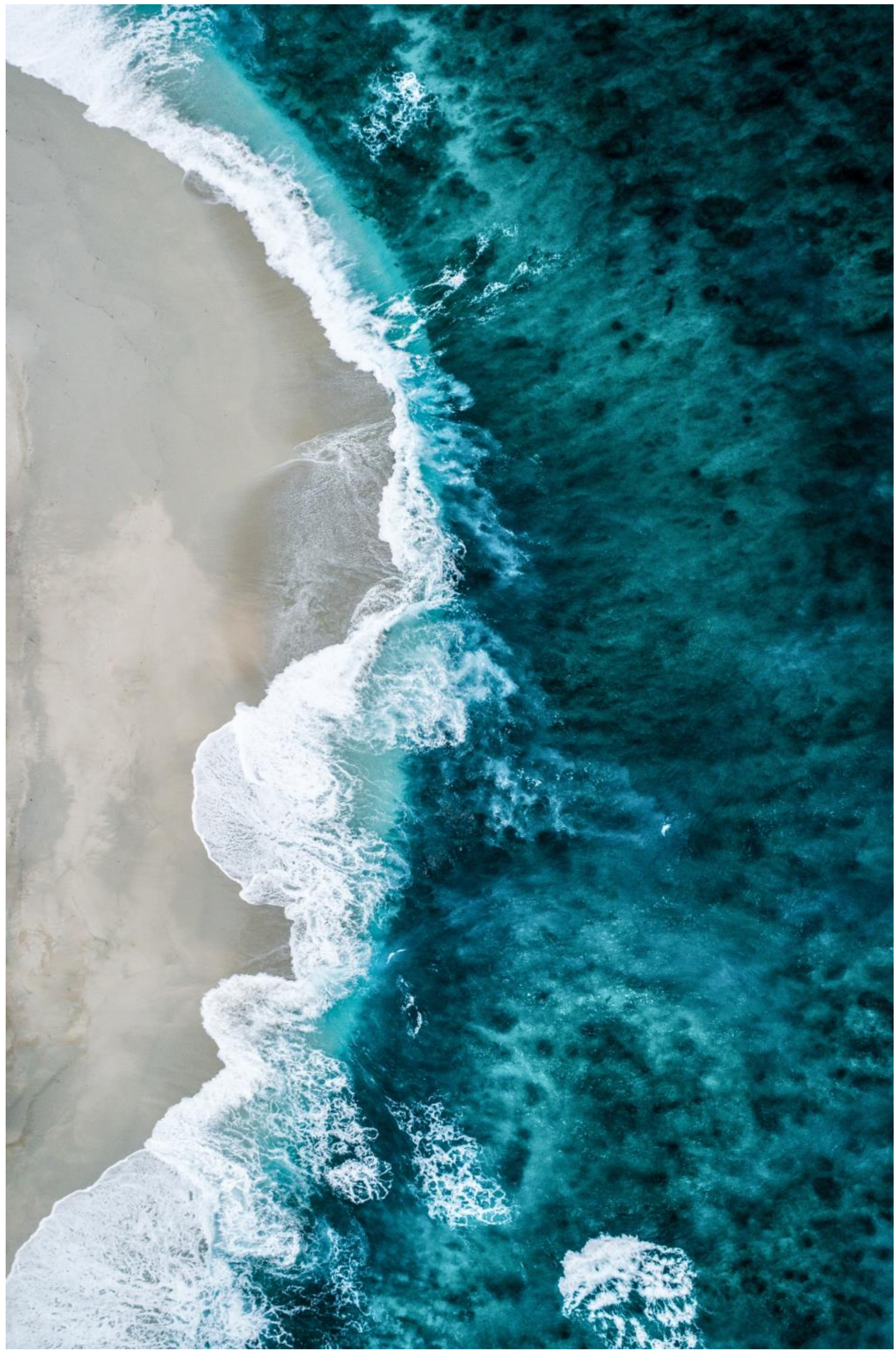
The Snapshot
July 2024



S&P Global
Market Intelligence

The APAC region continues to shine.

Jason Yang

Associate Director
Product Specialist
Beijing

Welcome to the July edition of the Snapshot. For those of you who don't already know me, my name is **Jason Yang**, I am based in **Beijing**, China, and I am a member of the product specialist team in Asia.

The APAC region continues to be one of the most **dynamic**, **vibrant**, and **profitable** corners of the securities finance market. As revenues continue to decline YoY across other asset classes and regions, APAC equities continue to offer lenders **strong pockets of demand** and **robust revenue opportunities**. During the first half of the year, revenues across the region were in-line with those experienced during H1 2023, as **average fees climbed higher** (96bps average H1 2024 vs 95bps average H1 2023). Some of the countries within the region such as Japan, Taiwan and Malaysia showed incredible growth during H1 2024, with revenues increasing 10%, 39% and 53% YoY respectively. Average fees across these markets have continued to grow, offering lenders an opportunity to expand their lending activity and **generate higher YoY returns**.

I am often meeting with our clients across Asia, and I am always impressed by their **enthusiasm** for the **potential** that the region holds. I recently spent time in **Hong Kong**, **Singapore** and **Malaysia** discussing some of the **opportunities** and challenges that exist across the region. In Singapore, borrowing activity has been increasing over the year with May and June seeing strong growth in both balances and average fees. In Hong Kong, monthly revenues have also been climbing steadily along with average fees, throughout H1. It was very interesting to discuss how securities lending activity is starting to **accelerate** across **Malaysia**. Not only has this been seen through the increases in average fees and revenues but also in the on-loan balances which show a 47% increase YoY during H1 2024. **Strong demand** was seen over the first half of the year for a number of Malaysian stocks including **YTL Power International Bhd (YTLPOWR**), **UEM Sunrise Bhd (UEMS**) and Inari **Amertron Bhd (INARI)**.

Repo markets also continue to grow across the region. Interest rate changes, currency movements and a broadening acceptance of the regions sovereign bonds are helping to grow balances and daily activity. Our **market leading APAC repo data** continues to expand in relation to both contributors and data points, cementing its place within the market as an **essential tool** in monitoring both market liquidity and risk.

As noted during previous months, despite the robust revenues being generated, the region does face a number of **headwinds**. Short sale bans continue to be imposed, curtailing securities lending opportunities. Here in China, securities borrowing and lending is currently prohibited, and short sale bans and restrictions remain active across **South Korea** and **Thailand**. All three of these markets hold great potential for the future of securities finance across the region. We continue to work with **industry bodies** to educate, support and inform all market participants of the benefits that a **healthy securities finance market** can bring to all members of the financial ecosystem.

If you would like to understand more about securities finance markets throughout the region then please feel free to reach out directly to myself or your local product specialist. We would love to have the opportunity to share our latest thoughts with you.

With my very best wishes and kindest regards,

Jason Yang

And the winner is....S&P Global Market Intelligence

At the most recent **Securities Finance Times Excellence Awards** 2024, S&P Global Market Intelligence won:

- **Best Global Data Provider**
- **Best Asian Data Provider**
- **Best Partnership** (Prime One and Finoptsys)

Shaan Jivan from the EMEA Product Specialist Team in London won the Rising Star (under 30's) award.....**CONGRATULATIONS** Shaan from the whole team!

