INSIDE THE FINANCING MARKETS

THE PURPLE

BY EQUILEND

EQUILEND DATA & INSIGHTS
H1 2026 IN REVIEW

ISSUE 23

SECURITIES FINANCE

H1 2026 REVENUE

GLOBAL
9,101,903,298
+34% YOY

AMERICAS

Lender-to-Broker
3,382,543,162 **+15% YOY**

Broker-to-Broker
1,345,088,363 **+10% YOY**

EMEA

Lender-to-Broker
1,418,632,299 **+44% YOY**

Broker-to-Broker
308,783,356 **+65% YOY**

ASIA PACIFIC

Lender-to-Broker
2,193,270,572 **+71% YOY**

Broker-to-Broker
453,585,545 **+162% YOY**

Global figure is combined lender-to-broker and broker-to-broker activity.

Executive Summary

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As we round the corner of 2026, the securities lending market has plenty to show for it. The global industry generated $9.1 billion in H1 revenue, up 34% year-on-year, with loan balances reaching $4.38 trillion. The market has shown sustained growth driven by persistent demand across regions, asset classes, and sectors.

Like the market, the data team continues to innovate to keep pace. We've launched predicted short interest for the U.S. market, with additional markets to follow before year-end, and introduced new screens for our buy-side clients that make it faster and easier to find what matters.

Coming soon is our new trading analytics product, bringing real-time, intraday visibility into activity crossing NGT, the market's leading trading platform. This data will bring a level of transparency the market hasn't previously experienced.

Issue 23 covers the drivers of H1 revenue in full, including how the AI trade has evolved, the contribution of IPOs to the securities finance market, and what the data is starting to tell us about Saudi Arabia's lending market, a market that barely registered three years ago and is now one worth watching closely.

As always, thank you for reading The Purple. We hope this issue provides you with new and interesting insights into the market.

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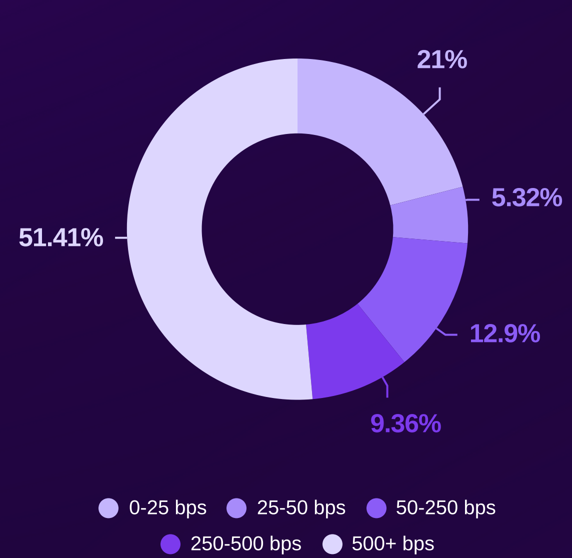
AMERICAS

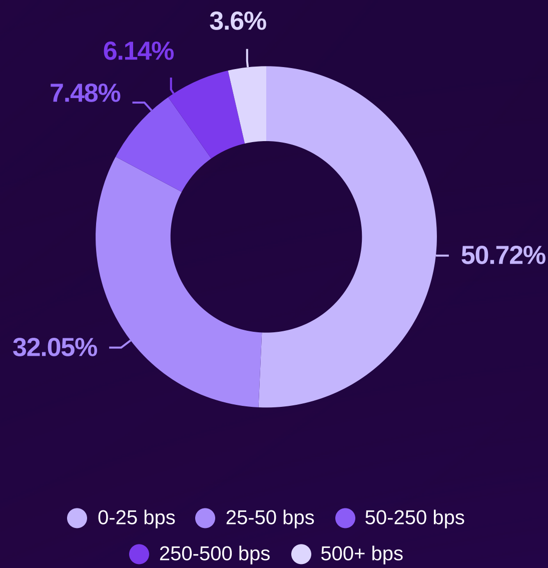
Figures displayed represent lender to broker activity only from Jan 1 to Jun 30 2026. Deltas represent year on year change. All currency values are in USD and fees in bps.

Lendable	On Loan	Revenue	Fee
$36.55 Trillion +20.6%	$2.50 Trillion +26.0%	$3.38 Billion +15.1%	25.80 bps -8.2%

Equity Revenue By Fee Band



Fixed Income Revenue by Fee Band



Top Equity Earners

	Security	Revenue (USD)
	INFOSYS LTD SPON ADR EACH REP 1 ORD SHS	106,598,026
	TOPBUILD CORP COM 'WI'	55,051,425
	LUCID GROUP INC COM CL A (P/S)	42,511,222
	SOUNDHOUND AI INC COM CL A	39,831,647
	ISHARES TRUST IBOXX USD INVST GRADE CORP	29,884,870
	ISHARES TRUST IBOXX USD HIGH YILD CORP BD	27,118,074
	SELLAS LIFE SCIENCES GROUP INC COM	23,437,780
	REGENCELL BIOSCIENCE HLDGS LTD COM	23,027,870
	IMMUNITYBIO INC COM	22,777,794
	ENBRIDGE INC COM NPV	19,804,552

Top Corporate Debt Earners

	Security	Revenue (USD)
	TRONO 4.625% 15/03/29	4,726,842
	CELAN 6.75% 15/04/33	4,306,762
	CHAMP 8.75% 15/02/2029	3,683,858
	FMC C 5.65% 5% SNR 18/05/33	3,483,709
	CAESA 6% 15/10/32	3,454,270
	GRAPH LLC6.375% 15/07/32	2,795,526
	ACADI 7.375% 15/03/33	2,537,344
	CONCE 6.6% 02/08/2028	2,519,608
	COMCA 6.05% 15/05/55	2,249,631
	CABLE 4% 15/11/30	2,224,954

AMERICAS

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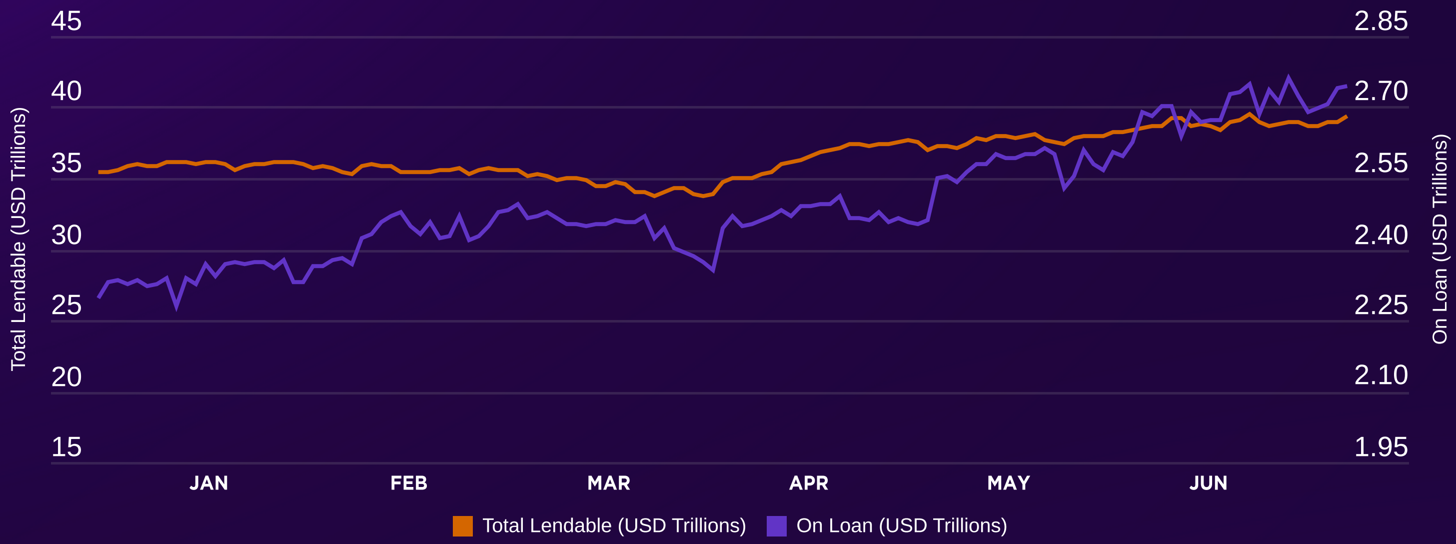
On Loan vs. Lendable



