

# THE PURPLE

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Q2 2024 IN REVIEW

# EQUILEND DATA & ANALYTICS

ISSUE XV





**GLOBAL**  
\$2,531,489,262  
-15.66% YOY

**AMERICAS**  
\$1,416,947,079  
-16.49% YOY

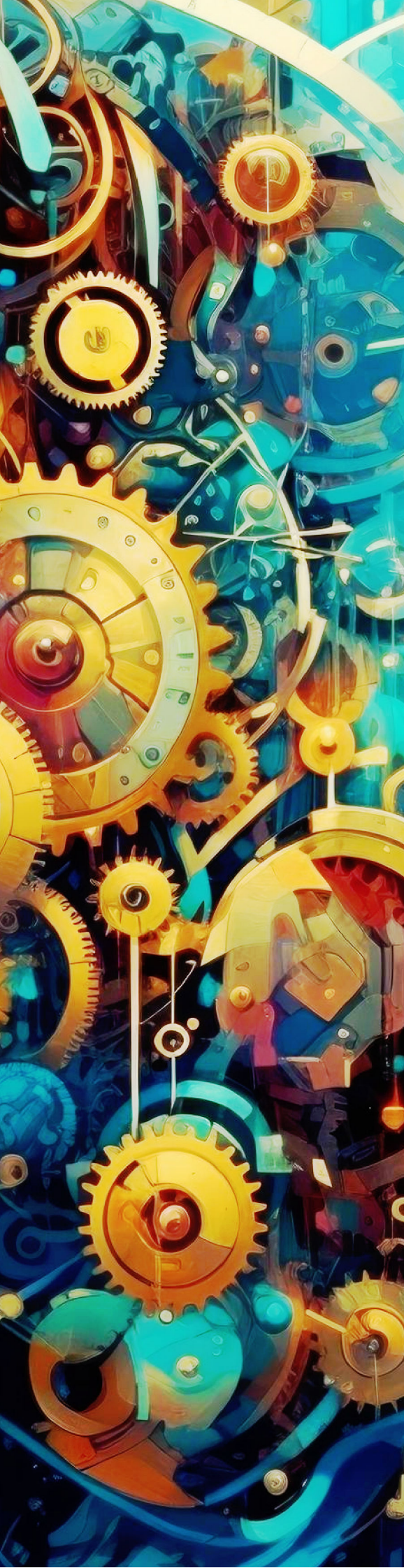
**ASIA PACIFIC**  
\$549,910,331  
5.43% YOY

**EMEA**  
\$564,631,852  
-27.91% YOY

# SECURITIES FINANCE Q2 2024 REVENUE

*Figures represent lender to broker activity only.*





**Nancy Allen**

Managing Director, Head of  
Data & Analytics Solutions  
nancy.allen@equilend.com

*The Purple* returns! Welcome to our 2024 Q2 issue highlighting global revenue trends, top-earning securities and observations around and post-T+1. Behind the scenes, the Data & Analytics team has been working on several new enhancements coming later this summer. DataLend's highly anticipated new user interface will be launched with new functionality, including greater flexibility and customization. We are also enhancing our Real-Time Data to include returns, rerates and recalls in addition to new transaction data.

Finally, if you haven't done so already, be sure to check out our Orbisa short interest data – now available with a simple click on the Bloomberg App Store!

<https://blinks.bloomberg.com/screens/apps%20orbisa>



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# AMERICAS

Figures displayed represent lender to broker activity only from Apr 1 to June 30, 2024. Deltas represent year on year change. All currency values are in USD and fees in bps.

## LENDABLE

\$26.98 Trillion +19.4%

## ON LOAN

\$1.80 Trillion +8.4%

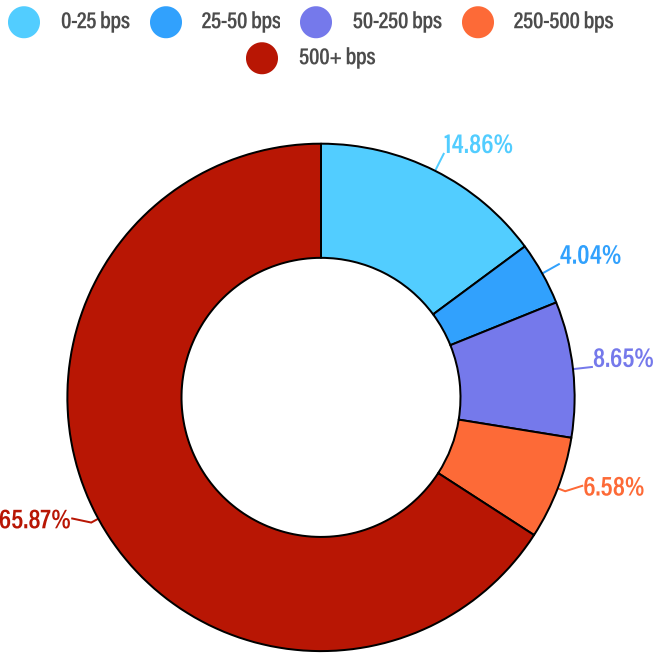
## REVENUE

\$1.42 Billion -16.5%

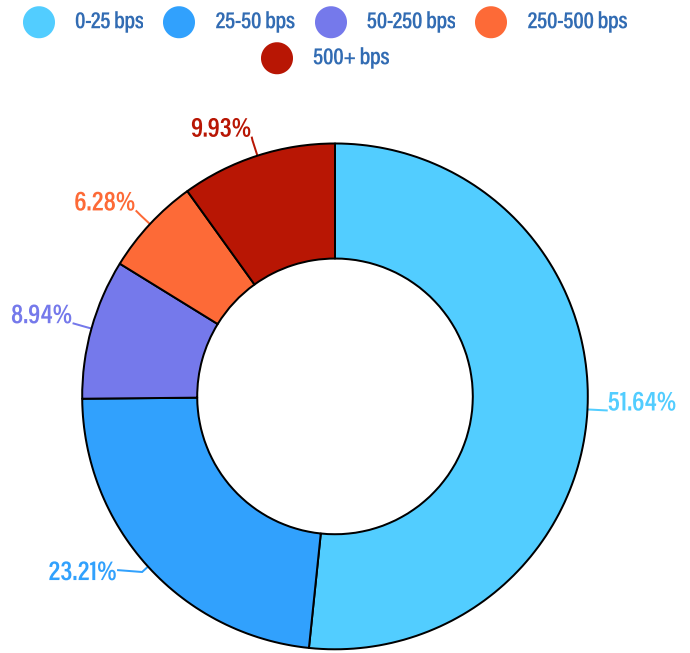
## FEE

30.24 bps -24.4%

### Equity Revenue By Fee Band



### Fixed Income Revenue By Fee Band



### Top Equity Earners

	Security	Revenue (USD)
	LUCID GROUP	53,781,907
	TRUMP MEDIA & TECHNOLOGY GROUP	53,349,559
	IMMUNITYBIO	30,094,066
	BEYOND MEAT	27,428,430
	CANOPY GROWTH CORPORATION	18,968,025
	SIRIUS XM HOLDINGS	18,835,140
	B RILEY FINANCIAL	18,824,067
	VISA	18,619,141
	CANOPY GROWTH CORPORATION	16,550,714
	SOUNDHOUND AI	14,710,093