Revenues grow MoM as inventory hits record levels

- Monthly revenues decline by 9% YoY to **$1.029B**
- Exchange Traded Product revenues grow YoY
- Government bond balances continue to grow YoY
- Inventory surpasses $39.7T (July 17th) for the first time ever

Global Securities Finance Snapshot - July 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	$1,029	-9%	$6,844	$2,619	4%	0.46%	-13%	$38,963	16%	5.2%	-9%
All Equity	$778	-10%	$5,153	$1,100	-6%	0.82%	-6%	$29,370	18%	2.7%	-18%
Americas Equity	$435	-15%	$2,653	$607	-8%	0.83%	-9%	$21,733	22%	2.2%	-22%
Asia Equity	$185	-3%	$1,217	$200	-2%	1.07%	-3%	$2,853	9%	4.3%	-2%
EMEA Equity	$73	-20%	$683	$164	-13%	0.51%	-10%	$3,866	9%	3.3%	-20%
ADR	$24	27%	$176	$29	5%	0.98%	19%	$262	9%	8.2%	-5%
ETP	$51	19%	$344	$94	7%	0.63%	10%	$549	14%	9.0%	-5%
Government Bond	$164	7%	$1,097	$1,189	12%	0.16%	-5%	$4,684	10%	20.4%	4%
Corporate Bond	$81	-18%	$551	$308	15%	0.30%	-30%	$4,535	12%	5.7%	1%

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

Rotation, correction, healthy pause, or something else?

The month started with the S&P500 extending its blistering rally, surpassing 5,600 for the first time in its history, leaving analysts rushing to update their targets. The index hit its 38th consecutive record during the month, adding more than $16T since the index hit its closing low in October 2022. Solid earnings results, artificial intelligence mania and expectations of an imminent decline in interest rates have all collectively buoyed a growing enthusiasm for US equities. Global stocks followed a similar path, rising to record highs ahead of U.S. labor data and the second round of French elections. In Europe, stock markets moved their focus from the UK, following the most recent general election and change of government, to France, where the results of the first round of election votes made French stocks sell of sharply. In stark contrast to global stock markets, Bitcoin fell to its lowest level since February.

Across Europe, the recent increase in market valuations led to European initial public offerings experiencing a very strong first half of 2024, raising over $14B and marking the best six -month period since 2021. This failed to translate into any meaningful increase in securities lending activity however and is not expected to continue into the second half of the year. Merger and acquisition activity also continued across the region with Brookfield (BN) approaching Spain's Grifols (GRF) and Danish beer giant Carlsberg (CARL) buying UK soft drink producer Britvic for £3.3B. Europe's luxury stocks tumbled throughout the month due to the economic slow-down in China and lower than expected corporate earnings.

As the month progressed, analysts started to offer predictions on an impending market correction. The onset of political uncertainty, optimism following the Federal Reserve hinting at potential rate cuts and the expectation of lofty Q2 earnings being built into share prices led traders to question whether the high valuations being seen across the market were fully justified.

The Russell 2000 increased by 12% over just five sessions during the month, something that hasn't been seen since 2020, as a rotation started to take place from the tech mega-cap stocks into the small cap sector. The shift in leadership from AI-focused tech stocks to industrials and smaller companies reflected increased consumer confidence in potential US Federal Reserve rate cuts as inflation continued to cool.

As the month continued and the rotation strengthened, the Nasdaq 100 marked its worst day since 2022 as concern over US restrictions on chip sales to China started to grow. Chip stocks around the globe started to sell-off as a result and global semi-conductor indices fell by 7% in a day - their biggest single drop since 2020, as the Philadelphia semiconductor index lost $496B in market value.

Across Asia the main news story during the month came from China. The MSCI China Index slumped as the Third Plenum fell short on growth catalysts. Markets and investors were hoping for more concrete signals on the Peoples party's long term-term vision to determine the future policy agenda during the conference.

The emergence of the Trump trade throughout the month also continued to make headlines following changes to the upcoming US Presidential election candidates and following the recent assassination attempt on President Trump. This led to the yield on 30-year Treasuries to surpass the rate of two-year notes for the first time since January and led to Bitcoin to jump by the most in almost two months.

A widespread global computer system failure, taking down airlines, banks and news services took place during the month after a widely used cybersecurity program crashed. The system failure also coincided with disruptions of cloud systems and office software services.

In the fixed income markets, the European central Bank held its deposit rate at 3.75% with President Christine Lagarde stating that the next interest rate meeting would be "wide open" and that a decision "will be determined on the basis of all the data that we will be receiving".

The People's Bank of China unexpectedly lowered a key short-term policy rate and benchmark lending rate as it looked to boost the country's economy. The one-year prime rate was lowered from 3.45% to 3.35% whilst the five-year rate was cut from 3.95% to 3.85%. This was the biggest cut since April 2020.

The Bank of Canada cut interest rates once again during the month by 25bps whilst the Reserve Bank of Australia said that recent data wasn't sufficient to change its view that inflation would return to target by 2026.

In the securities lending markets, revenues of **$1.029B** were generated. This represents a 9% decline YoY. Average balances noted a 4% YoY increase across all securities as lendable continued to surge 16% YoY, surpassing a monthly average of $38.9T.

Equity revenues declined across all regions during the month. EMEA equities continued to experience the largest YoY declines, but these have started to temper somewhat over the last few months, with July experiencing a decline of 20% YoY. Across the Americas, revenues declined 15% YoY to $435M. Average fees declined 9% YoY but lendable increased by an impressive 22% YoY to $21.7T. The APAC region continued to be one of the strongest performing regions when compared YoY with revenues down only 3%, balances fell just 2% YoY and average fees declined by only 3% YoY to 107bps.

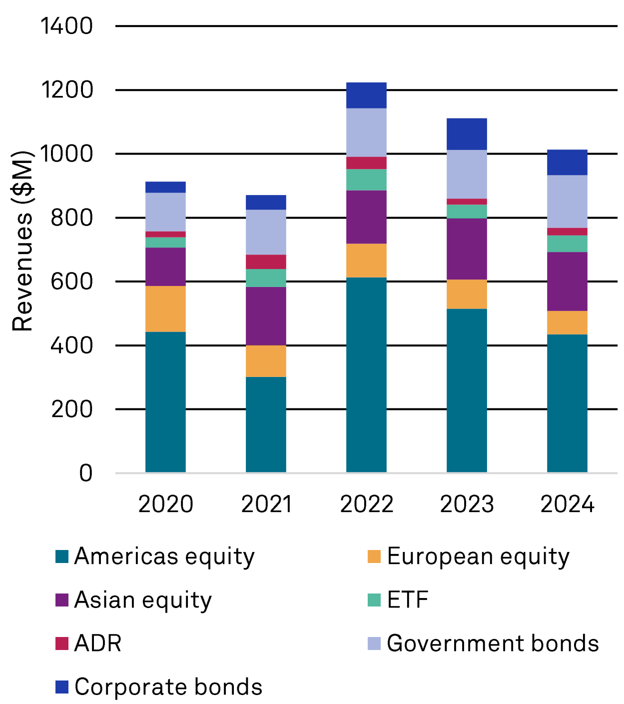
Both depositary receipts and exchange traded products performed well during the month as both asset classes experienced an increase in demand. Revenues across both asset classes increased YoY. Average fees grew by 19% YoY across depositary receipts and 10% YoY across exchange traded products. As with all asset classes during the month, on loan balances continued to grow YoY as asset valuations climbed higher.