Top Sectors By Revenue

	Information Technology	Health Care	Consumer Discretionary	Financials	Industrials	Energy
Revenue (USD)	$447.63M	$278.31M	$277.02M	$223.97M	$188.63M	$147.03M
Loan Value (USD)	$206.49B	$100.58B	$115.02B	$140.02B	$130.98B	$65.54B
Fees (bps)	42.31	55.29	51.31	31.95	27.98	46.21

Market Breakdown

EQUITY

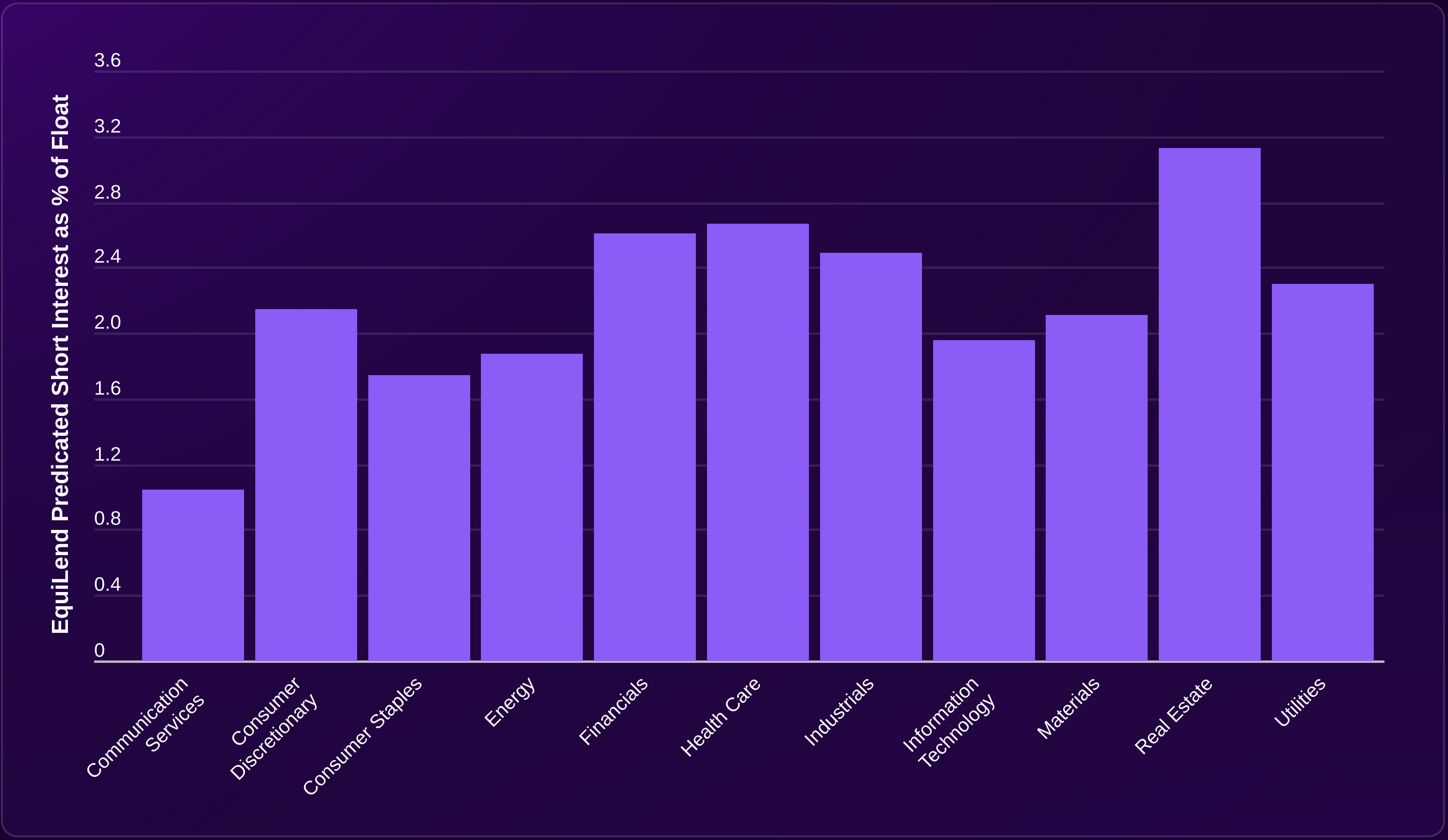
Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
UNITED STATES	$27.94T	22.0%	$1.04T	41.7%	40.92	-20.9%	$2.14B	12.1%
CANADA	$1.24T	46.8%	$62.28B	29.8%	63.76	-20.0%	$187.92M	3.3%
LATIN AMERICA	$49.12B	33.8%	$3.43B	21.3%	176.16	16.1%	$29.90M	40.2%

FIXED INCOME

Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
UNITED STATES	$6.01T	12.2%	$1.25T	18.4%	12.37	11.9%	$934.88M	27.1%
CANADA	$1.04T	12.7%	$124.95B	-0.8%	11.13	1.0%	$70.72M	1.1%
LATIN AMERICA	$260.44B	15.3%	$14.44B	3.8%	31.01	-3.5%	$23.33M	-1.2%

United States Equities Short Interest

H1 2026 - US Equities



EMEA

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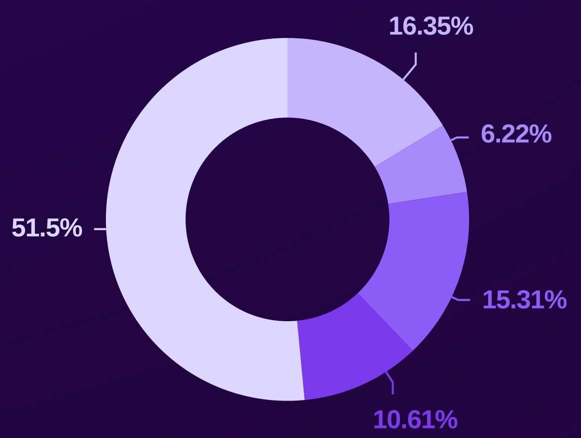
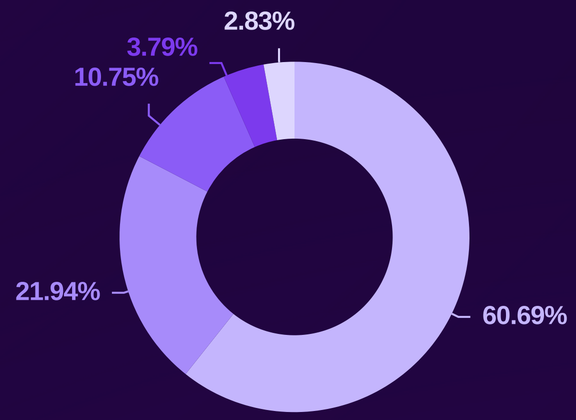
Lendable	On Loan	Revenue	Fee
$7.04 Trillion +16.9%	$793.49 Billion +28.6%	$1.42 Billion +44.1%	36.20 bps +12.3%

