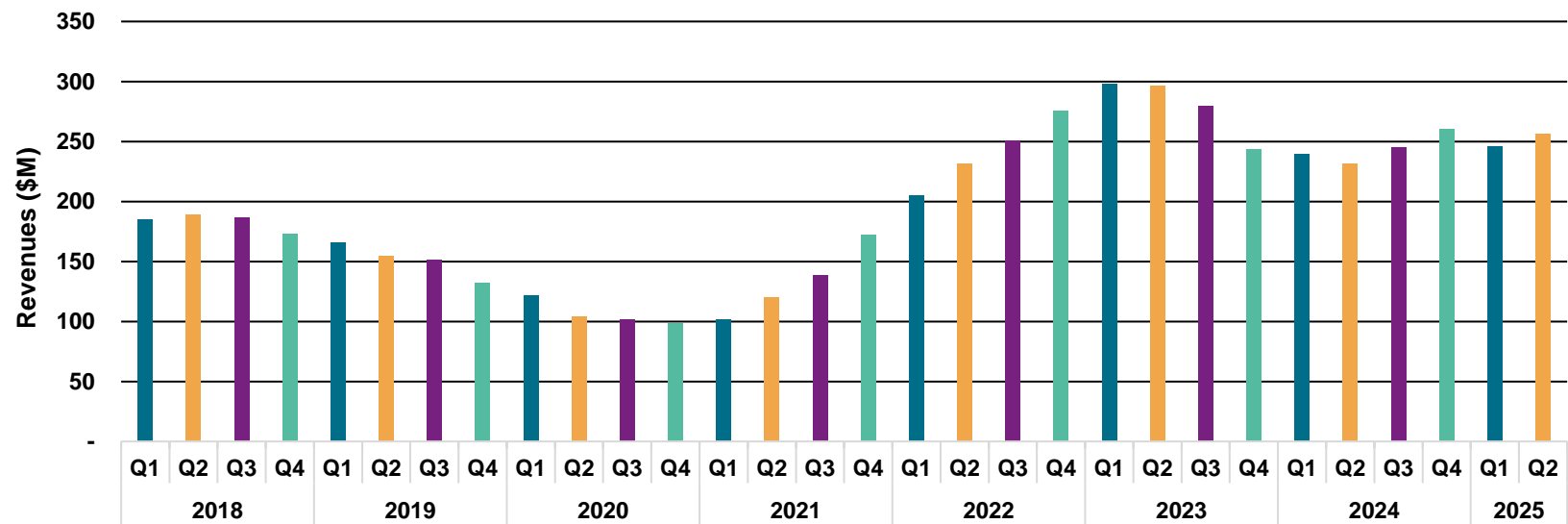




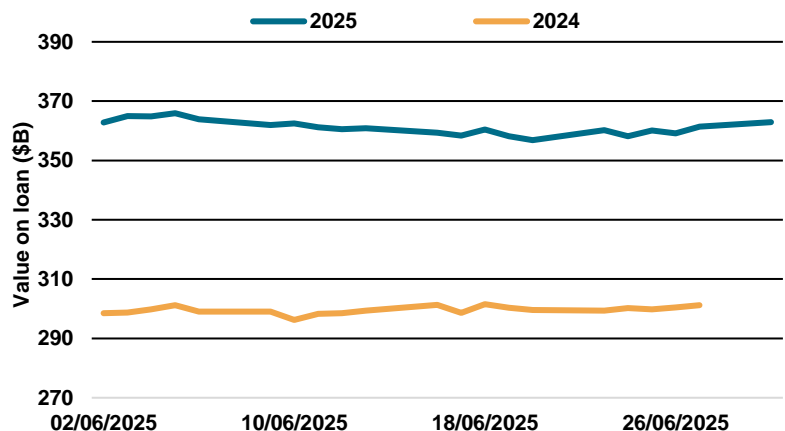
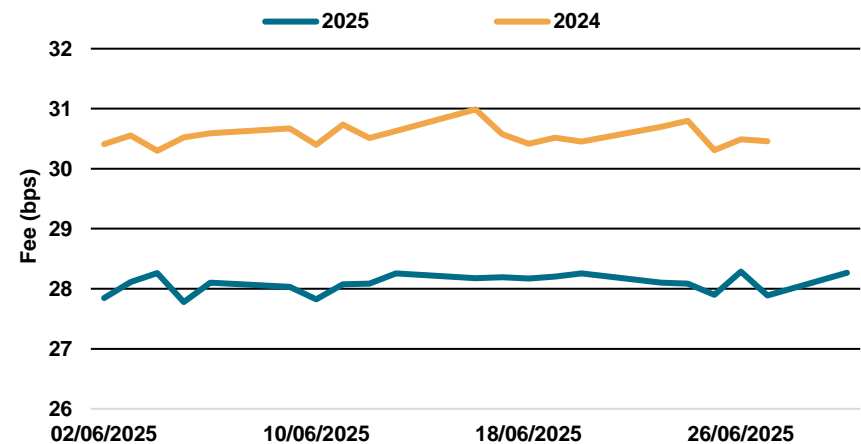
# Government bonds – Top borrows