In the fixed income markets, government bonds witnessed strong demand during the month which helped to push revenues 7% higher YoY to $164M. This was despite average fees falling by 5% YoY to 16bps. Both balances and utilization climbed higher during the month as movement in interest rates increased demand from borrowers.

Corporate bond revenues continued to show a YoY decline. July produced $81M in market revenues as balances increased 15% YoY and average fees continued to show a YoY decline. Despite this fall, average fees maintained the respectable level of 30bps throughout the month.

As the month progressed, market volatility grew to the benefit of the securities lending market. August to October has historically been the weakest and most volatile times of the year for equity markets, and this year appears to be no different. Stocks rallied in early July, but during the last few days of the month plunged for a number of different reasons. As price dispersion grows and volatility reappears, securities lending activity is likely to thrive over the coming months.

July Securities Finance Revenues by Asset Class (USD)



Source: S&P Global Market Intelligence Securities Finance

<u>Save the date.</u>

LIVE Webinar: Securities lending in the Middle East, a data led analysis.

This webinar take place on **September 19th**. Registration will open shortly, and invitations will be sent to all customers, partners, and prospects.

LIVE Webinar: Exchange Traded Funds - Flows and themes of 2024 and beyond.

This webinar take place on **September 12th**. Registration will open shortly, and invitations will be sent to all customers, partners, and prospects.

Americas Equities

Revenues
$435M ▼ -15%

Average Value on Loan
$607B ▼ -8%

Weighted Average Fee
0.83% ▼ -9%

Average Utilization
2.2% ▼ -22%

Elections, volatility, and disappointing Q2 tech earnings.

The month started with the S&P500 fluctuating near record highs and showing the same extreme resilience that has been seen across the index for the best part of the last year. With the continued stamina seen across North American markets, the importance of the tech sector could be seen with the S&P500 and Nasdaq 100 up 18% and 24% respectively whilst the Dow Jones and TSX have only gained a more modest 5% YTD. The industrial, materials and real estate sectors continued to be the laggards throughout July.

With a change in candidate for the upcoming US Presidential elections, Wall Street analysts started to strategize what each candidate could mean for the future of both the global economy and the US domestic stock and bond market. This led to the emergence of the so called "Trump trade", which continued to gain momentum since the recent assassination attempt on President Trump.

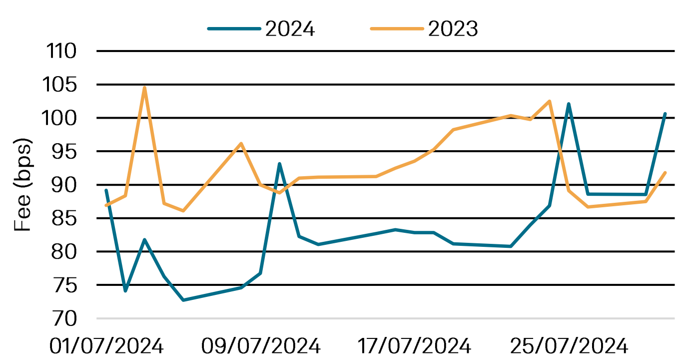
As the month progressed, despite many remaining optimistic that the US equity market would continue to perform throughout the year, a rotation out of the magnificent six technology stocks to other parts of the market started to take hold. For the first six months of the year, only six companies have contributed to more than 60% of the S&P 500's return. Elevated valuations started to raise concerns about future tech stock performance which sparked a sell off across the sector. As stock markets across the region continued to trade close to record highs, valuations started to be questioned and a requirement for a blowout earnings season to maintain momentum was becoming a popular mantra amongst analysts. Some started to believe that a correction was likely to be seen of anywhere between 5-10% as a result.

This prediction became a reality during the last few days of the month as a global sell off hit US and Canadian equities. A combination of the US Fed maintaining their status quo on interest rates, disappointing earnings and an unwinding of the Yen carry trade, following an increase in interest rates by the Bank of Japan, left investors in the perfect storm of uncertainty which sent the VIX, to register its biggest spike since 1990.

In the securities lending market, US equities generated $394M during July, representing a 18% decline in revenues YoY but an impressive increase of 22% MoM. Average fees increased 15bps during the month to 83bps, their highest level of 2024 so far. Lendable reached a recent record of $20.9T as asset valuations continued to rise. Balances declined MoM and YoY by 3% and 7% respectively.

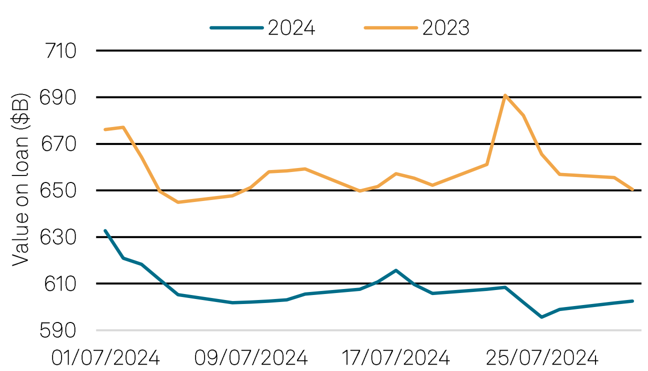
Across Canada revenues dipped slightly when compared with June as $36.9M was generated. Average fees climbed to an average of 84bps. This represents a 31% increase YoY and just under 7% MoM. Balances declined over the month however pushing utilization to its lowest level seen this year (5.25%).

July Fee Trend



Source: S&P Global Market Intelligence Securities Finance

July Balance Trend



Source: S&P Global Market Intelligence Securities Finance

Average fees across Brazil increase by 71% YoY	Mexican equity balances increase by 7% YoY	Brazilian equity revenues grow 93% YoY.	Lendable in Canada increases 5% 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	$394	-18%	$2,370	$554	-7%	0.83%	-12%	$20,941	22%	2.1%	-21%
Canada Equity	$37	9%	$258	$50	-17%	0.84%	31%	$749	9%	5.3%	-26%
Brazil Equity	$4	93%	$21	$3	11%	1.73%	71%	$4	197%	3.5%	-69%
Mexico Equity	$0.6	-16%	$4	$1	7%	0.77%	-23%	$39	-15%	2.0%	22%
ADR	$24	27%	$176	$29	5%	0.98%	19%	$262	9%	8.2%	-5%

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	$307.8	$13.5	$393.9	$553.5	78.1	2.4
2023	$386.2	$20.6	$484.5	$595.6	79.7	3.5
YoY % Change	-20%	-34%	-19%	-7.1%		

Source: S&P Global Market Intelligence Securities Finance

Canada Specials Revenues and Balances

Year	Specials Revenue ($M)	Specials Balances ($M)	Total Revenues ($M)	Total Balance ($B)	% Revenues from Specials	% Balance from Specials
2024	$7.9	$548.2	$36.9	$49.7	21.4	1.1
2023	$7.7	$833.6	$34.4	$34.4	22.3	1.4
YoY % Change	3%	-34%	7%	-17%		

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	SIRI	North America Media and Entertainment	US	$75.4
Lucid Group Inc	LCID	North America Automobiles & Components	US	$19.0
Beyond Meat Inc	BYND	North America Food, Beverage & Tobacco	US	$13.5
Canoo Inc	GOEV	North America Automobiles & Components	US	$9.2
Immunitybio Inc	IBRX	North America Pharmaceuticals, Biotech & Life Sciences	US	$9.0
Nuscale Power Corp	SMR	North America Capital Goods	US	$7.7
Tempus AI Inc	TEM	North America Pharmaceuticals, Biotech & Life Sciences	US	$6.8
Choice Hotels International Inc	CHH	North America Consumer Services	US	$5.7
Canopy Growth Corp	CGC	North America Pharmaceuticals, Biotech & Life Sciences	US	$5.4
Visa Inc	V	North America Financial Services	US	$5.1

Source: S&P Global Market Intelligence Securities Finance

APAC Equities

Revenues **$185M ▼ -3%**

Average Value on Loan **$200B ▼ -2%**

Weighted Average Fee **1.07% ▼ -3%**

Average Utilization **4.3% ▼ -2%**

Taiwan and Malaysia continue to post monumental YoY increases in revenues.