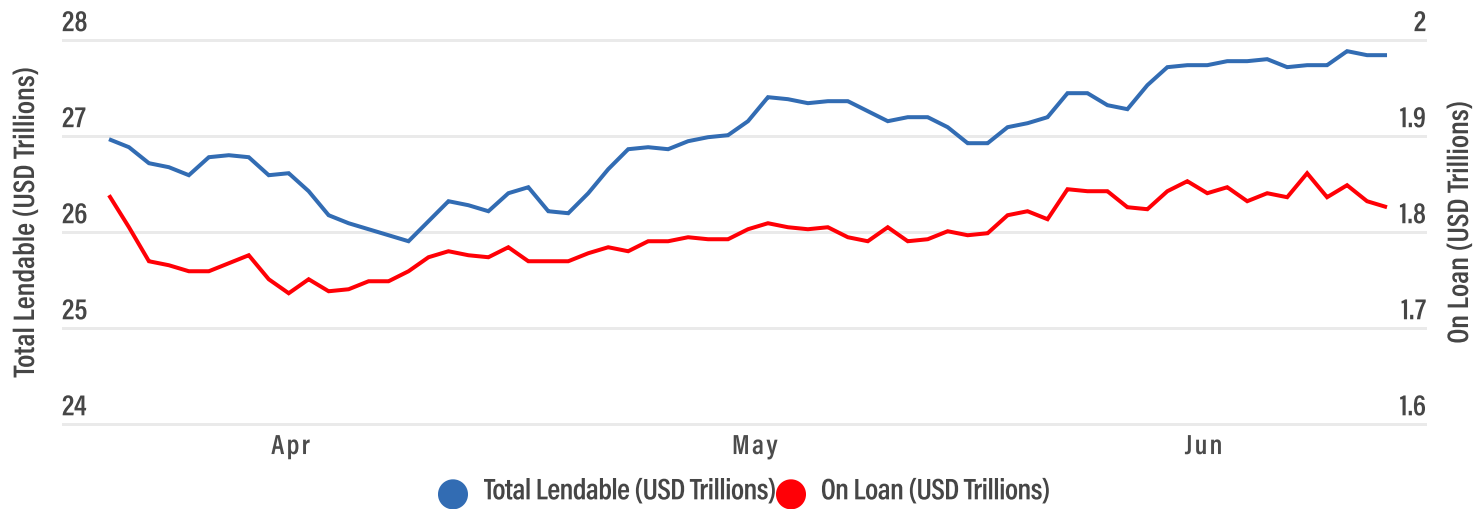
### Top Corporate Debt Earners

	Security	Revenue (USD)
	HANES 9% 15/02/31	3,383,417
	BIOMA 1.25% 15/05/27	1,752,555
	HERTZ 5% 01/12/29	1,653,953
	3M CO 4% 14/09/48	1,458,062
	RAND 8.5% 15/02/2030	1,413,227
	MPT O 5.25% 01/08/26	1,313,925
	FORD 5.291% 08/12/46	1,090,859
	APPLE 4.85% 10/05/53	1,063,248
	B & G 5.25% 15/09/27	810,054
	AVIS 8% 15/02/31	784,397







# AMERICAS

Figures displayed represent lender to broker activity only from Apr 1 to June 30, 2024. Deltas represent year on year change. All currency values are in USD and fees in bps.

## On Loan Vs Lendable



## Top Sectors By Revenue

Health Care	Consumer Discretionary	Financials	Communication Services	Industrials	Information Technology
					
\$181.15M	\$156.09M	\$130.77M	\$98.89M	\$97.23M	\$94.32M
\$64.69B	\$86.60B	\$132.91B	\$31.10B	\$72.16B	\$91.40B
111.93 bps	71.91 bps	40.63 bps	128.21 bps	53.18 bps	40.61 bps

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

## Market Breakdown

EQUITY								
Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
UNITED STATES	\$20.31T	24.7%	\$658.80B	5.2%	55.87	-26.2%	\$923.41M	-21.6%
CANADA	\$752.99B	4.1%	\$50.22B	-17.3%	94.22	34.6%	\$110.13M	9.4%
LATIN AMERICA	\$48.83B	0.8%	\$2.70B	28.6%	109.05	-11.2%	\$7.33M	14.0%

FIXED INCOME								
Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
UNITED STATES	\$4.85T	6.8%	\$953.11B	14.8%	11.28	-22.1%	\$331.83M	-6.0%
CANADA	\$830.93B	1.1%	\$122.72B	-2.4%	11.20	-17.6%	\$34.54M	-19.2%
LATIN AMERICA	\$182.99B	5.2%	\$10.07B	-22.5%	38.69	-19.3%	\$9.70M	-37.9%



# EMEA

Figures displayed represent lender to broker activity only from Apr 1 to June 30, 2024. Deltas represent year on year change. All currency values are in USD and fees in bps.

## LENDABLE

\$5.42 Trillion +6.1%

## ON LOAN

\$556.47 Billion -2.6%

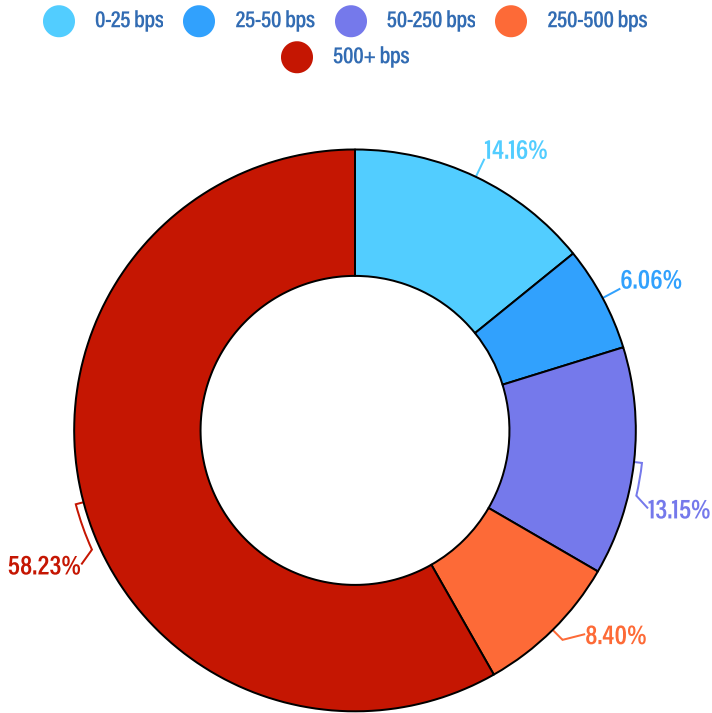
## REVENUE

\$564.63 Million -27.9%

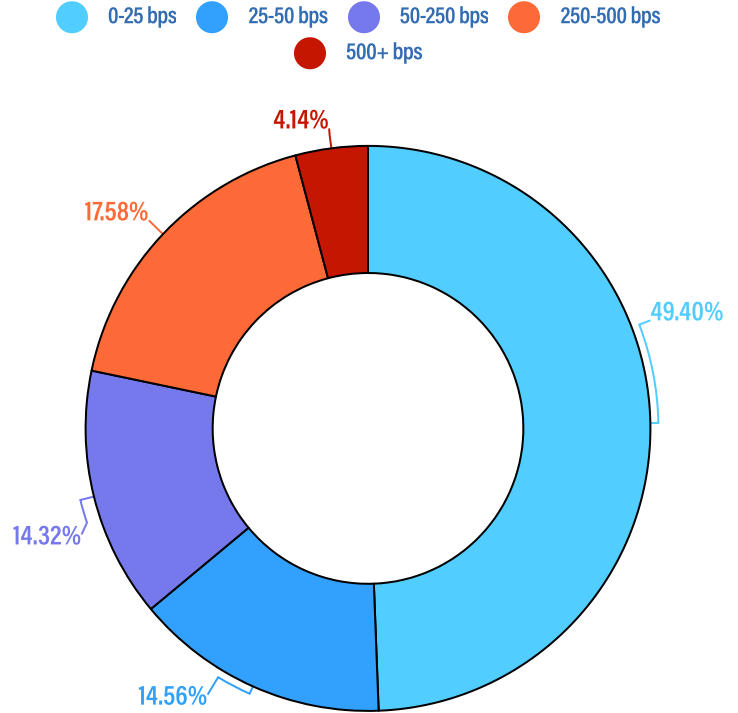
## FEES

41.90 bps -26.5%

### Equity Revenue By Fee Band



### Fixed Income Revenue By Fee Band



### Top Equity Earners

	Security	Revenue (USD)
	SGS	10,981,976
	BNP PARIBAS	9,114,449
	VOLVO	8,161,118
	IDORSIA	6,990,561
	AXA	6,303,974
	EUTELSAT COMMUNICATIONS	6,189,418
	NN GROUP	4,759,588
	ESSILORLUXOTTICA	4,210,955
	VONOVIA	4,025,194
	NATIONAL GRID	3,988,893