Equity Revenue By Fee Band



Fixed Income Revenue by Fee Band



Top Equity Earners

	Security	Revenue (USD)
	KONINKLIJKE PHILIPS NV	22,808,293
	ISHARES IV PLC MSCI CHINA A UCITS ETF USD	20,834,806
	SIVERS SEMICONDUCTORS AB NPV	16,841,521
	TELECOM ITALIA SPA DI RISP NPV	16,800,521
	SWEDBANK AB SER'A'NPV	14,039,596
	SVENSKA HANDELSBANKEN AB SER'A'NPV	12,673,079
	DR. ING. H.C. F. PORSCHE AG NON-VTG PRF NPV	12,252,156
	MODIVO SA	11,550,899
	HG CAPITAL TRUST PLC ORD	10,229,978
	IBERDROLA SA	9,930,408

Top Corporate Debt Earners

	Security	Revenue (USD)
	WORLD 4.125% 12/09/2028	2,112,194
	WORLD 5.5% 10/06/30	2,073,922
	VISTA 6.375% 5% SNR 01/02/30	1,518,242
	ADLER 9.5% 01/04/2027	1,402,836
	WORLD 5.25% 27/11/29	1,327,946
	FEDRI 6.125% 15/06/2031	1,280,369
	BELLI 8% 01/07/31	1,196,982
	MEDIOB 12/31 EUR	1,028,241
	TELEP 5.75% 22/11/31	1,023,080
	BOUYG 3.25% 30/06/2037	986,852

EMEA

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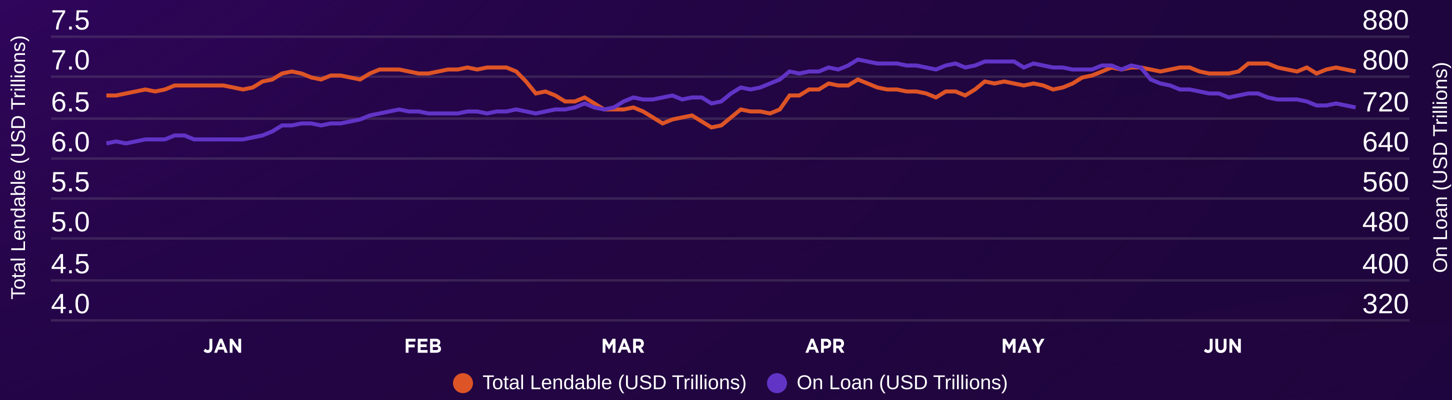
On Loan vs. Lendable



Top Sectors By Revenue

Industrials	Financials	Consumer Discretionary	Health Care	Information Technology	Materials
$186.54M	$175.94M	$95.65M	$88.20M	$72.44M	$72.04M
$50.23B	$57.91B	$27.83B	$22.10B	$13.72B	$22.44B
75.82	61.77	69.89	83.83	107.44	65.35

Revenue (USD) Loan Value (USD) Fees (bps)

Market Breakdown

EQUITY

Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
Germany	$481.49B	9.3%	$33.41B	24.9%	79.94	57.1%	$131.80M	95.6%
Sweden	$234.19B	27.4%	$26.74B	52.0%	95.05	-0.7%	$128.18M	47.7%
United Kingdom	$1.21T	22.0%	$47.30B	32.0%	52.64	40.6%	$124.14M	80.2%
France	$667.99B	11.4%	$34.74B	35.2%	65.36	13.4%	$108.87M	56.5%
Italy	$246.72B	37.0%	$31.73B	61.8%	65.44	35.9%	$91.94M	115.8%

FIXED INCOME

Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
France	$396.75B	7.0%	$129.11B	23.9%	20.19	-2.3%	$133.39M	22.5%
United Kingdom	$638.02B	12.2%	$128.52B	34.4%	15.79	-6.1%	$104.29M	30.2%
Germany	$299.12B	5.1%	$81.31B	24.6%	16.82	-4.7%	$70.03M	20.4%
Luxembourg	$133.55B	-6.1%	$33.15B	16.5%	14.51	-22.9%	$25.59M	-5.8%
Italy	$159.43B	13.5%	$33.25B	25.8%	13.98	-16.1%	$23.71M	8.1%

ASIA PACIFIC

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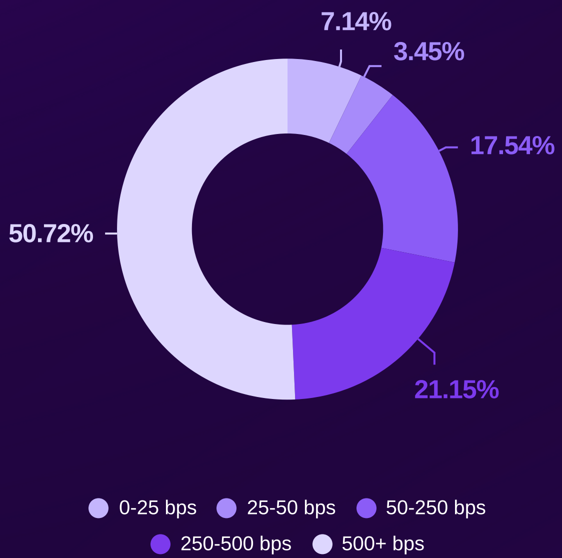
Lendable	On Loan	Revenue	Fee
$4.49 Trillion +30.9%	$423.15 Billion +49.7%	$2.19 Billion +71.3%	104.20 bps +15.3%

Equity Revenue By Fee Band

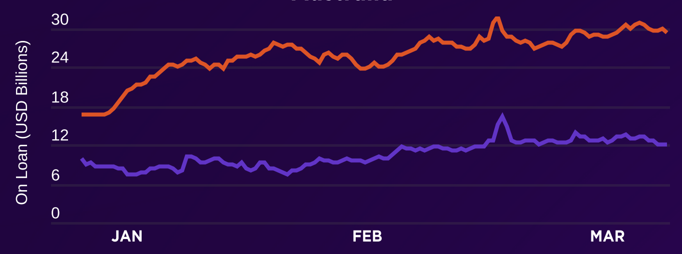


Equity Revenue By Fee Band

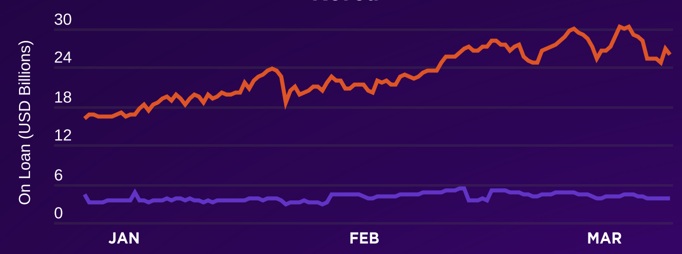
	Security	Revenue (USD)
	POP MART INTL GRP LTD	55,391,792
	CONTEMPORARY AMPEREX TECHNOLOGY CO H SHS	46,721,797
	KNOWLEDGE ATLAS TECHNOLOGY JOINT ST H	38,321,178
	MINIMAX GROUP INC A	32,822,542
	WIWYNN CORPORATION	20,895,889
	HD HYUNDAI HEAVY INDUSTRIES CO LTD	20,860,050
	AUO CORPORATION	18,501,319
	GIANT BIOGENE HLDG CO. LTD	16,671,011
	HANMI SEMICONDUCTOR CO LTD	14,801,371
	LG ENERGY SOLUTION LTD	13,999,305