The month started with news that certain regulators across Asia intended to tighten the screws on a number of popular trades often executed by hedge funds as a response to a recent slump in local market valuations. Thailand's plan to increase scrutiny on high frequency traders, followed the recent steps seen in China. Authorities across the region continue to try to increase transparency across their markets with a growing level of control over certain trading practices. The chosen solutions can often lead to a decline in liquidity, making those markets less attractive to international investors.

Seven companies filed for IPOs in Hong Kong on June 28th, the highest daily total in 18 months, with at least a further ten companies expected to list throughout July. Unfortunately, depressed share prices and China's economic downturn have triggered more delisting's than IPOs in the market since the beginning of the year, however. India remains the IPO capital of Asia with fifteen companies looking to raise $11B through IPOs during July alone. This is a result of a decline in companies seeking listings in mainland China which has been pushing more companies to list in India.

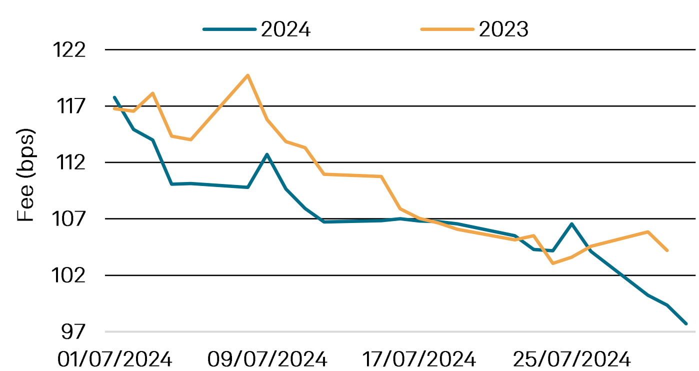
In Japan, the Nikkei Stock Average hit an all-time closing high, amid a rally in tech stocks. The TOPIX also touched a record intraday high. Both markets tracked the gains of the artificial intelligence frenzy seen across the US. Towards the end of the month Asia-Pacific stocks plunged as a global stock rout took hold. Japan's TOPIX index fell 20% from its mid-month peak, triggering a circuit breaker in the market. Taiwan's benchmark TAIEX fell 7.9%, South Korea's KOSPI declined over 5% and Singapore's Straits Times Index fell 3.6%.

The Bank of Japan remained under pressure throughout the month as softer than expected inflation data in the US, led to further intervention in the currency markets in support of the Yen. An increase in the benchmark interest rate in Japan led to the closing out of the Yen carry trade which amplified a global sell-off and appeared supportive of the currency towards the end of the month. The People's Bank of China also unexpectedly lowered key short-term policy rates and benchmark lending rates in a decisive move to boost the country's struggling economy.

In the securities lending markets APAC revenues decreased by 3% YoY to $185M. APAC was the only region to experience low single digit YoY decreases in revenues with a number of markets producing strong YoY growth. Average fees decreased to 1.07% (from 1.11% during June), after hitting their highest level since October 2023 during June.

Taiwan and Malaysia continued to produce very impressive YoY growth in revenues throughout the month with increases of 58% and 70% respectively. Singapore and Thailand also experienced YoY revenue growth of 9% and 8% respectively despite declining YoY average fees seen across both of these markets. Revenues, lendable, balances and utilization all grew YoY across Australia during the month. Average fees maintained the 51bps average that has been seen since May and whilst revenues did increase MoM, they were still unable to meet the double digits millions seen during the first five months of 2023.

July Fee Trend



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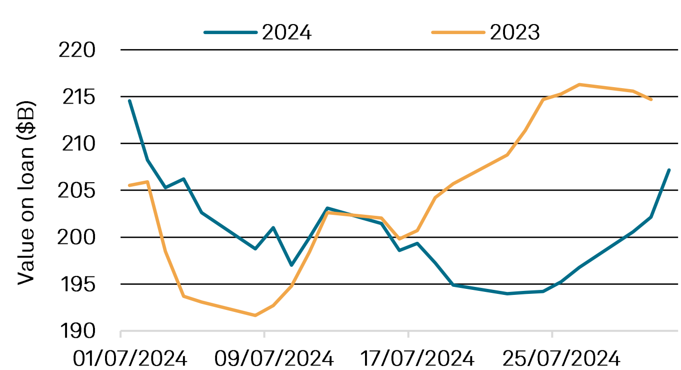
July Balance Trend



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Taiwan revenues reach multi-month high	Average fees in Singapore decline 5% YoY	Average Lendable across APAC equities increases 9% YoY	Revenues in Malaysia increased by 70% 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
Taiwan Equity	$82	58%	$441	$34	44%	2.84%	7%	$236	48%	7.5%	1%
Japan Equity	$50	-1%	$404	$106	-5%	0.55%	3%	$1,288	13%	4.6%	0%
Hong Kong Equity	$30	-7%	$196	$24	-7%	1.41%	-2%	$466	-13%	4.0%	6%
Australia Equity	$9	9%	$65	$21	23%	0.51%	-13%	$547	12%	3.2%	14%
South Korea Equity	$8	-82%	$77	$11	-51%	0.84%	-64%	$190	8%	2.1%	-71%
Malaysia Equity	$3	70%	$17	$0.78	60%	4.26%	5%	$13	22%	5.1%	-100%
Singapore Equity	$1	9%	$9	$3	13%	0.59%	-5%	$65	3%	3.6%	20%
Thailand equity	$1	8%	$7	$0.81	24%	1.53%	-14%	$15	-20%	4.6%	58%
New Zealand Equity	$0.12	-24%	$0.97	$0.38	13%	0.35%	-34%	$9	-7%	3.7%	24%

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

Specials Revenues and Balances

	Specials Revenue ($M)	Specials Balances ($B)	Total Revenues ($M)	Total Balance ($B)	% Revenues from Specials	% Balance from Specials
2024	$91.8	$13.8	$185.0	$200.2	49.6	6.9
2023	$97.0	$14.2	$194.1	$204.0	50.0	7.0
YoY % Change	-5%	-3%	-5%	-2%		

Source: S&P Global Market Intelligence Securities Finance

Top 10 Revenue Generating APAC Equities

Top Earning Assets	Ticker	Sector	Country	Revenue Generated ($M)
Gigabyte Technology Co Ltd	2376	Asia Technology Hardware & Equipment	TW	$5.2
Vanguard International Semiconductor Corp	5347	Asia Semiconductors & Semiconductor Equipment	TW	$4.1
Novatek Microelectronics Corp	3034	Asia Semiconductors & Semiconductor Equipment	TW	$3.2
Wiwynn Corp	6669	Asia Technology Hardware & Equipment	TW	$2.9
East Buy Holding Ltd	1797	Asia Consumer Services	HK	$1.9
Jinan Acetate Chemical Co Ltd	4763	Asia Materials	TW	$1.6
Sensetime Group Inc	20	Asia Software & Services	HK	$1.3
Japan Tobacco Inc	2914	Japan Food, Beverage & Tobacco	JP	$1.2
Aozora Bank Ltd	8304	Japan Banks	JP	$1.2
Kokusai Electric Corp	6525	Japan Semiconductors & Semiconductor Equipment	JP	$1.1

Source: S&P Global Market Intelligence Securities Finance

EMEA Equities

Revenues
$73M ▼ -20%

Average Value on Loan
$164B ▼ -13%

Weighted Average Fee
0.51% ▼ -10%

Average Utilization
3.3% ▼ -20%

Elections write the headlines across Europe.