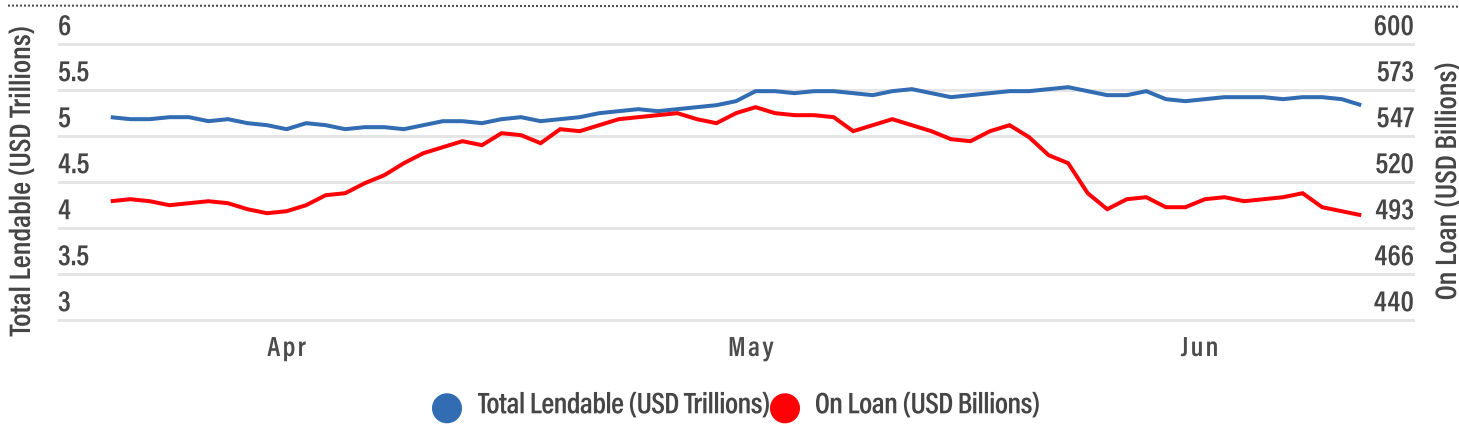
### Top Corporate Debt Earners

	Security	Revenue (USD)
	VISTA 7.875% 01/05/27	985,554
	GRIFO 4.75% 15/10/2028	686,962
	WORLD 4.125% 12/09/2028	587,737
	NEXI 2.125% 30/04/2029	561,993
	PAYSA 4% 15/06/29	506,489
	THAME 2.875% 03/05/27	449,003
	HSBC 8% PERP	445,486
	TEVA 5.125% 09/05/29	435,878
	INEOS 8.5% 15/03/2029	431,189
	VISTA 6.375% 01/02/30	413,997







# EMEA

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## On Loan Vs Lendable



## Top Sectors By Revenue

Financials	Industrials	Health Care	Consumer Discretionary	Communication Services	Materials
					
\$90.19M	\$75.19M	\$33.92M	\$28.76M	\$25.92M	\$22.83M
\$40.64B	\$32.73B	\$16.60B	\$20.53B	\$11.91B	\$16.43B
98.00 bps	99.28 bps	84.43 bps	57.16 bps	87.9 bps	55.86 bps

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

## Market Breakdown

EQUITY								
Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
France	\$591.13B	4.2%	\$36.72B	-36.5%	80.88	-31.7%	\$69.61M	-55.3%
Switzerland	\$407.74B	-0.9%	\$20.53B	-22.9%	110.60	23.6%	\$51.40M	-6.7%
Sweden	\$172.50B	8.1%	\$17.97B	-6.4%	120.80	-20.1%	\$50.95M	-26.2%
Germany	\$349.93B	4.3%	\$22.80B	-34.2%	74.29	-10.8%	\$43.72M	-40.4%
United Kingdom	\$904.46B	5.2%	\$30.81B	28.0%	37.60	-35.5%	\$29.93M	-16.7%

FIXED INCOME								
Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
France	\$338.40B	6.4%	\$85.61B	13.1%	26.72	1.2%	\$56.93M	13.2%
United Kingdom	\$481.38B	8.8%	\$78.83B	7.6%	16.81	-27.6%	\$33.20M	-22.0%
Germany	\$241.14B	-0.8%	\$65.89B	-11.4%	19.78	6.6%	\$32.67M	-5.8%
Luxembourg	\$99.93B	21.2%	\$23.34B	65.1%	22.50	21.5%	\$13.00M	98.2%
Italy	\$122.47B	1.1%	\$24.65B	21.2%	18.74	-27.9%	\$11.57M	-12.6%