Offshore vs. Onshore Loan Balance

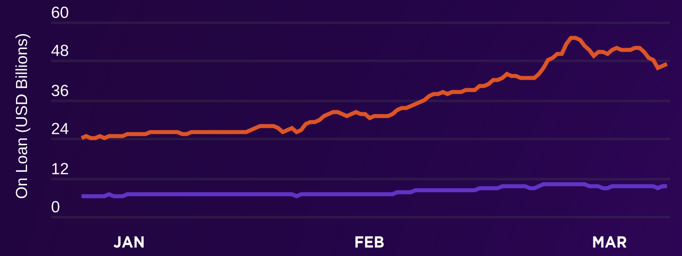
Australia



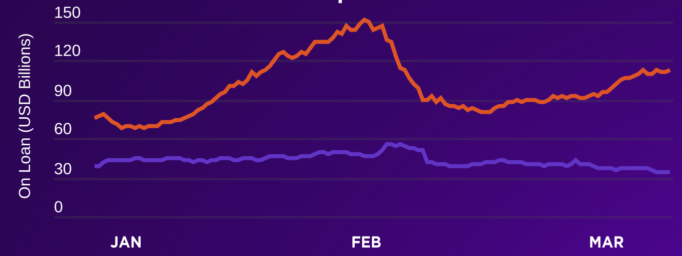
Korea



Taiwan



Japan



ASIA PACIFIC

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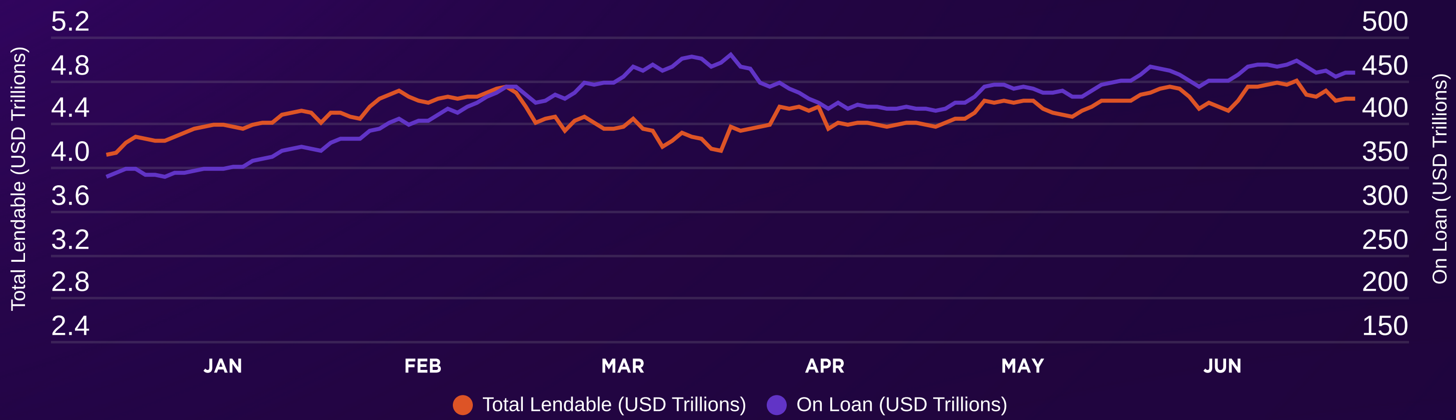
On Loan vs. Lendable



Top Sectors By Revenue

Information Technology	Industrials	Consumer Discretionary	Health Care	Materials	Consumer Staples
$764.14M	$424.33M	$239.17M	$136.47M	$130.87M	$108.17M
$68.97B	$61.60B	$46.84B	$20.11B	$32.24B	$19.03B
223.23	138.92	103.02	136.67	81.62	114.98

Revenue (USD) Loan Value (USD) Fees (bps)

Market Breakdown

Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
Taiwan	$391.57B	76.8%	$43.02B	73.7%	298.02	1.4%	$635.32M	75.5%
Hong Kong	$682.23B	21.5%	$73.46B	111.8%	155.77	1.1%	$568.66M	114.5%
Japan	$1.78T	26.0%	$145.56B	23.6%	58.67	-5.5%	$420.43M	16.0%
Korea, Republic of	$352.04B	157.6%	$26.84B	166.2%	251.56	5.6%	$335.04M	179.9%
Australia	$669.07B	22.3%	$37.89B	71.7%	40.60	4.7%	$79.15M	76.1%
Malaysia	$14.58B	19.6%	$1.39B	55.8%	559.74	-2.6%	$38.52M	51.1%
Thailand	$25.07B	15.4%	$2.69B	28.8%	195.12	-35.4%	$25.98M	-17.2%
Singapore	$89.74B	31.1%	$3.24B	15.3%	71.79	45.4%	$11.54M	67.5%

2026: The AI Trade Grows Up

Six months ago, we wrote about how AI-linked equities had redefined the securities lending landscape in 2025, a year shaped by speculative positioning, breakout IPOs, and the kind of volatility that provides opportunity for the market. The AI focus not only continued but expanded into 2026.

The AI trade has attracted a broader range of companies than anyone anticipated. When Allbirds, a footwear brand better known for its wool trainers than its computing power, announced it was exiting the shoe market to rebrand as SmartBird Inc and pivot to GPU-as-a-Service infrastructure, its share price rose over 580% in a single session. The EquiLend data captured the skepticism almost immediately, with borrowing activity rising more than 300% and fees spiking to over 20,000bps in the days following the announcement. A stark reminder that rebranding as an AI company and being accepted as one are very different things.

But beneath opportunism, the more substantive questions have sharpened. The market has moved from asking who will win the AI race to asking who can sustain it, and which established businesses are being disrupted by it. Those questions are visible in the lending data as clearly as anywhere. Here we look at three names that tell that story.

Infosys ADR (INFY)

In our last AI article, we stated that Infosys earned roughly $91 million in securities lending revenue across the entirety of 2025, making it the third-largest earner globally. In the first half of 2026 alone, it has already generated $106.6 million, surpassing its full-year total with six months still to run. Utilization stands at 95% with average fees in H1 2026 above 1,000 basis points, a lending profile that reflects acute and sustained borrow demand.

The driver is no longer simply institutional repositioning around IT spending cycles. The market is now actively debating whether AI is transforming what Infosys sells or threatening the model it sells it through. If AI agents can automate the large-scale application management and software development that underpins the company's revenue base, the AI-first consultancy thesis begins to look considerably more fragile. Short sellers are not betting against Infosys's past; they are betting against its future. For lenders, that ambiguity has been extraordinarily productive.