Elections across Europe dominated the headlines during the month as Marine Le Pen's National Rally, which dominated the first round of France's legislative election, failed to gain an overall majority in France's National Assembly. This led to gains in both the Euro and the CAC40.

In the UK, the Labour party won a landslide victory in the country's general election, giving Kier Starmer, the UK's new Prime Minister, the largest parliamentary majority since Tony Blair. UK markets reacted positively to the news.

Data showing that eurozone inflation slowed to 2.5% during June from 2.6% in May offered further relief to the European Central Bank which recently began cutting interest rates. Concerns regarding persistent high inflation in the services sector continued however, with the rate holding steady at 4.1%.

The European Union and Switzerland resumed talks on financial regulation during the month which had been on hold since 2017. The most recent meeting covered issues such as financial stability, cross-border activities, capital markets, digital finance, cybersecurity, sustainable finance, and insurance.

During the first half of the year the European market raised over $14B in initial public offerings, the best start to the year since 2021 according to Bloomberg data. Political uncertainty and stock market volatility is making the outlook for the second half of the year less certain as volatility increases and geopolitical risks start to intensify.

The EU released plans to reduce the trade settlement times to one day by the end of 2027, aligning with the UK's timetable during the month. This follows the recent move to T+1 in the US and Canada earlier this year.

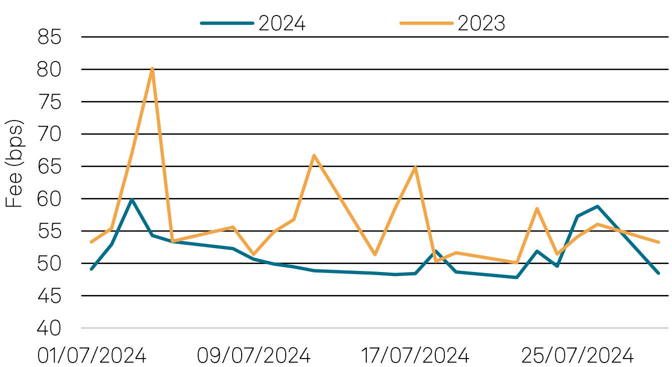
The global sell-off that took place towards the end of the month also affected European equities with chip makers such as STMicro and ASML bearing the brunt of the correction.

In the securities lending market, EMEA equities generated **$73M** during July. This represents a decline of 20% YoY - the lowest YoY decline so far this year. Average fees fell to 51bps from 55bps during June, as balances fell to their lowest level since February. Lendable continued to grow, hitting its highest level of 2024 to date.

As seen during previous months, many of the traditional markets performed poorly on a YoY basis during the month. Italy, South Africa, Finland, Belgium, and Poland all experienced YoY increases in revenues superior to 20%, however. Average fees also grew YoY across these markets as did balances.

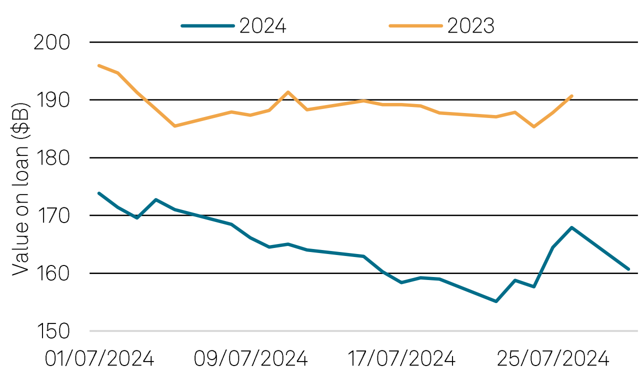
Revenues across the UK and Switzerland also fared well during the month growing YoY by 29% and 4% respectively. Average fees also increased by 14% and an impressive 45% YoY.

July Fee Trend



Source: S&P Global Market Intelligence Securities Finance

July Balance Trend



Source: S&P Global Market Intelligence Securities Finance

Polish revenues increase by 65% YoY	Austrian equity Volume Weighted Average Fees (VWAF) decreased 73% YoY	Balances increased significantly across Italy, Poland and South Africa	Revenues in Germany fell 45% 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
France Equity	$13	-2%	$111	$24	-29%	0.63%	36%	$641	-1%	3.0%	-31%
UK Equity	$13	29%	$61	$33	11%	0.43%	14%	$1,017	8%	2.6%	5%
Germany Equity	$9	-45%	$84	$23	-30%	0.45%	-22%	$436	8%	3.9%	-42%
Switzerland Equity	$8	4%	$102	$17	-29%	0.53%	45%	$549	7%	2.4%	-30%
Sweden Equity	$8	-50%	$117	$17	2%	0.54%	-52%	$197	14%	6.8%	-3%
Italy Equity	$5	33%	$47	$13	24%	0.43%	6%	$164	20%	5.8%	4%
Norway Equity	$4	-23%	$39	$6	23%	0.77%	-36%	$37	-15%	12.1%	41%
Spain Equity	$4	-24%	$24	$9	22%	0.48%	-33%	$149	18%	4.8%	5%
Netherlands Equity	$2	-49%	$22	$7	-50%	0.35%	1%	$323	15%	1.6%	-55%
South Africa Equity	$2	56%	$29	$3	38%	0.76%	13%	$45	-2%	4.0%	48%

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

Specials Revenues and Balances

	Specials Revenue ($M)	Specials Balances ($B)	Total Revenues ($M)	Total Balance ($B)	% Revenues from Specials	% Balance from Specials
2024	$30.4	$2.1	$72.7	$164.1	41.9	1.3
2023	$37.9	$3.2	$92.7	$189.1	40.9	1.7
YoY % Change	-20%	-34%	-22%	-13%		

Source: S&P Global Market Intelligence Securities Finance

Top 10 Revenue Generating European Equities

Top Earning Assets	Ticker	Sector	Country	Revenue Generated ($M)
Idorsia Ltd	IDIA	EMEA Pharmaceuticals, Biotechnology & Life Sciences	CH	$4.3
SSE Plc	SSE	EMEA Utilities	UK	$2.9
Eutelsat Communications Sa	ETL	EMEA Media and Entertainment	FR	$2.9
Smurfit Westrock Plc	SWR	EMEA Materials	UK	$1.7
Atos SE	ATO	EMEA Software & Services	FR	$1.7
Petrofac Ltd	PFC	EMEA Energy	UK	$1.6
Intrum AB	INTRUM	EMEA Commercial & Professional Services	UK	$1.2
Varta AG	VAR1	EMEA Capital Goods	DE	$1.2
Kempower Oyj	KEMPOWR	EMEA Capital Goods	FI	$0.9
Enel Spa	ENEL	EMEA Utilities	IT	$0.9

Source: S&P Global Market Intelligence Securities Finance

Exchange Traded Products

Revenues **$51M ▲ 19%**

Average Value on Loan **$94B ▲ 7%**

Weighted Average Fee **0.63% ▲ 10%**

Average Utilization **9.0% ▼ -5%**

The arrival of Ethereum ETFs helps Crypto solidify its place within mainstream finance.