# ASIA PACIFIC

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## LENDABLE

\$3.19 Trillion +7.0%

## ON LOAN

\$248.81 Billion +0.5%

## REVENUE

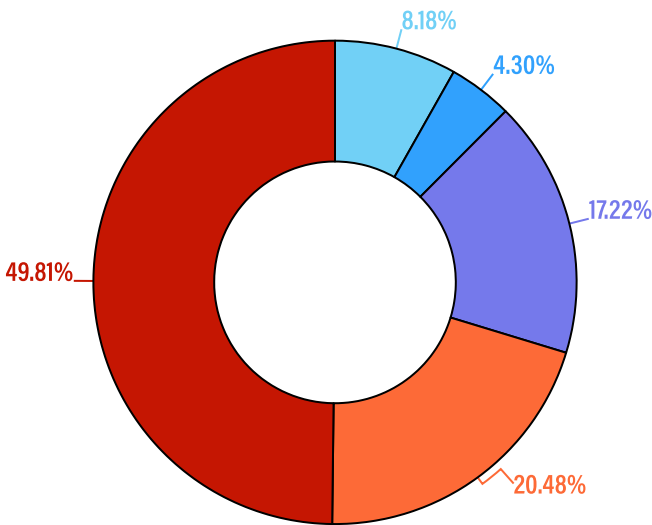
\$549.91 Million +5.4%

## FEES

88.54 bps +5.2%

### Equity Revenue By Fee Band

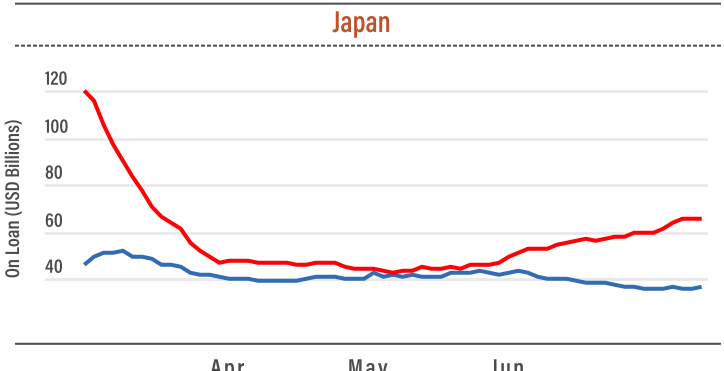
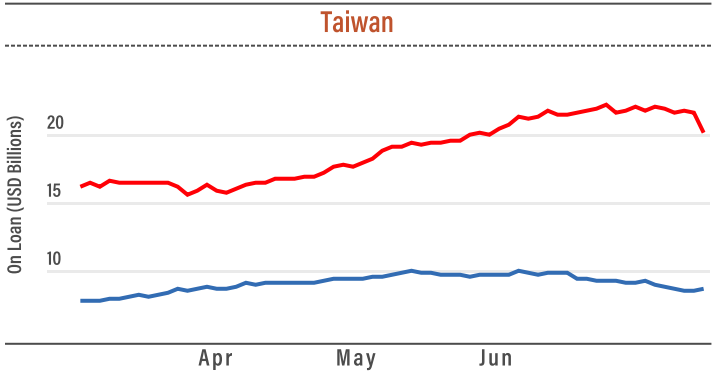
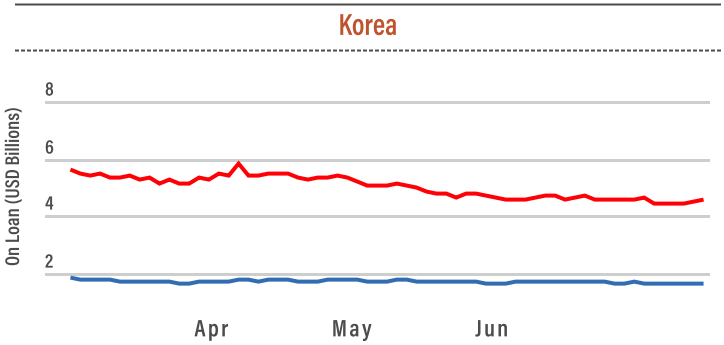
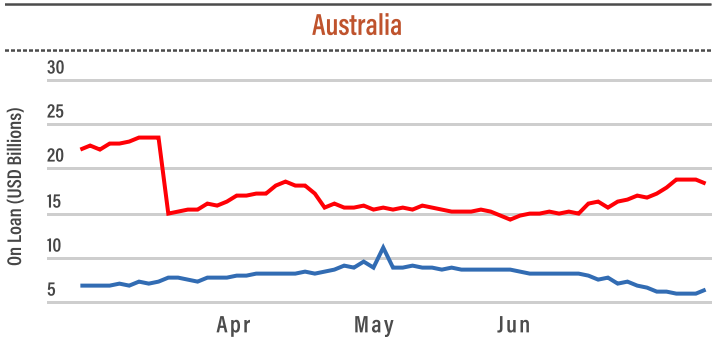
0-25 bps 25-50 bps 50-250 bps 250-500 bps 500+ bps



### Top Equity Earners

	Security	Revenue (USD)
	GIGA-BYTE TECHNOLOGY	8,614,979
	EAST BUY HOLDING LIMITED	6,089,176
	SAKURA INTERNET	5,735,253
	AOZORA BANK	5,241,726
	VANGUARD INTERNATIONAL	5,064,364
	EVERGREEN MARINE CORP	4,676,134
	NOVATEK MICROELECTRONICS	3,720,940
	WIWYNN CORPORATION	3,631,555
	KASUMIGASEKI CAPITAL	3,576,852
	JINAN ACETATE CHEMICAL	3,541,564

### Offshore Vs Onshore Loan Balance



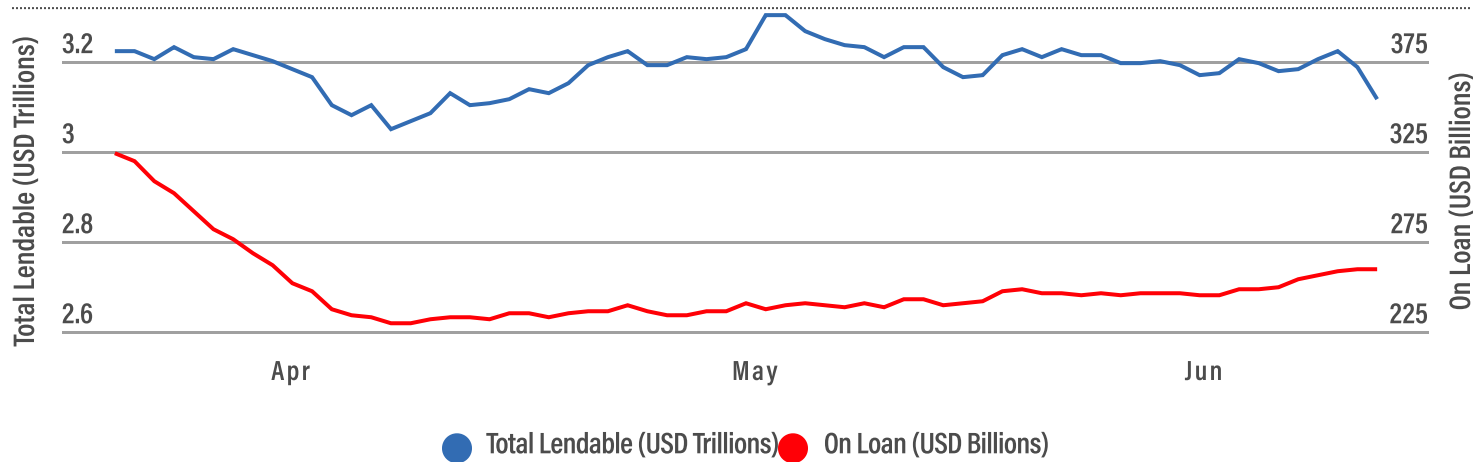
● Onshore ● Offshore









# ASIA PACIFIC

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## On Loan Vs Lendable



## Top Sectors By Revenue

Information Technology	Industrials	Consumer Discretionary	Materials	Health Care	Real Estate
					
\$186.73M	\$87.35M	\$51.80M	\$39.28M	\$37.93M	\$31.40M
\$34.82B	\$36.19B	\$29.37B	\$19.56B	\$10.44B	\$12.25B
215.15 bps	97.57 bps	71.09 bps	80.47 bps	145.61 bps	103.68 bps

Legend: ■ Revenue (USD) ■ Loan Value (USD) ■ Fees (bps)

## Market Breakdown

Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
Taiwan	\$204.93B	36.3%	\$27.89B	55.5%	294.18	3.4%	\$204.95M	61.4%
Japan	\$1.36T	13.5%	\$100.42B	-13.5%	66.30	31.4%	\$164.02M	13.0%
Hong Kong	\$466.39B	-13.1%	\$24.31B	-5.9%	137.69	10.7%	\$83.04M	4.1%
Australia	\$509.25B	13.5%	\$25.60B	39.3%	38.55	-37.2%	\$25.68M	-9.3%
Korea, Republic of	\$161.86B	-6.2%	\$6.73B	-60.7%	108.77	-41.3%	\$18.16M	-77.0%
Thailand	\$24.99B	-20.1%	\$2.09B	42.4%	275.74	-26.7%	\$14.35M	3.8%
Malaysia	\$11.20B	16.5%	\$637.18M	62.0%	437.49	-3.0%	\$6.98M	57.7%
Singapore	\$55.83B	-3.8%	\$2.68B	29.8%	70.80	6.1%	\$4.68M	36.8%



# First Half Headline Names Stand Out in the Lending Market

The first half of 2024 offered a host of trending securities which helped drive volumes and ultimately revenue in the securities finance market. Among the standouts were names familiar to both stock loan experts and front pages alike.