SoundHound AI (SOUN)

SoundHound AI is another name that has caught the attention of the lending market generating $39.8 million in lender revenue, driven largely by rising fees and consistently high utilization, leaving virtually no inventory left to deploy.

Sitting at the more speculative end of the AI value chain, SoundHound is a voice AI company whose stock has fallen around 37% since January despite continued revenue growth. The market's concern is not the top line; it is whether the path to profitability is credible given the scale of losses and a crowded competitive landscape. That gap between revenue momentum and profitability doubt is precisely what drives sustained borrow demand.

IonQ (IONQ)

IIonQ is the most established pure-play quantum computing company in the public markets, and in contrast to the momentum-driven names that dominated the 2025 AI lending story, its presence in the EquiLend data reflects something more structural. The company generated $6.9 million in H1 2026 lender revenue with fees of around 30 basis points and utilization at 74%, a profile that speaks to sustained institutional borrow demand rather than short-term sentiment-driven spikes.

The fundamental story gives short sellers genuine cause for debate. IonQ reported Q1 2026 revenue of $64.7 million, representing 755% year-on-year growth, yet continues to generate substantial operating losses as it invests heavily in research and commercial expansion. Short interest has ranged from 30% in April down to 19% at the time of writing, reflecting an ongoing tug of war between believers in the quantum computing opportunity and those questioning when, if ever, it converts to profit. For lenders, that tension has produced a steady and reliable source of borrow demand throughout the half.

The Signal Remains

The diversity of these three names reflects how much the AI trade has matured in twelve months. The debate has moved from who will win the race to who can sustain it, and the securities lending data captures that shift as clearly as any other market signal. An IT services giant being re-rated by the very technology it helped deploy, a voice AI stock running at near-total inventory deployment, and a quantum computing company whose record revenue growth has done little to dampen short-side conviction. The first half of 2026 has been anything but dull.

Return of the IPOs:

H1 2026's Record Listings Through a Securities Finance Lens

H1 2026 was one of the most active periods for new equity issuance on record. U.S. IPOs and share sales surpassed $251 billion, the highest first-half total since the 2021 issuance boom, across more than 200 announced listings, with Nasdaq reporting its strongest first half in exchange history. Against that backdrop, the global securities lending industry generated a record $9.1 billion in revenue, up 34% year-on-year, as elevated market activity kept short sellers engaged across asset classes. Three listings in particular, Cerebras, Quantinuum, and SpaceX, each tell a distinct securities finance story, and together they offer a lens for reading what the remainder of the year may hold.

The New-Issue Window Flies Open

For much of 2023 and 2024, the IPO market remained largely shuttered. A tentative recovery through 2025 set the stage, but H1 2026 was where confidence fully returned. By proceeds, H1 was the most active half-year on record. By count, 203 announced listings placed it among the three busiest first halves of the past decade.

The economic conditions driving that revival were the same ones reshaping the securities lending landscape. Elevated volatility around AI-related stocks, biotech catalysts, and APAC technology names kept short sellers active and inventive. Loan balances reached $4.38 trillion globally, and the concentrated nature of the year's biggest listings meant a small number of names were exerting an outsized influence on borrow demand, fee dynamics, and lending revenue. New issuance creates natural securities finance activity: constrained supply at launch, building short conviction as price discovery matures, and lockup expiries that reshape the borrow landscape for months after a stock begins trading.

Cerebras (CBRS): The AI Chip Story

When Cerebras priced its IPO on May 14 at $185 per share and opened the following morning at $350, it announced the arrival of H1 2026's first major listing with considerable force. The largest semiconductor IPO on record raised $5.55 billion and closed its debut day at $311, a 68% gain from the offer price, as investors rushed to stake a position in AI infrastructure at scale.

The securities lending market moved just as quickly. On May 15, the first full trading day, Cerebras already had 1.55 million shares on loan, representing an on-loan value of around $430 million, with fees well into the several-hundred-basis-point range, a clear signal that short sellers were hunting for borrow from the outset, and that supply was scarce. Over the following week, loan volumes expanded rapidly as more inventory entered the lendable pool: by May 21, shares on loan had reached 5.3 million. Fees eased as supply loosened, but utilization remained elevated, reflecting persistent demand even as the stock began retreating from its near-$304 peak.

The narrative deepened through June. As Cerebras pulled back from its highs, trading at $181 by late June against a peak of $303 in mid-May, short conviction strengthened. By June 30, utilization had climbed to over 90% and more than half the float was on loan, with fees spiking back above 200 basis points as demand outpaced available supply. On-loan value at that point had grown to approximately $3.8 billion, nearly nine times where it started six weeks earlier. Shortly after, what appeared to be a significant expansion in the lendable pool caused the float-on-loan percentage to ease materially, though fees remained elevated through early July, reflecting continued short interest even as borrowing became easier.

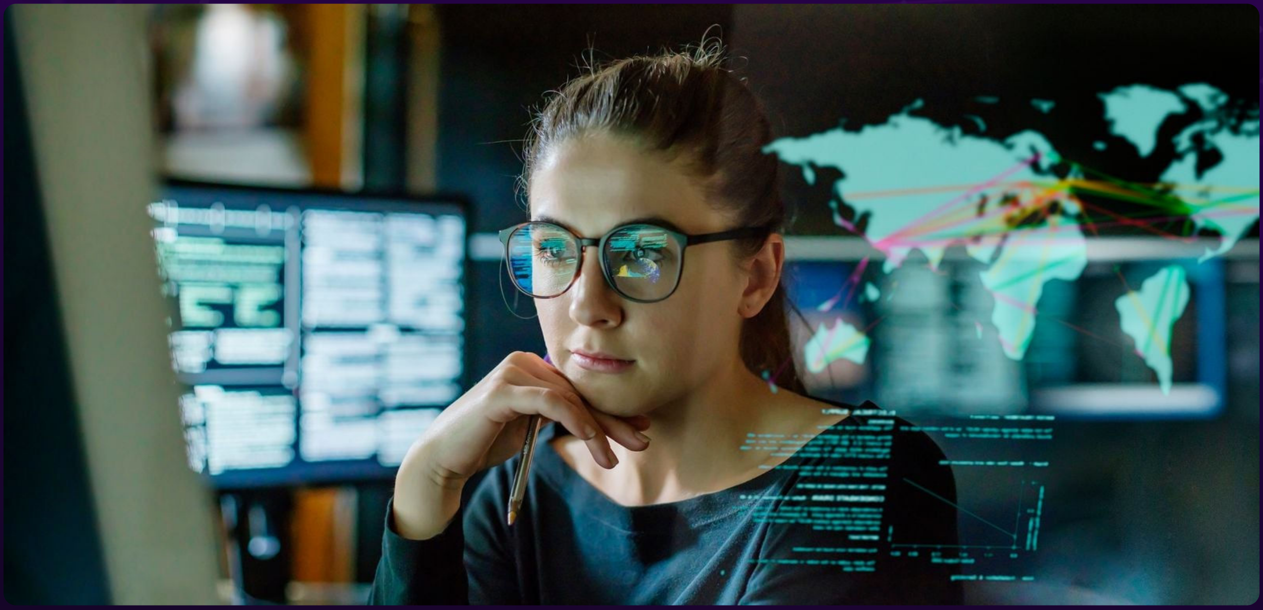
As of July 10, Cerebras had approximately 16 million shares on loan at an on-loan value of around $3.5 billion, with utilization approaching 80%, and a stock price of $215, above its $185 IPO price but well off its opening-day high.