Exchange traded funds continued to attract near record flows with investors pouring in $81B into US ETFs during July, with total 2024 flows still on track to surpass those of 2023. Whilst June's flows dipped slightly in relation to those witnessed in May, year to date totals of $405B are still double those seen at the end of June 2023.

The Financial Times reported during the month that a recent boom in active bond ETFs is likely to put total inflows on track to top $1T this year. Large inflows have been seen in exchange traded funds that invest in an array of bonds. Retail interest, particularly amongst younger investors and a 2019 rule change by the Securities and Exchange Commission that streamlined the process of launching ETFs, has helped to created interest in this new asset class.

US government regulators approved Ethereum exchange traded funds during the month which attracted hundreds of millions of dollars in assets under management. This means that investors now have the choice between both Bitcoin and Ethereum ETFs for exposure to spot crypto currency markets, a remarkable development that was far from granted at the beginning of the year. Ethereum ETFs are poised for a successful future after Bitcoin ETFs recently amassed over $55B of assets under management.

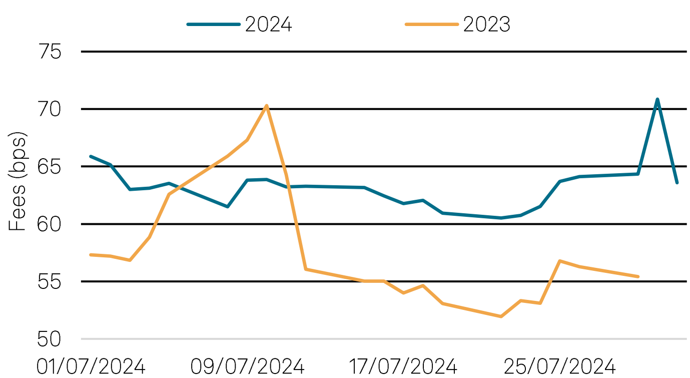
The "Trump trade" made its presence known in the ETF market during the month with geopolitical risks weighing on semiconductor and tech focused ETFs. ETFs that could be affected by a second Trump term continue to be a focus for investors and have been making waves given the recent alterations in the US presidential election race.

The rotation rampage also affected the ETF market towards the end of the month with increased volatility seen across a number of funds. Small cap index ETFs attracted their largest flows of the year as a result.

ETP securities lending revenues increased 19% YoY but declined by 10% MoM. Average fees also followed the same pattern, falling to 63bps from 67bps seen during June. Balances declined by $8.6B during the month but lodged a 7% YoY increase. As with most asset classes lendable value increased to its highest value of the year so far at $549.3B.

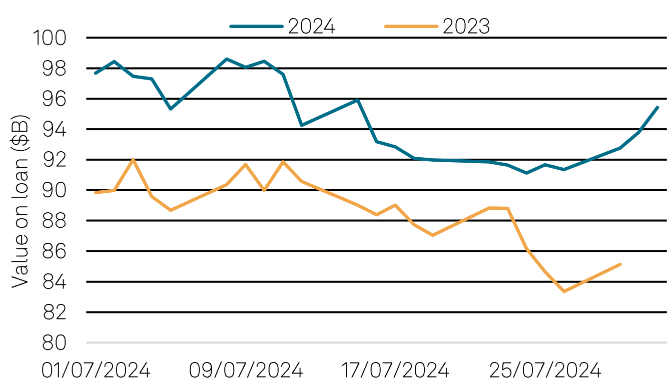
Across American ETFs $42.3M in revenues were generated and average fees declined by 5bps over the month to 57bps. Utilization remained steady, falling in comparison to previous months as valuations continued to rise. European ETFs posted their highest monthly revenues year-to-date of $6M. This is an increase of 6% YoY. Average fees fell by 1bps over the month to 134bps and utilization increased steadily throughout the month to 3.3%. Asian ETFs also posted their strongest monthly revenues year-to-date of $2.1M. These were pushed higher by a MoM increase in average fees of 15% to 135bps. This is the highest fee seen across the region for over 24 months, strongly surpassing the most recent high of 97bps seen during July 2023.

July Fee Trend



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

July Balance Trend



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Asian ETFs reach their highest average fee for many months	ETP revenues increase by 19% YoY	Asian ETF average fees grow 39% YoY	Year-to-date revenues across all ETPs of $344M

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	$42	20%	$290	$87	7%	0.57%	11%	$397	22%	11.5%	-12%
European ETFs	$6	6%	$37	$5	13%	1.34%	-8%	$97	6%	3.3%	7%
Asia ETFs	$2	50%	$10	$2	6%	1.35%	39%	$4	4%	12.7%	-6%

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

Top 10 Revenue Generating Equity ETFs

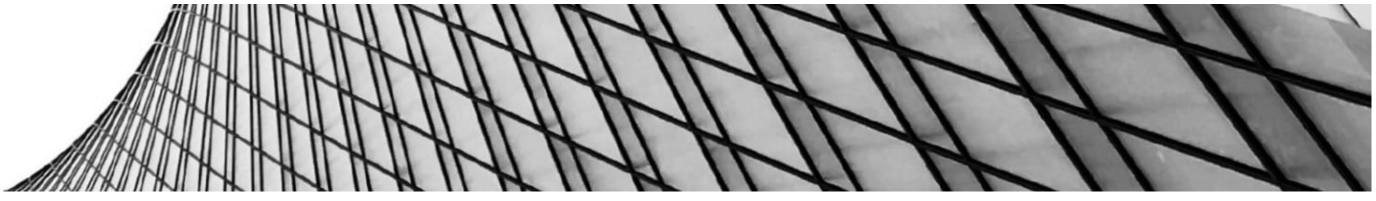
ETF Name	Ticker	Investment type	Country	Revenue Generated ($M)
SPDR S&P Biotech ETF	XBI	Equity	US	$1.8
Invesco Solar ETF	TAN	Equity	US	$1.4
Granite Shares Nividia Long Daily	NVDL	Equity	US	$1.2
iShares Russell 2000 ETF	IWM	Equity	US	$1.1
iShares MSCI EAFE ETF	EFA	Equity	US	$0.8
SPDR S&P Retail ETF	XRT	Equity	US	$0.8
TOPIX ETF	1306	Equity	JP	$0.7
iShares MSCI China A UCITS ETF	CNYA	Equity	IE	$0.7
Proshares Ultrapro QQQ ETF	TQQQ	Equity	US	$0.7
iShares MSCI Saudi Arabia ETF	KSA	Equity	US	$0.7

Source: S&P Global Market Intelligence Securities Finance

Top 5 Revenue Generating Fixed Income ETFs

ETF Name	Ticker	Investment type	Country	Revenue Generated ($M)
iShares IBOXX Investment Grade ETF	LQD	Fixed Income	US	$1.7
SPDR Bloomberg Barclays High Yield Bond ETF	JNK	Fixed Income	US	$0.6
iShares JP Morgan USD Bond ETF	EMB	Fixed Income	US	$0.5
iShares IBOXX High Yield Bond ETF	HYG	Fixed Income	US	$0.4
Barclays Ipath Seniors B S&P Short Term ETN	VXX	Fixed Income	US	$0.4

Source: S&P Global Market Intelligence Securities Finance



Corporate Bonds

Revenues
$81M ▼ -18%

Average Value on Loan
$308B ▲ 15%

Weighted Average Fee
0.30% ▼ -30%

Average Utilization
5.7%▲ 1%

Corporate bond issuance continues to grow as do on loan balances.