## DJT Runs White Hot

The stock loan story for DJT started in October 2021, when a recently debuted SPAC, Digital World Acquisition Corp (DWAC), announced that it had entered into a merger agreement with Trump Media & Technology Corp.

The nascent firm quickly grabbed the attention of the securities finance market with nearly all the available supply being lent out on October 21, the day after the merger announcement. DWAC would remain a hard-to-borrow carrying an average utilization of 96.6% for the following year.

Fast forward to early 2024 and an announcement that the agreed merger is imminent sent the DWAC share price on a rapid increase. With a tight supply of lendable shares, lenders who did have stock to deploy were able to command sky-high fees. The DataLend Fee-1, which represents the average financing rate of new loans on the day, was roughly 350% on March 26, the first day of trading under the symbol DJT. The Fee-1 peaked near a whopping 850% on April 29.

Financing costs for DJT have fallen from meteoric highs as more supply has steadily been made available, but the Fee-1 remains above 55%.

## GME Returns with a Roar

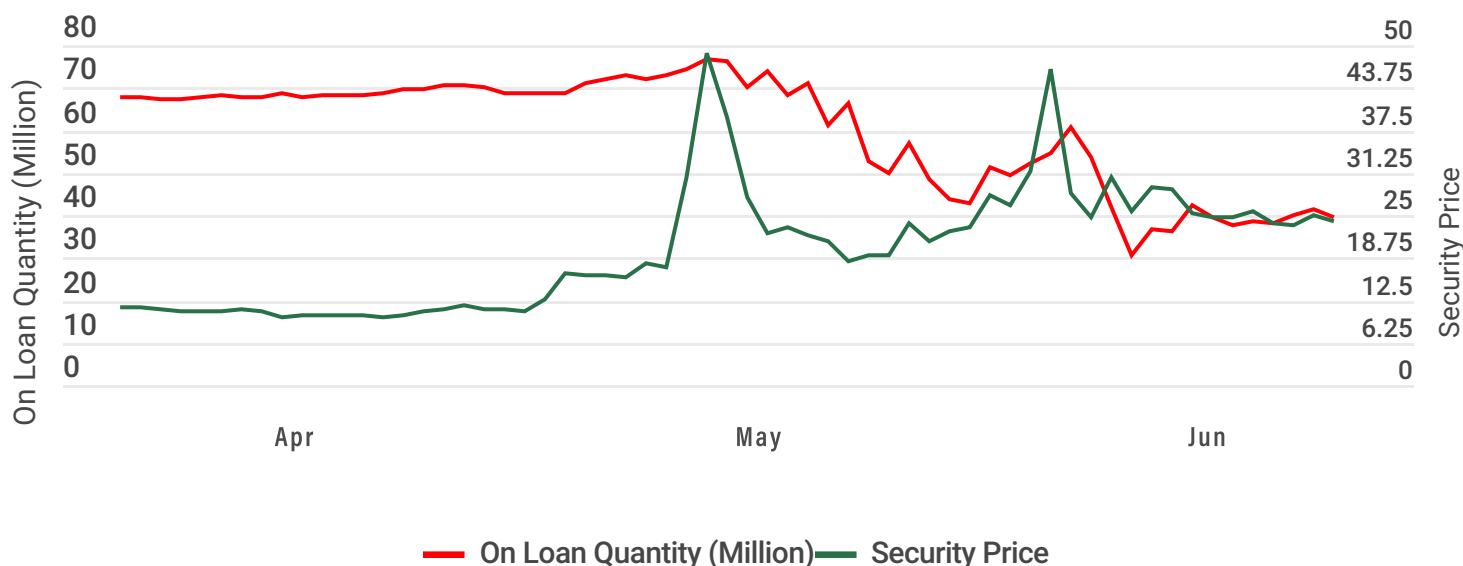
In what was a serious case of déjà vu, Keith Gill (aka) “Roaring Kitty,” returned to social media for the first time in over three years to promote a bullish case for GameStop (GME). The meme stock originator fired off a round of cryptic tweets and posted a screenshot showing a sizable long position in the company. The ensuing boom for GME saw the stock hit a high of \$64.83 and the New York Stock Exchange halt trading for volatility.



The initial volley from Gill was followed by a scheduled livestream which helped extend the rally. However, this time around, it seems as if short sellers were not apt to bet against the flurry of retail investors. While GME had hovered

between 55 and 70 million shares on-loan over the previous year, the volatility in the cash market sparked increased returns and a decline in loan balances, an indication that short investors closed their positions.

**GME: On Loan Quantity vs. Share Price**



Similarly, while spot rates for new loans did see a marked spike between May 8 and May 16, volumes of new executions did not see a corresponding increase.

## EV Winners and Losers

The tumultuous electric vehicle sector plays host to a field of upstarts who have featured prominently in the securities lending market for several years. In 2023, EV manufacturers Lucid Group (LCID), Fisker Inc. (FSKR) and Nikola Corporation (NKLA) as well as lithium battery producer Upstart Holdings (UPST) all ranked within the global top-10 revenue generating securities in the lending market.

The first half of 2024 has seen continued volatility with several manufacturers jockeying for position and some for a lifeline. Polestar (PSNY), a Swedish manufacturer owned by Volvo (VOLV), announced in February that it had secured nearly USD\$1 Billion in external funding through a three-year loan facility to solidify the company's financials. The NASDAQ listed firm has seen a roughly 65% decline in its stock price year-to-date. In the lending market, shares of Polestar are highly in demand with an average utilization of 94% and short-interest indicator<sup>1</sup> of 11% in 2024.