Quantinuum (QNT): Quantum's Quiet Hard-to-Borrow

Quantinuum's Nasdaq debut on June 4 told a very different story above the tape. The quantum computing company raised $1.68 billion in an upsized IPO priced at $60 per share, opened at $68, and closed little changed, a muted reception for a landmark listing. Within days, the stock had slipped below its IPO price, trading at $56.26 by June 5 despite the fanfare of being the first major quantum computing company to go public.

Below the tape, however, Quantinuum was immediately one of the hottest borrows in the market. On the day after its listing, borrow fees were in excess of 1,000 basis points, a level that reflects severely constrained supply and intense short demand. The on-loan value at that stage was modest, a function of the very small number of shares available to borrow rather than any lack of demand. Fees barely shifted for the first several days as shorts paid a steep premium to establish positions in a name where very little inventory was available.

As more lendable inventory entered the market through mid-June, fees fell, though not dramatically. Several-hundred-basis-point fees prevailed through mid-June and into the end of the month, and while they declined into July, they remained meaningfully elevated. On-loan value grew alongside share availability, reaching approximately $360 million by the end of June, a level that, combined with persistently high fees, made Quantinuum a more significant revenue contributor than its relatively low profile would suggest. Notably, the stock's partial recovery, back to the $70-83 range by early July, did not prompt meaningful short covering. Nearly 10% of float remained on loan as of July 10, with fees still in the low-to-mid hundreds of basis points. The enduring fee level suggests Quantinuum is a structurally hard-to-borrow name: the short thesis has not dissolved with the stock's recovery, and the borrow market continues to price that conviction.



SpaceX (SPCX): History-Making IPO, History-Making Borrow Story

No summary of H1 2026 is complete without SpaceX. When the company priced its IPO at $135 per share on June 12 and raised $86.2 billion, more than three times the previous record set by Saudi Aramco in 2019, it rewrote what an initial public offering can be. At a valuation of $1.77 trillion, it entered the public markets as one of the most valuable companies in the world. The opening days reflected that enthusiasm: the stock surged to a high of around $201 shortly after listing before settling back.

The securities finance picture that emerged in the days and weeks that followed was equally significant, though structurally different from the other names in this cohort. First-available DataLend data from June 15, three days post-IPO, showed 18.6 million shares already on loan at an on-loan value of approximately $3.6 billion, with fees in the mid-to-high hundreds of basis points. But that initial fee level proved short-lived. By June 16, as additional supply entered the market and the stock briefly touched its post-IPO high of around $201, borrow costs dropped sharply to below 50 basis points. Over the following week they stabilized at similar levels, and supply appeared broadly adequate to meet demand, a meaningfully different dynamic from Quantinuum's constrained market or Cerebras's initial scarcity.

What has been anything but modest is the growth in loan volumes. As SpaceX's stock declined steadily from its opening-week highs, trading through $154 by June 22, back to the mid-$160s briefly, then grinding lower toward the $145 range by early July, short interest built at a remarkable pace. Shares on loan expanded from 18.6 million on June 15 to over 211 million by July 10: an eleven-fold increase in under four weeks. Over that same period, on-loan value grew from approximately $3.6 billion to around $30.7 billion, reflecting the combination of volume growth and a stock that, even as it declined, remained a very large-cap name. Utilization reached 77% and over 38% of the float was on loan as of the latest data. The stock now sits just above the $135 IPO price, meaning that short sellers who established positions during the stock's early peak have broadly been right.

Despite per-unit fees that are modest relative to the other names in this cohort, the sheer scale of the loan balance translates to substantial revenue. SpaceX was a top-20 U.S. equity earner in June despite IPO'ing halfway through the month, a striking illustration of how a single listing can reshape the revenue landscape in short order.

The more significant securities finance story may still be ahead. SpaceX's lockup structure is unusually complex: a 20% unlock for employees and pre-IPO holders is expected following Q2 earnings in late July, with an additional 10% tranche available if the stock has traded 30% or more above the $135 IPO price for five of ten consecutive trading days prior to that report. Further incremental unlocks of 7% each are scheduled for late August through late October. The critical constraint is at the top: Elon Musk's 6.4 billion shares, together with a broader extended-investor block representing more than 63% of pre-IPO shares outstanding, remain locked until at least Q1 2027, with Musk's position locked until June 2027. Each staggered unlock event represents a potential inflection in borrow supply, fee dynamics and short positioning. The remainder of 2026 is, in many ways, a SpaceX lockup calendar.

The IPO has also generated notable spillover effects. With SpaceX's listing reordering the competitive landscape of the space sector, names including AST SpaceMobile (ASTS) and Virgin Galactic/Rocket Lab (SPCE) have attracted incremental short interest from traders repositioning around the new entrant's competitive implications.

What Comes Next: The H2 Pipeline Takes Shape

The H1 cohort set a high bar. Whether H2 can match it depends heavily on which of the anticipated mega-names actually cross the line.

The pipeline has shifted considerably since the start of the year. Anthropic remains on track for a late-2026 debut after confidentially filing on June 1, with its most recent private funding round implying a valuation approaching $965 billion. Prediction markets currently price an Anthropic listing before year-end at roughly 75%.

OpenAI presents a more complicated picture. Despite confidentially filing for an IPO in June 2026 and initially targeting a Q3 or Q4 listing at a valuation approaching $1 trillion, the company is reportedly weighing a delay into 2027, a recalibration that market observers have linked in part to SpaceX's post-IPO price action, which has underwhelmed relative to its opening-day levels.

Databricks has effectively removed itself from the 2026 conversation. CEO Ali Ghodsi explicitly ruled out a listing this year amid a crowded slate of large technology offerings; 2027 is now the market consensus.

For securities finance practitioners, the pipeline matters beyond headline valuations. Anthropic's listing, should it proceed, would arrive at a scale and with a level of investor fascination that could generate borrow dynamics rivalling or exceeding SpaceX, particularly if supply is initially constrained and short interest builds rapidly around lock-up mechanics. The IPO-to-lending-revenue lag observed in prior cycles, where the most intense borrow activity often arrives three to nine months post-listing, means the full revenue impact of the H1 cohort will likely not be felt until well into 2026 and 2027.

Conclusion

H1 2026 was not simply a great IPO market. It was a securities finance event unfolding in slow motion, and for many practitioners, the most consequential chapters are still being written. Cerebras demonstrated how quickly a high-flying debut can generate short conviction. Quantinuum showed that the most interesting borrow stories are not always the loudest ones above the tape. And SpaceX, in producing the largest IPO in history, has also produced one of the most watched lockup calendars in securities lending history. With $9.1 billion in H1 revenue already on the books and a second half shaped by staggered unlocks, a narrowing but consequential pipeline, and short interest still building across the cohort, the industry's best days from this vintage may still lie ahead.

H1 2026 Securities Lending Market Review:

Geopolitical Volatility Drives a Record $9.1 Billion in H1 2026

The global securities lending industry just wrapped up its strongest first half on record. Driven by persistent macro uncertainty, geopolitical flashpoints, and an expanding revenue base, EquiLend Data & Insights tracked an unprecedented $9.1 billion in H1 revenue, a 34% jump year-on-year.

While 2025 focused on isolated, high-fee opportunities, H1 2026 thrived on broad, relentless demand. Loan balances hit a record $4.38 trillion, underlining the massive scale of market engagement throughout the period.

The growth spanned across the entire ecosystem:

- Lender-to-broker activity generated $6.99 billion (up 34% YoY), while broker-to-broker lending added $2.11 billion (up 33%).
- Equities led the charge, climbing 38% to $5.43 billion, while fixed income delivered a strong $1.57 billion (up 22%).
- Across EquiLend's NGT platform, Q2 alone saw a record 11.85 million trades and $14.58 trillion in notional processed, with NGT's H1 market share rising to 66.4% from 61.6% a year prior, capturing approximately 95% of all new market trade growth.