Despite the on-set of the summer months, many in the US corporate bond market are expecting a busy period in regard to corporate bond issuance. With high levels of debt maturing next year and borrowing costs remaining relatively low, many issuers are still looking to refinance. The impending US elections are also adding uncertainty, pushing firms to act earlier than may otherwise have been expected.

The outlook improved throughout the month for a renewed rally in European corporate bonds as concerns over the French parliamentary elections passed. The result of the second round of voting in France lowered any risks of fiscal loosening, improving credit spreads and boosting market confidence. The European bond market experienced its busiest week of issuance since May during the month as a result with €40.53B in new debt being issued.

US companies have issued $48.6B in convertible bonds so far during 2024, the highest total since 2021. It was reported during the month that smaller companies have been taking advantage of investor optimism and lower borrowing costs. Convertible bonds, which can turn into stock if the share price increases, often offer significant savings when compared with traditional debt.

Towards the end of the month concerns regarding the potential for an economic slowdown started to affect corporate bond prices. If growth is too weak, it has the potential to apply pressure to company fundamentals which in-turn increases the potential for both defaults and downgrades.

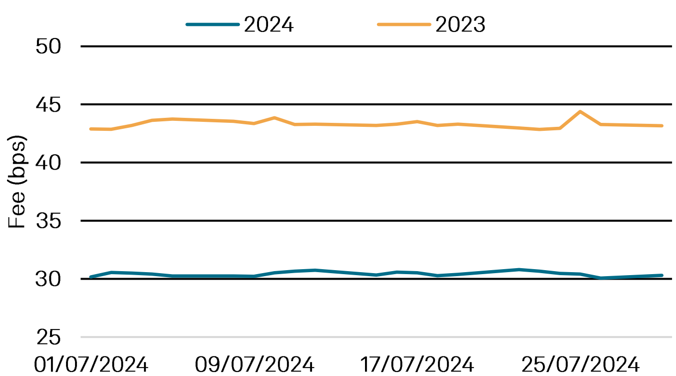
In the securities lending markets, corporate bonds generated **$81M** in revenues during the month which represents a decrease of 18% YoY but a 5% increase MoM. July was also the third highest revenue generating month of the year so far for the asset class. Average fees have remained stuck at 30bps since April, after declining during the first three months of the year from 34bps. Balances hit a 2024 record during July, increasing further and reaching $307.98B. This represents a 15% increase YoY and 2% growth on the June value. Despite this increase, lendable also moved in the same direction, pushing utilization slightly lower MoM to 5.71% (5.74% June).

In the conventional bond market, revenues marked their highest generating month of 2024 so far after pulling in **$78.5M** of returns. This maybe a 17% reduction YoY but it marks a 5% increase MoM.

Convertible bond revenues increased slightly during the month to **$1.79M** but this remained 60% lower when compared with July 2023. Average fees fell to their lowest level of 2024 at 73bps. Towards the end of the period, utilization topped the 5% mark for the first time since April.

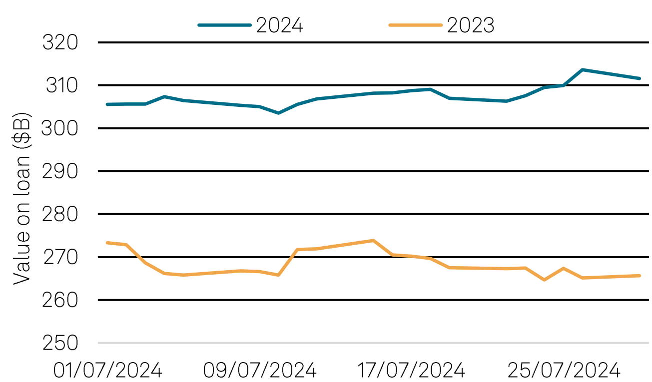
Activity across asset backed securities remained subdued as revenues of **$81K** were generated. Average fees fell to their lowest level of the year so far despite balances hitting a 2024 high.

July Fee Trend



Source: S&P Global Market Intelligence Securities Finance

July Balance Trend



Source: S&P Global Market Intelligence Securities Finance

Average fees remain flat MoM at 0.30%	Convertible revenues fall 60% YoY	Corporate Bond balances increase 15% YoY	Asset Back Securities revenues increase 62% YoY

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	$79	-17%	$532	$305	15%	0.30%	-28%	$4,157	12%	6.2%	1%
Convertible Bonds	$2	-60%	$14	$3	-7%	0.73%	-57%	$34	-13%	4.5%	-16%
Asset Backed Securities	$0.08	62%	$0.6	$0.5	98%	0.20%	-19%	$343	11%	0.1%	80%

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

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	Priv. Placement Corp Bond	$0.9
Hertz Corp (5% 01-Dec-2029)	428040DB2	USD	Priv. Placement Corp Bond	$0.8
New Fortress Energy Inc (8.75% 15-Mar-2029)	644393AC4	USD	Priv. Placement Corp Bond	$0.6
Biomarin Pharmaceutical Inc (1.25% 15-May-27)	09061GAK7	USD	N.I.G. Corp Bond (Fixed Rate)	$0.5
Avis Budget Car Rental LLC (8% 15-Feb-2031)	053773BH9	USD	Priv. Placement Corp Bond	$0.5

Source: S&P Global Market Intelligence Securities Finance

Top 5 Revenue Generating EUR Denominated Corporate Bonds

Top Earning Assets	CUSIP	Denomination	Asset Class	Revenue Generated ($M)
Teleperformance Se (5.75% 22-Nov-2031)	F9120FMC7	EUR	N.I.G. Corp Bond (Fixed Rate)	$0.3
Nexi SPA (2.125% 30-Apr-2029)	T6S18JAD6	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
Engineering Ingegneria Informatica Spa (5.875% 30-Sep-2026)	T2R7AQAA0	EUR	N.I.G. Corp Bond (Fixed Rate)	$0.2

Source: S&P Global Market Intelligence Securities Finance

Top 5 Revenue Generating GBP Denominated Corporate Bonds

Top Earning Assets	CUSIP	Denomination	Asset Class	Revenue Generated ($K)
Thames Water Utilities Finance Plc (2.875% 03-May-2027)	G8787MAQ9	GBP	N.I.G. Corp Bond (Fixed Rate)	$120.7
Thames Water Utilities Finance Plc (4% 19-Jun-2025)	G8787MAG1	GBP	I.G. Corp Bond (Fixed Rate)	$112.5
Very Group Funding Plc (6.5% 01-Aug-2026)	G933KZAA3	GBP	I.G. Corp Bond (Fixed Rate)	$54.7
Thames Water Utilities Finance Plc (6.75% 16-Nov-2028)	G8787BAB6	GBP	I.G. Corp Bond (Fixed Rate)	$52.7
B&M European Value Retail Sa (8.125% 15-Nov-2030)	L1175HAE6	GBP	N.I.G. Corp Bond (Fixed Rate)	$51.6

Source: S&P Global Market Intelligence Securities Finance

Government Bonds

Revenues
$164M ▲ 7%

Average Value on Loan
$1,189B ▲ 12%

Weighted Average Fee
0.16% ▼ -5%

Average Utilization
20.4% ▲ 4%

The BOJ hikes as the BOE eases.