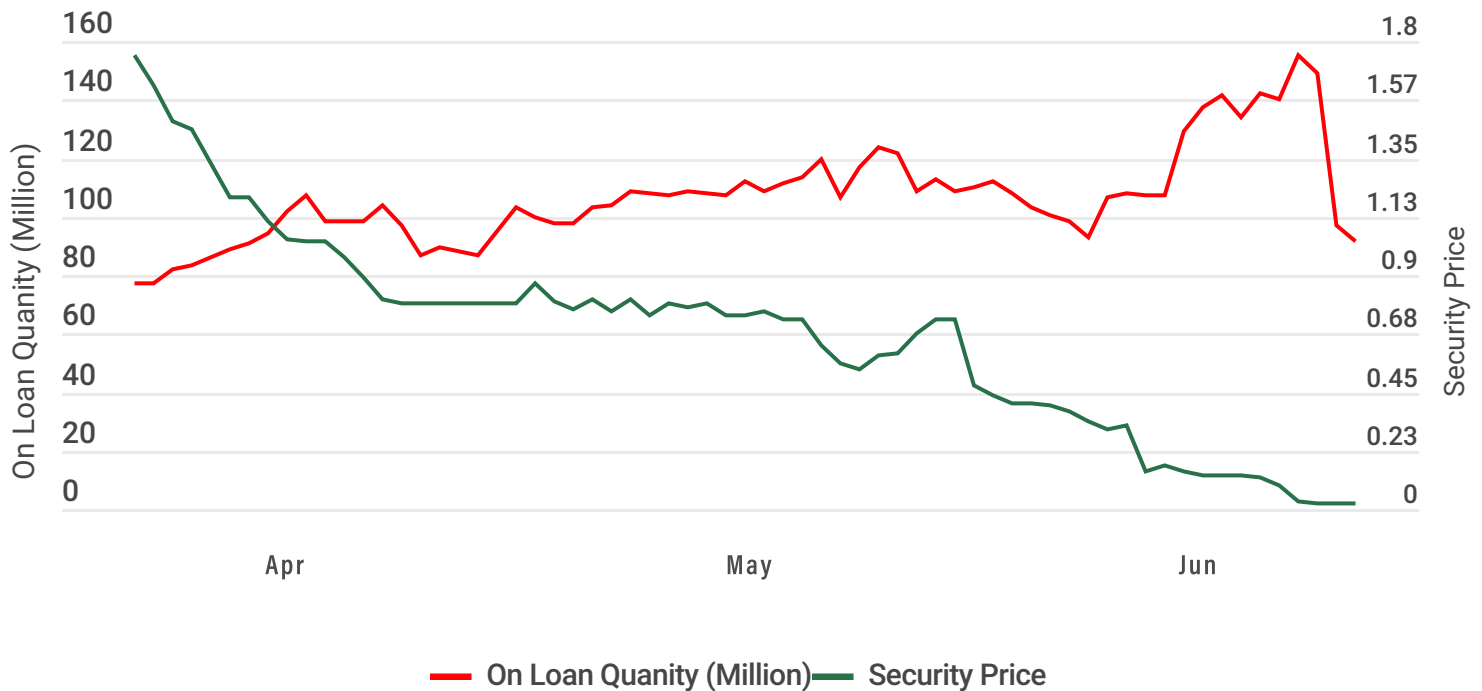


<sup>1</sup> The ratio of total shares on loan relative to the public float of the security.

Perhaps most definitively, Fisker Inc. filed for bankruptcy in June with the intention to liquidate its assets and wind down operations. The announcement was the death knell for a company that toiled in the space for seven years but struggled to manufacture a consumer-level product.

Fisker held talks with major automakers in the early part of the year in an attempt to secure a production partnership, a move that coincided with on-loan quantities rising from 77 million shares on January 1 to over 155 million shares by March 26. The negotiations concluded without an agreement and NYSE moved to delist the stock.

#### FSKRQ Q1: On Loan Quantity vs. Share Price



Despite its peers struggling to get off the ground, Tesla Motors (TSLA) has become the most valuable auto manufacturer globally, soaring to the upper echelon of mega-cap firms. With its commercial success, it's not surprising that the securities lending market, primarily driven by short selling, has been all quiet on the Tesla front as of late (TSLA had featured prominently in the past and was the

top earning security in 2018). Tesla's average utilization has been just 3.1% since the start of 2022. Compare that figure to Lucid Motors (LCID), one of Tesla's competitors in the luxury EV space, which on average was 97% utilized over the same period. Similarly, when looking at financing costs, Tesla is an easy-to-borrow name with continuous GC rates since 2020.



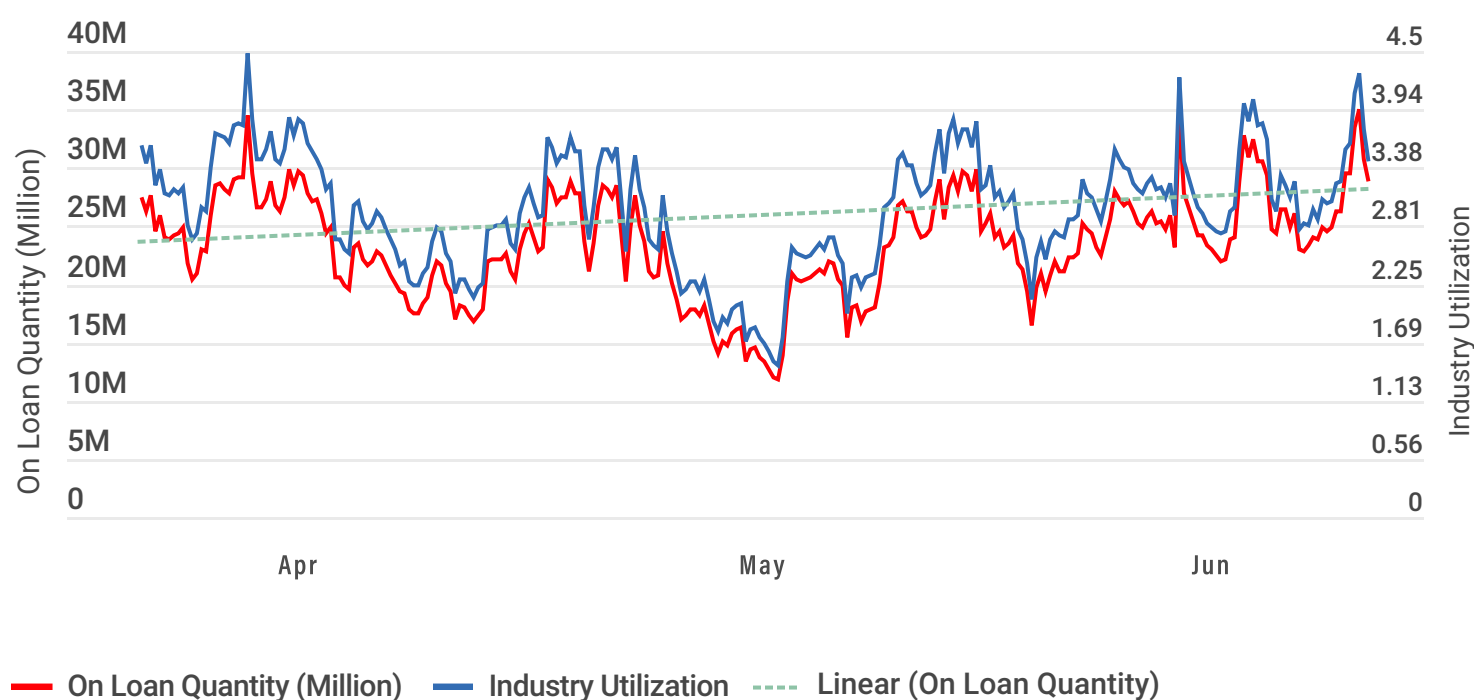


2024 has so far been a roller coaster ride for Tesla investors, and one with more valleys than peaks. With slowing growth in EV sales and fierce international competition, Tesla reported a 9% drop in Q1 revenue, the worst such decline for the firm in over a decade. At its lowest, Tesla stock was down over 40% YTD as CEO Elon Musk cut jobs and sales forecasts.

Despite the increasing headwinds, the needle

has barely moved for Tesla in the securities finance market, an indication that short investors don't see much of an opportunity betting against the auto giant. The following chart shows a one-year history for Tesla's on-loan quantity and industry utilization. While there have been some fluctuations, the quantities shown are a tiny blip relative to Tesla's float and the overall trend-line is nearly flat.

**TSLA: 1-Year On-Loan Quantity and Industry Utilization**



With the US in an election year, there are sure to be more newsworthy names active in the securities finance market in the second half of 2024.





# T+1: Reshaping Securities Lending in a Faster-Paced Market

The T+1 settlement cycle, implemented in the US on May 28, 2024 and in Canada on May 27, 2024, has sent ripples through the financial system, and the world of securities lending is no exception.

This regulation, enacted by the Securities and Exchange Commission (SEC) in the US and the Canadian Securities Administrators (CSA) in Canada, reduces the standard settlement time for most securities lending transactions from two business days (T+2) to just one (T+1).

This newly compressed timeframe, which necessitates faster communication and processing, has been reflected in EquiLend's Post Trade Suite of solutions, post T+1 adoption. Not only has the sheer number of recalls on the platform increased since T+1 but there's been a significant behavioral shift in recall activity and automation.