This momentum only picked up steam as the half progressed. Q1 opened strong at $3.84 billion (up 31% YoY), and Q2 built right on top of it with a further $5.26 billion. Ultimately, the same core themes shaped the entire six-month period, with energy market volatility from Middle Eastern tensions, rising sovereign yields, and aggressive AI trade rotation keeping demand high all the way through June.

North American Equities: From the Iran Shock to the AI Unwind

North American equities remained the dominant securities finance revenue earner, despite the APAC surge, generating $2.32 billion in H1 2026 revenue, an 11% increase year-on-year. This broad-based recovery was fueled by AI-driven volatility, biotech event activity, and steady demand for credit ETFs.

The U.S. market remained dominant, accounting for 92% of the region's first-half equity revenue. By sector:

- Technology continued to lead, generating $447 million in H1 despite a 12% drop from last year.
- Energy was the standout narrative. First-quarter revenue surged 53% year-on-year as supply shocks from the Iran conflict triggered sustained short positioning.

At the security level, Infosys ADR (INFY US) led both North American equities and global markets, generating $107 million as reshoring narratives kept short interest high. Other top performers included:

- **TopBuild Corp (BLD):** Generated $55 million across the half, emerging as a particular standout in Q2 due to a dramatic increase in lending activity following an acquisition agreement with QXO at the end of June.
- **Lucid Group (LCID US):** Contributed $43 million amid ongoing EV sector uncertainty.
- **LQD and HYD:** The fixed income ETFs featured prominently among top earners, reflecting their expanding role as macro hedging tools in a volatile rate environment.

The quarter also captured a significant structural volume event: the June semi-annual Russell reconstitution acted as a key driver for a single-day U.S. equity peak of 121,800 trades on NGT on June 29, the highest daily count recorded for the region. The synchronized global nature of that peak, with EMEA also hitting its regional high on the same date, pointed to coordinated institutional flow rather than isolated opportunistic activity.

APAC Equities: Semiconductors, Sanctions and a Historic May

Asia-Pacific equities followed closely behind North America, generating $2.12 billion in H1 lending revenue, a mammoth 74% year-on-year gain. Notably, the region made history in May by topping North America for monthly revenue for the first time, bringing in $425 million. The growth in the first half of 2026 was driven by a 55% surge in loan balances to $335 billion, with average fees remaining high at 127 bps. The AI boom and semiconductor demand provided a powerful structural tailwind across multiple sectors.

The top regional stories included:

- **Taiwan:** Led the region with $635 million. Intense semiconductor demand drove technology positioning, with IT equities making up 36% of APAC's total revenue.
- **South Korea:** Emerged as the standout growth story, with revenue skyrocketing 180% as the market continued to expand following the lifting of short-selling restrictions in H1 2025.

At the individual security level, Hong Kong-listed names dominated short interest:

- **Pop Mart International (9992 HK):** Was the top-earning security in Asia, generating $55 million as short interest intensified around the collectibles company.
- **Contemporary Amperex Technology (3750 HK):** Added $47 million, keeping short sellers engaged amid ongoing trade policy headwinds and supply chain tensions.

The scale of APAC's revenue performance was reflected in platform activity. NGT recorded APAC notional growth of 63.1% year-on-year in Q2, with non-GC notional surging 125.1% year-on-year. APAC specials revenue reached $982 million year-to-date through May (up 73% YoY), driven by persistent name-specific demand across Japan, Taiwan, and South Korea, as well as IPO-linked borrow activity from Hong Kong's active primary market.

EMEA Equities: Event-Driven Demand Pushes Revenue to $959 Million

EMEA equities were the biggest year-on-year mover, generating $959 million in H1 2026 lending revenue, a massive 62% jump driven by notable increases in both fees and loan balances. This growth was already well-established heading into mid-year, after Q1 delivered a 68% year-on-year increase.

Regionally, the growth story was highly diversified:

- **Germany** was the standout national market, generating $132 million (up 96%), with Sweden, the U.K., and France also contributing meaningfully.
- **Industrials and Financials** led at the sector level, rising 70% and 46% year-on-year respectively. Energy shocks and rising rate expectations fueled financials, while soaring defence budgets and geopolitical industrial policies drove activity in industrials.
- Event-related demand for specific names drove the highest revenue. Koninklijke Philips and Telecom Italia were the region's headline contributors, both attracting heavy short interest as corporate restructurings and strategic uncertainty kept short sellers active.

Despite the strong revenue performance, NGT data points to a region with one eye on the future. EMEA trade count grew 17.1% year-on-year, materially below APAC and U.S. growth rates, as preparation for the European T+1 settlement transition, scheduled for October 2027, continues to absorb significant operational capacity across the region.

Global ETFs: An Ever-Increasing Role in Volatile Markets

ETF lending revenue reached $405 million in H1 2026, a staggering 62% increase year-on-year, cementing the asset class's role in the securities lending ecosystem. While North America remains the dominant user, returning $334 million, uptake is expanding globally with every region posting gains of over 50%.

The primary revenue drivers highlighted the market's need for liquid hedging tools:

- **Fixed Income ETFs:** Standout performers like the previously mentioned LQD and HYD ranked among the top global earners, reflecting heavy demand from institutions expressing quick rate and credit views.
- **Leveraged ETFs:** Emerged as powerful hedging vehicles as high-volatility single-stock plays drew massive short interest from investors, with examples such as Direxion Daily TSLA Bull 2X ETF (TSLL) generating $12.9 million for lenders and $8.4 million for the GraniteShares 2X Long NVDA Daily ETF (NVDL).

The structural shift in ETF usage was equally visible on NGT, where ETFs were the highest-growth sub-segment within equities at +34.3% year-on-year. Active ETFs now outnumber passive by roughly 5:1 by product count globally, and growing participation from Bitcoin and crypto ETFs is adding a new source of borrow demand to the ecosystem.

Fixed Income: Inflation, Issuance, and the Sovereign Stress

Fixed income lending revenue reached $1.57 billion in H1 2026, up 22% year-on-year, with higher-for-longer rate expectations, elevated sovereign issuance, and widening credit spreads all contributing to a strong half across the asset class. Key highlights included:

- **U.S. Treasuries:** Rose 30% to $693 million as investors positioned around inflation risk and Federal Reserve uncertainty.
- **French OATs and U.K. Gilts:** Up 24% and 29% respectively, as fiscal pressures and high issuance drove yields and lending demand in tandem.
- **Corporate Bonds:** Generated $417 million (up 11%), with a 36% surge in North American investment-grade balances driving a 39% revenue uplift in that segment alone.

On NGT, convertible debt was the standout fixed income story, rising 24.4% year-on-year. With global convertible issuance more than doubling in Q1, driven largely by AI infrastructure financing, the resulting arbitrage activity fed directly into equity lending demand across the half.

Looking Ahead: Building on a Record Half

H1 2026 has demonstrated the securities lending market at its most dynamic, with record balances, broad-based revenue growth, and meaningful contributions from across regions, asset classes, and sectors. Where 2025 relied on isolated opportunity, H1 2026 thrived on relentless, widespread demand.