Top Earning Assets	CUSIP	Denomination	Country	Revenue Generated (\$M)
United Kingdom Of Great Britain And Northern Ireland (Government) (0.125% 30-Jan-2026)	G4527HRV5	GBP	UK	\$3.5
United States Treasury (3.5% 15-Feb-2033)	91282CGM7	USD	US	\$3.2
United States Treasury (4% 15-Feb-2034)	91282CJZ5	USD	US	\$3.1
United States Treasury (3.875% 15-Aug-2034)	91282CLF6	USD	US	\$2.9
United States Treasury (3.375% 15-May-2033)	91282CHC8	USD	US	\$2.8
United States Treasury (2.75% 15-Aug-2032)	91282CFF3	USD	US	\$2.7
United States Treasury (0.75% 31-Jan-2028)	91282CBJ9	USD	US	\$2.7
United States Treasury (1.125% 15-Feb-2031)	91282CBL4	USD	US	\$2.6
United States Treasury (4.5% 15-Nov-2033)	91282CJJ1	USD	US	\$2.6
France, Republic Of (Government) (5.5% 25-Apr-2029)	F4040SHL3	EUR	FR	\$2.5
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# Corporate bond revenues grow both QoQ and YoY



Q1 revenues grow by 3% YoY but average fees continue to fall



# Corporate Bonds – Top revenue generators

Top Earning Assets	CUSIP	Ccy	Asset Class	Revenue Generated (\$M)
Xplr Infrastructure Operating Partners Lp (8.625% 15-Mar-2033)	98380MAB1	USD	USD Priv. Placement Corp Bond (Fixed Rate)	\$2.6
Mpt Operating Partnership Lp (5% 15-Oct-2027)	55342UAH7	USD	USD N.I.G. Corp Bond (Fixed Rate)	£2.1
Clue Opco Llc (9.5% 15-Oct-2031)	36267QAA2	USD	USD Priv. Placement Corp Bond (Fixed Rate)	\$2.1
Caesars Entertainment Inc (6% 15-Oct-2032)	12769GAD2	USD	USD Priv. Placement Corp Bond (Fixed Rate)	\$2.0
Concentrix Corp (6.6% 02-Aug-2028)	20602DAB7	USD	USD I.G. Corp Bond (Fixed Rate)	\$1.8
Ses Sa (2.875% Undated)	L8300GDM0	EUR	EUR N.I.G. Corp Bond (Floating Rate)	\$1.6
Hertz Corp (5% 01-Dec-2029)	428040DB2	USD	USD Priv. Placement Corp Bond (Fixed Rate)	\$1.6
Cable One Inc (4% 15-Nov-2030)	12685JAC9	USD	USD Priv. Placement Corp Bond (Fixed Rate)	\$1.5
Xplr Infrastructure Operating Partners Lp (7.25% 15-Jan-2029)	65342QAM4	USD	USD Priv. Placement Corp Bond (Fixed Rate)	\$1.5
Worldline Sa (4.125% 12-Sep-2028)	F9867TJC8	EUR	EUR I.G. Corp Bond (Fixed Rate)	\$1.5

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# A very strong Q2 and H1

Volatility and risk reign to the benefit of securities lending markets.

- Q2 was a wild quarter with strong declines and gains made across equity markets.
- ETFs, Asian equities and ADRs all benefited from market conditions
- Uncertainty remains as many of the risks that pushed markets lower remain unanswered
- Q3 could see more volatility as trading volumes fall over the summer months
- At this point, we believe that Asian equities and ETFs will be the star performers of 2025
- US equity specials have been few and far between
- 2025 is currently on track to be a very strong year for revenues.



# Securities finance Q2 2025 market activity review webinar

## Justin Aldridge

### Senior Vice President and Head of Fidelity Agency Lending

Justin Aldridge is the Senior Vice President and head of Agency Lending for Fidelity Capital Markets<sup>SM</sup> (FCM), where he oversees the development and management of the Agency Lending business line. Launched in 2019, Fidelity Agency Lending<sup>®</sup> extends its affiliated lending program to various institutions, including asset managers and pension plans, enabling them to utilize Fidelity's market expertise. Fidelity Investments is a prominent provider of diverse financial services, including investment management and retirement planning, catering to institutional clients and individuals alike.

Before his current role, Aldridge led the supply for the Global Securities Finance trading group within Fidelity's Prime Brokerage unit, where he established the supply-side trading desk and managed pricing strategies for client activities. He also developed a high-touch client service model for sophisticated prime brokerage clients and played a key role in creating PB Optimize<sup>SM</sup>, a cloud-based global securities finance platform.

Aldridge joined Fidelity in 2005, bringing experience from State Street's Securities Finance division, where he worked in Operations and U.S. equity trading. He has been in the financial industry since 2001 and holds a Bachelor of Science degree in finance from Central Connecticut State University. Additionally, he possesses FINRA Series 7, 24, and 63 licenses and serves as the Vice Chair of the International Securities Lending Association (ISLA) America's board, as well as a Director on ISLA EMEA's board.

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Please send all questions to.....

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Thank you for your participation

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