As well as process enhancements, data and analytics will become even more critical for lenders and borrowers alike. Since T+1 go-live, the number of daily recalls has increased by 176% on EquiLend's recalls platform and the number of active recall relationships has increased by 20%. EquiLend's Data & Analytics Real-Time offering will soon be enhanced to report on these daily events as well as other trade lifecycle events to help securities lending participants make better and faster trading decisions.

## The Recall Rush: A Challenge for Lenders

The new T+1 environment has thrown a curveball when it comes to managing recalls; the process by which lenders request borrowers to return shares typically in order to settle a sale.

**Shorter Window:** In this new landscape, Lenders have less time to identify and initiate the recall process with borrowers, and the borrowers themselves have less time to source the securities to return. This necessitates improved communication and coordination with borrowers to ensure a smooth and timely return of shares.

**A Behavioral Shift:** With the new regulation in play, EquiLend's recall platform has seen a seismic shift in behavior, especially around the time of day lenders are initiating recalls as well as an increase in clients turning to the new recalls product.

Prior to May 28, 2024, the majority of US recalls were initiated between 8:00-9:00am EST (33%). This is indicative of the fact that recalls for sale notifications received after market close were not processed on trade date but were held until the morning of T+1. There was also a smaller spike in activity between 2:00pm and 3:00pm EST (18%) to account for intra-day sale notifications. Post 3:00pm EST it was rare to see much recalls initiation activity, with April seeing no recalls at all after 3pm EST.

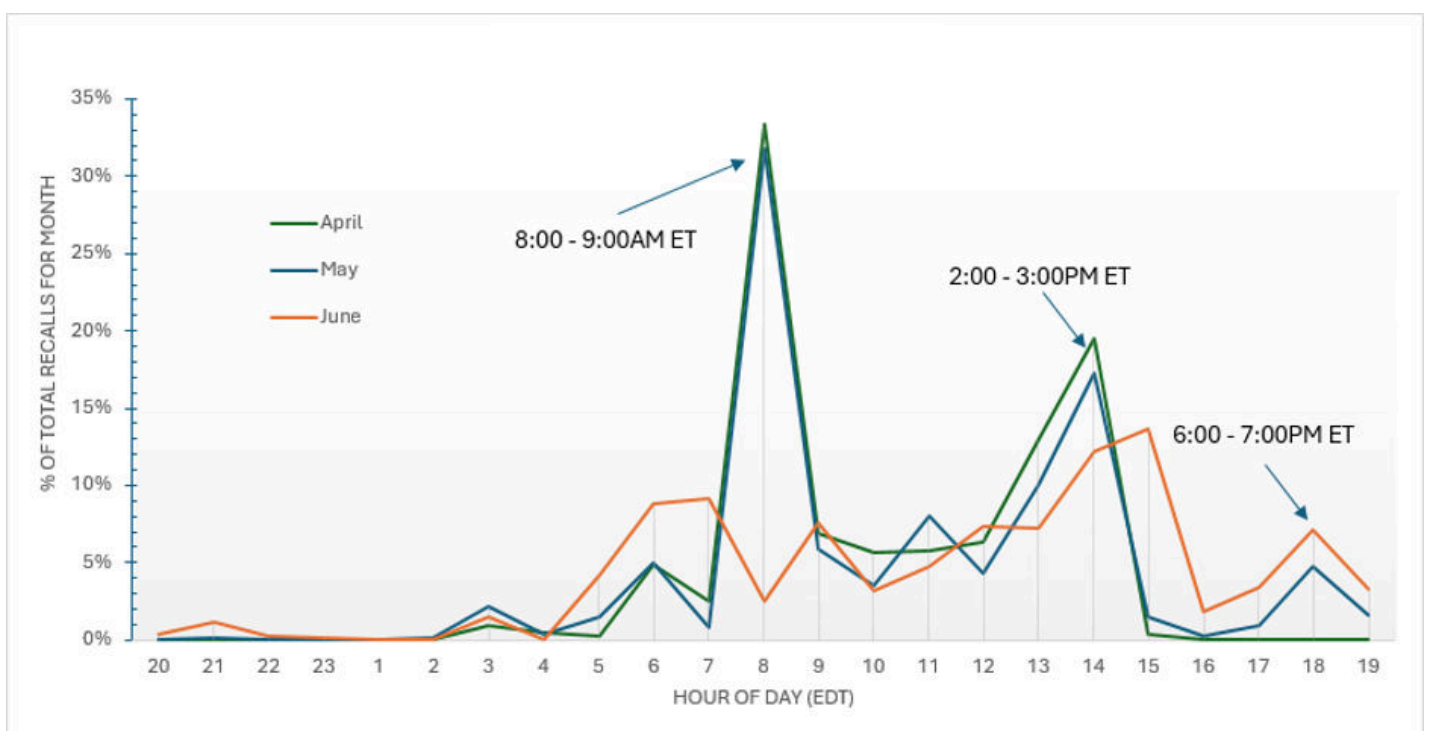




However, there has been an obvious shift in this operational activity to accommodate for the “lost” day throughout June; EquiLend has seen recall notifications more evenly distributed throughout the day, peaking between 3:00pm and 4:00pm

EST (15%) on trade date and some occurring as late as 9:00pm EST. In contrast to April and May, only 5% of recalls occurred between 8:00-9:00am EST during the month of June, a stark contrast to the previous 33%.

### Recalls Received Per Hour





## Looking Ahead: Standards and Next Steps

**Seeking Clarity:** The question of recall notification deadlines is a major point of discussion and collaborative efforts among industry stakeholders including custodians, agent lenders and technology providers will be crucial in developing best practices and efficient workflows for the T+1 environment. Establishing a clear and widely adopted cut-off time across time-zones for recall notifications would be a major step forward. This would provide much-needed clarity and predictability for both lenders and borrowers, facilitating a smoother recall process. Standardizing data formats and communication protocols will also help strengthen these new, time limited processes.

**The Rest of the World:** Both the UK and EU have established task forces surrounding T+1. The UK

government has confirmed that they will move to a T+1 settlement cycle by the end of 2027, however the EU is yet to commit to a deadline but are actively monitoring the early effects of the changes in the US market.

By embracing automation, agreeing clear industry standards, and leveraging real-time data, lenders can navigate the new landscape and mitigate the risks associated with tighter recall deadlines. While challenges exist, those who can adapt their recall strategies effectively will be better positioned to thrive in the fast-paced world of T+1 securities lending.





# Q2 Securities Lending Revenue Review



As the second quarter ends, EquiLend Data & Analytics looks back on the performance of the securities lending market during an eventful three-month period. While markets rose this quarter, securities lending revenue declined amidst the return of meme stock mania and adjusting to new trade structures for T+1 settlements. The securities lending market generated \$2.53 billion in revenue, a notable 15.7% decrease from the same period last year. Equity markets saw a 16.78% drop in revenue as specials demand cooled from the prior year and fixed income revenues experienced an 11.78% decline as demand for Corporate Debt waned from all-time highs.

## North American Equities

The North American equities lending market generated \$1.03 billion in revenue for Q2, a modest 2.38% growth from the previous quarter but a significant 19.2% drop YoY.

The decline in revenue can be attributed to a 22.11% decrease in fees compared to Q2 2023.

This quarter's top earners section spanned multiple sectors, including Consumer Discretionary, Communication Services and Healthcare to name a few. Lucid Group (LCID) and Trump Media (DJT) grappled for the top earner spot this quarter, with Lucid Group earning \$53.8 million and Trump Media earning \$53.4 million in revenue. Coming in at the third highest earning company was Immunitybio (IBRX), which yielded \$30 million in earnings, a 595% surge YoY.