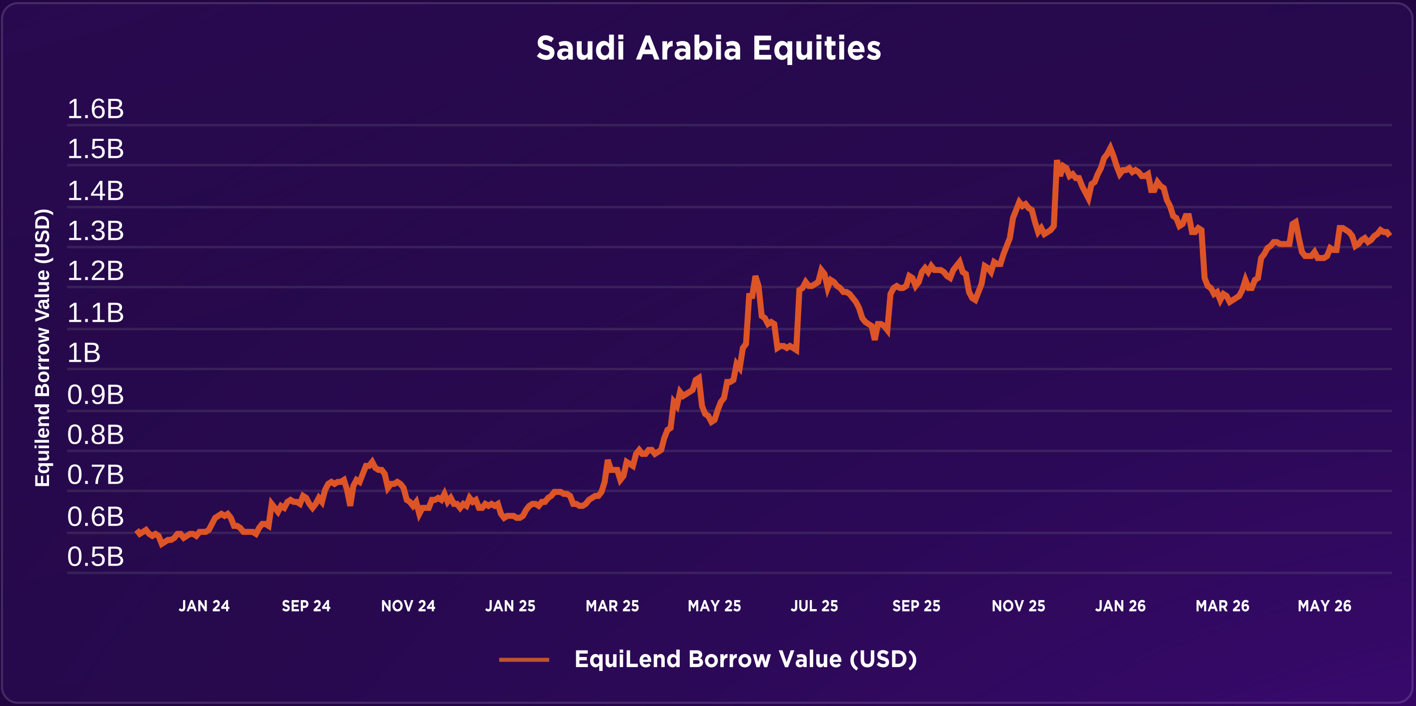
The macro forces that drove it, geopolitical tension, rate uncertainty, and supply shocks, show little sign of abating, and two structural milestones loom large: the U.S. Treasury clearing deadline on 31 December 2026 and the European T+1 go-live in October 2027. For a market that has just delivered its strongest first half on record, the direction of travel looks firmly established.

Saudi Arabia Equity Lending:

Zero to Here... and the $26 Billion Question Ahead

Three years ago, Saudi Arabia's lending market barely registered a blip in global data. Roll forward to today, it's the fastest-growing lending market in EMEA, with lending revenues compounding at rates that would be implausible in any established market and a structural potential that makes what has happened so far look like a preface.

The data shows the trajectory more clearly than the current scale, and that trajectory is what merits attention. From that base, it has been steep:



Two things stand out. First, equity on loan has grown **6.6x in under three years** — from $210 million in Q4 2023 to over $1.39 billion today. Second, lendable equity inventory has grown even faster, **11.6x** over the same period, now approaching $20 billion today and still expanding.

That divergence between lendable and on loan growth is not a sign of market weakness; rather it reflects diversified supply materializing to meet the demand ahead — the structural conditions for a market about to accelerate.

What Do the Numbers Tell Us?

Participant numbers are up, the number of lenders showing availability is up 166% with the number of active borrowers up 40% compared to January 2025. The breadth of Saudi equities on loan in the lending universe has grown **3x** in that time too, from 111 to 344 securities. Similarly, sector diversity has also expanded beyond Energy, Materials, Financials, and Health Care have all posted strong balance growth, and the IT sector has seen the sharpest relative move, up 223% since the start of 2025.

All of these point to a rapid broadening of Saudi Arabia's lending ecosystem and one that shows little sign of abating.

Demand Base: Concentrated But Expanding

While the supply remains concentrated across a limited number of lenders and there are limited borrowers, we do see new entrants positioning themselves to become active participants on the borrow side. As this grows the concentration picture of today materially changes.

Supply Base: What Comes After the Spark?

Every equity lending market that has reached institutional scale has followed a similar path: international capital arriving first, proving the market worked, and acting as a signal to domestic participation.

Saudi is no different, and the lendable-inventory data shows supply arriving in large, discrete tranches, consistent with institutional supply sources being activated in sequence. That supply covers the market's large cap securities but leaves a significant portion of the listed universe inaccessible to borrowers. Domestic institutions hold a broader and more diversified breadth of securities, outside the reach of international holders, thereby creating a highly attractive borrowable supply.

Average loan fees remain elevated, approximately **337bps**, reflecting an early-stage market where genuine scarcity for in-demand names still commands a significant premium. Fee compression will occur as liquidity deepens, but the timing and pace will depend on the supply-side, not demand.

The sequence, then, is not international supply versus domestic supply — it is international supply as the precondition for domestic supply. The data shows Saudi Arabia firmly in the transition between the two. There has been a number of domestic participants, building out their securities finance infrastructure — either directly or through agent lenders – which has materially changed the number of securities available in lending.

The Big Unknown: How Large Could Saudi Lending Get?

Whilst there are no crystal balls, EquiLend Data & Insights can draw on historical market patterns to forecast how large the Saudi lending market could become.

The H1 2026 figure of $23.6 million annualizes to exceed **$48 million**, well ahead of 2025's full-year $26 million. On that basis and using a conservative Saudi market CAGR (Compound Annual Growth Rate), we should not be surprised if market revenues exceeded $240 million by 2030.

What about on loan balances?
Whilst a crude benchmark, mature market benchmarks show equity on loan running at 1.3–1.4% of underlying market cap being realistic (e.g. Germany at 1.33%, HK at 1.27%). Saudi Arabia's equity market capitalization is approximately **$2.63 trillion** — the largest in MENA, in the global top fifteen, and growing as Vision 2030 listings and index inclusions continue. Saudi Arabia's current equity on loan of $1.39 billion implies a 0.05% stock loan to market cap and clear potential for both demand and diversified supply increase.

Applying a conservative 1% mature-market benchmark estimate to Saudi Arabia's would imply an on loan equilibrium of approximately $26 billion and in excess of $24 billion structural loan whitespace still to be captured.

The Bottom Line - The Saudi Potential Is There and Is Achievable

Saudi Arabia's equity lending market has seen a 660% growth in on loan value in under three years, compounded equity lending revenues, and a growing global borrower base that is actively competing for diversified supply. That demand is being met by rapidly growing domestic participation.

And whilst the above figures are just for illustrative purposes - the data does serve as a useful sanity check: this is what Saudi Arabia's securities lending market could look like if it continues to evolve to the utilization and participation levels to that of closest global comparators.

EquiLend Data & Insights has tracked Saudi Arabia's equity lending market from its first traded quarter and is uniquely positioned to capture every step of that evolution as it unfolds.

Empowering Global Securities Finance