Christine Lagarde made it clear to financial markets, in Sintra, Portugal, at the opening of the ECB's annual central-banking forum, that she didn't believe that there was enough data available to ensure that inflationary threats had passed for the Eurozone. This fed into expectations that the central bank would take a pause from cutting interest rates during the month.

The Federal Reserve bank kept rates on hold during the month with speculation of the next potential cut moving to September. Jerome Powell said that the US was firmly back on a "disinflationary path" but emphasized the need for more data before considering an interest rate cut. Anticipation of imminent rate cuts led to the US yield curve to be its least inverted in two years. Election speculation and weaker economic data continues to be responsible for lowering the yield on two-year government bonds.

Speculation that the Bank of England would be cutting rates during the month led to the yield on two-year bonds to fall below 4% for the first time this year. The Bank did cut its benchmark rate by the expected amount and also announced the introduction of a repo-led liquidity strategy after further engagement with market participants and the publication of a discussion paper addressing the subject.

In Asia, the Reserve Bank of Australia stated that recent data wasn't sufficient to change its view that inflation would return to target by 2026, according to minutes of its June meeting. The bank also stressed the threat of upside risk of price pressures, leading to speculation of a possible August hike.

The PBOC (People's Bank of China) intervened in the bond markets during the month to address a rally that pushed borrowing costs to a two-decade low. The PBOC made clear that it has "hundreds of billions" of yuan in government bonds at its disposal after signing agreements with lenders.

The Bank of Japan increased its benchmark interest rate to 0.25% from 0-0.1% and announced a plan to cut bond purchases to 3T Yen monthly by 2026. The move led to an unwind of popular carry trade, impacting global stock prices.

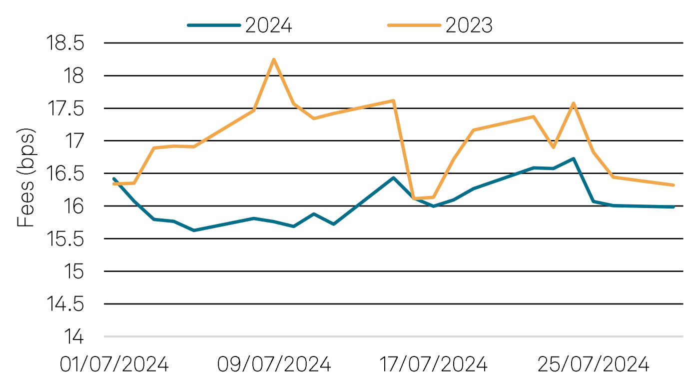
In the securities lending markets government bonds generated **$164M** in revenues representing an 7% increase YoY and the best monthly revenues since March. Average fees remained at 16bps during the month as balances increased by 12% YoY.

Americas government bonds generated **$103.4M** in revenues as balances declined MoM by 1%. Utilization also dipped slightly when compared to June to 20.25%, its lowest level of 2024 so far.

European government bonds generated **$51.6M** in revenues, the highest monthly returns of the year so far. Average fees increased 1bps during the period to 15bps and balances climbed to just under $400B, their highest lever of 2024 to date.

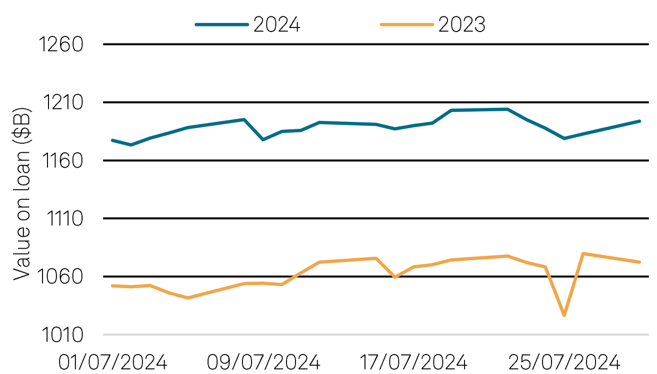
Across Asia, government bonds generated **$8.9M**, marking their second highest monthly revenue of the year ($8.98M March). Average fees remained stuck at 18bps, and utilization fell slightly after June marked a year high.

July Fee Trend



Source: S&P Global Market Intelligence Securities Finance

July Balance Trend



Source: S&P Global Market Intelligence Securities Finance

Americas government bond revenues increased by 14% YoY	Asian government bond balances increased by 9% YoY	EMEA government bond revenues reach 2024 high	Volume Weighted Average Fee (VWAF) decreased YoY across all regions

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	$103	14%	$716	$734	14%	0.16%	-1%	$3,125	4%	20.2%	9%
Europe	$52	-2%	$321	$397	10%	0.15%	-12%	$1,421	29%	20.7%	-9%
Asia	$9	0%	$60	$58	9%	0.18%	-9%	$138	-2%	21.6%	22%
Emerging Market	$6	-30%	$44	$23	-8%	0.30%	-25%	$332	11%	5.7%	-18%

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

Top 5 Revenue Generating US Treasuries

Top Earning Assets	CUSIP	Denomination	Country	Revenue Generated ($M)
United States Treasury (0% 23-Jan-2025)	912797JR9	USD	US	$1.6
United States Treasury (3.5% 15-Feb-2033)	91282CGM7	USD	US	$1.2
United States Treasury (3.375% 15-May-2033)	91282CHC8	USD	US	$1.2
United States Treasury (4.5% 15-Nov-2033)	91282CJJ1	USD	US	$1.1
United States Treasury (4% 15-Feb-2034)	91282CJZ5	USD	US	$0.9

Source: S&P Global Market Intelligence Securities Finance

Top 5 Revenue Generating CAD Government Bonds

Top Earning Assets	CUSIP	Denomination	Country	Revenue Generated ($M)
Canada (Government) (4% 01-Mar-2029)	135087Q98	CAD	CA	$0.4
Canada (Government) (1.25% 01-Mar-2027)	135087M84	CAD	CA	$0.4
Canada (Government) (1% 01-Sep-2026)	135087L93	CAD	CA	$0.3
Canada (Government) (0.5% 01-Sep-2025)	135087K94	CAD	CA	$0.2
Canada (Government) (2.75% 01-Sep-2027)	135087N83	CAD	CA	$0.2

Source: S&P Global Market Intelligence Securities Finance

Top 5 Revenue Generating EMEA Government Bonds

Top Earning Assets	CUSIP	Denomination	Country	Revenue Generated ($M)
United Kingdom Of Great Britain And Northern Ireland (Government) (0.25% 31-Jan-2025)	G4527HVF5	GBP	UK	$1.8
United Kingdom Of Great Britain And Northern Ireland (Government) (0.125% 30-Jan-2026)	G4527HRV5	GBP	UK	$0.7
United Kingdom Of Great Britain And Northern Ireland (Government) (2.75% 07-Sep-2024)	G9T44MHW5	GBP	UK	$0.6
France, Republic Of (Government) (2.75% 25-Oct-2027)	F43750AD4	EUR	FR	$0.6
United Kingdom Of Great Britain And Northern Ireland (Government) (4.5% 07-Jun-2028)	G4527HA76	GBP	UK	$0.6

Source: S&P Global Market Intelligence Securities Finance

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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