## Honorable Mention: Visa

While not in the top 5 earners list shown above, Visa continued to be a high grossing security for North American equities, placing within the top 10 for Q2, but that may be coming to an end.

### North America - Top 5 Revenue Generating Equities

Equities	Revenue (USD)
LUCID GROUP INC COM CL A	53,781,907
TRUMP MEDIA & TECHNOLOGY GROUP CORPCOM	53,349,559
IMMUNITYBIO INC COM	30,094,066
BEYOND MEAT INC COM	27,428,430
CANOPY GROWTH CORPORATION COM NPV (POST REV SPLIT)	18,968,025

Class A shares of Visa (V) have acted as a long-standing hedge for financial institutions holding restricted Class B shares since Visa went public in 2008. The heavily utilized security has regularly been a top earner for the industry despite its low GC-level fee, due to its substantial demand. However, an exchange offer in early May provided Class B holders with a potential end to the restrictive, but highly profitable, long position.

At the beginning of the year, \$66 billion of Visa Class A stock was on loan at an average fee of 12 basis points. Toward the end of June, the exchange offer expired and demand in the Class A shares has steadily declined to 10.6 basis points fee on \$40 billion on loan. As additional hedge positions unwind, the lenders of the Class A shares will have to look elsewhere to supplement the 16 years of consistent returns on their securities lending program. Visa will be an interesting security to watch as the year goes on.

## EMEA and APAC Equities

Following a similar decline, the revenue for the EMEA equities market was down 33.3% YoY, at \$373 million. While average fees were up 35.3% from Q1, they represented a 22.8% decrease from Q2 2023. Similarly, on loan balances dropped by 14.2% YoY, further driving revenue decline. The top earning country in the region, France, generated \$69.6 million in revenue, followed by Switzerland and Sweden at \$51.4 million and \$50.9 million respectively.

The two dominant sectors in the region were Financials earning \$90.2 million, and Industrials earning \$75.2 million, both up over 110% from the previous quarter. With a lack of specials in the region, the top earners were largely concentrated around corporate event activity as is common in the second quarter. However, Swiss biotech firm Idorsia Ltd continued to see high demand after reporting disappointing revenues in Q1.

### EMEA - Top 5 Revenue Generating Equities

Equities	Revenue (USD)
SGS SA (REGD)	10,981,976
BNP PARIBAS	9,114,449
VOLVO(AB) SER'B'NPV	8,161,118
IDORSIA LTD	6,990,561
AXA SA	6,303,974

The APAC equities market bucked the downward trend and displayed growth in Q2, as it contributed \$522 million in revenue, an 18.7% increase from Q1 and an 8.45% increase from Q2 2023. Taiwan surpassed Japan as the top earning market of the region, with the former generating \$204 million

and the latter generating \$164 million in revenue. Earning over \$186 million in revenue, Information Technology was the region's leading sector, up 39.1% QoQ and 47.67% YoY.

### APAC - Top 5 Revenue Generating Equities

Equities	Revenue (USD)
GIGA-BYTE TECHNOLOGY CO	8,614,979
EAST BUY HOLDING LIMITED	6,089,176
SAKURA INTERNET INC NPV	5,735,253
AOZORA BANK NPV	5,241,726
VANGUARD INTERNATIONAL SEMICONDUCTO	5,064,364



## Government Debt

Overall, the global sovereign debt market observed a minor uptick in revenue to \$420 million, up by 0.36% this time last year. Even though average fees decreased by 11.65%, loan balances crept up by 11.02% compared to Q2 2023. Unsurprisingly, the highest grossing market was the US, earning \$239.8 million in revenue, followed by France and Canadian governments, generating \$45.7 million and \$27.5 million respectively. CALIFORNIA STATE 7.5% MUN 01/04/2034 USD was the top earner for the global sovereign lending market, accumulating \$4.4 million in revenue for Q2, an impressive 24,205% jump from last year.

Regionally, US Treasurys and CAD governments marked a decline in revenue to \$266 million, down 0.6% QoQ and 1.8% YoY. Conversely, sovereign debt activity in EMEA improved 10.1% from Q2 last year, generating \$132 million in revenue. APAC sovereign lending remained fairly steady as it grossed \$15 million in revenue, a 1.67% increase QoQ and a 3.9% decrease YoY. Notably, Australia led the lending activity in the region, earning \$8.2 million in revenue, a 43% spike YoY.

### Top 5 Revenue Generating Government Debt

Debt	Revenue (USD)
CALIFORNIA STATE 7.5% MUN 01/04/2034 USD	4,447,513
UNITED STATES OF AMER TREAS BONDS 4.625% BDS 15/05/44	3,142,490
EUROPEAN UNION 3.125% NTS 05/12/28 '46	3,011,800
UNITED STATES OF AMER TREAS NOTES 3.5% NTS 15/02/2033	2,757,377
UNITED STATES OF AMER TREAS BONDS 4% BDS 15/11/2042	2,651,713

## Corporate Debt

The global corporate debt market showed a significant decline in Q2, grossing \$174 million in revenue, down 31.7% YoY. Although corporate balances were up 8.6% YoY, a hit to average fees was the main culprit this quarter, as they dropped 37% from Q2 2023. The United States was the highest earning market for corporate bonds, grossing \$92 million in revenue, but at a 21.2% decrease YoY.

Global lending activity for investment grade credit felt the impact, as revenue fell by 30.5% YoY to \$81.9 million. 3M COMPANY 4% SNR MTN

14/09/48 led investment grade credit in Q2, as it amassed over \$1.4 million in revenue, however down 55.2% from last year. In a similar state, activity for high yield credit dropped by 32.7% from Q2 2023, as total revenue amounted to \$92.3 million. Leading the top high yield credit earners was HANESBRANDS INC 9% GTD SNR 15/02/31, grossing \$3.4 million in revenue (+1,114% YoY), followed by BIOMARIN PHARMACEUTICAL 1.25% CNV SUB 15/05/27 USD and HERTZ CORP 5% GTD SNR 01/12/29, earning \$1.7 million (+36.4% YoY) and \$1.7 million (+23,388% YoY) respectively.



### Top 5 Revenue Generating Investment Grade vs. High Yield Corporates

Investment Grade Credit	Revenue (USD)
3M COMPANY 4% SNR MTN 14/09/48	1,458,062
FORD MOTOR CO 5.291% SNR 08/12/46	1,090,859
APPLE INC 4.85% SNR 10/05/53	1,063,248
3M COMPANY 2.875% SNR MTN 15/10/27 USD	692,445
GENERAL MOTORS CO 5.95% SNR 01/04/49	632,370

High Yield Credit	Revenue (USD)
HANESBRANDS INC 9% GTD SNR 15/02/31	3,383,417
BIOMARIN PHARMACEUTICAL 1.25% CNV SUB 15/05/27 USD	1,752,555
HERTZ CORP 5% GTD SNR 01/12/29	1,653,953
RAND PARENT LLC 8.5% SNR SEC 15/02/2030 USD	1,413,227
MPT OPER PARTNERSHIP L P/MPT FIN 5.25% GTD SNR 01/08/26 USD	1,313,925

### Conclusion

Across the second quarter of this year, markets have risen amidst a period of limited volatility, and as such securities lending revenues have declined. As we head into the second half of 2024, will it be more of the same or will the possibility of interest

rate cuts and upcoming global elections have a bigger impact on the financial markets? Make sure to stay tuned to EquiLend Data & Analytics to see the impact on the securities lending market.







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