


ISSUE X

# THE PURPLE



EquiLend  
Data & Analytics  
Q3 2022 Review

# SECURITIES FINANCE

## Q3 REVENUE

July 1 to Sept 30, 2022

**GLOBAL** \$2,630,768,250

+12% YOY

**AMERICAS**  
\$1,695,415,151

+34% YOY

**EMEA**  
\$460,328,694

-12% YOY

**ASIA PACIFIC**  
\$475,024,405

-14% YOY

Figures represent lender to broker activity only



We have reached a milestone! Welcome to the 10th issue of The Purple. In response to market demand, we are excited to continue to publish The Purple on a quarterly basis. In this issue, we focus on the most recent trends and delve deep into the data with a series of infographics that illustrate the global securities finance market.

As market volatility continued alongside inflation and recessionary concerns, the securities lending markets experienced revenue growth of 12% in Q3 2022 versus Q3 2021, bringing year-to-date revenue in 2022 to \$7.45 billion, up 8% over the first three quarters last year. Read all about the key drivers of revenue in Q3 Insights.

We look forward to seeing you at all the upcoming industry conferences and events as we round out 2022. We are already looking forward to our next issue, where we will recap the full year 2022—which looks poised to be another strong year for our market.

#### **Nancy Allen**

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# AMERICAS

Figures Displayed Represent Lender To Broker Activity Only From July 1st to Sept 30th, 2022. Deltas Represent Year On Year Change. All Currency Values Are In USD And Fees In Bps.

## LENDABLE

\$17.09 Trillion -14.8%

## ON LOAN

\$1.70 Trillion -4.9%

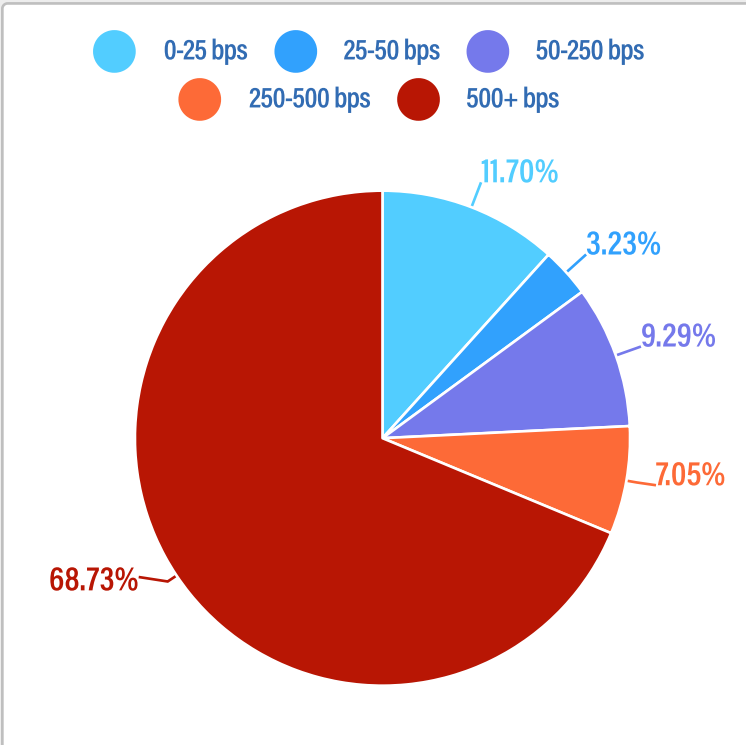
## REVENUE

\$1.70 Billion +33.7%

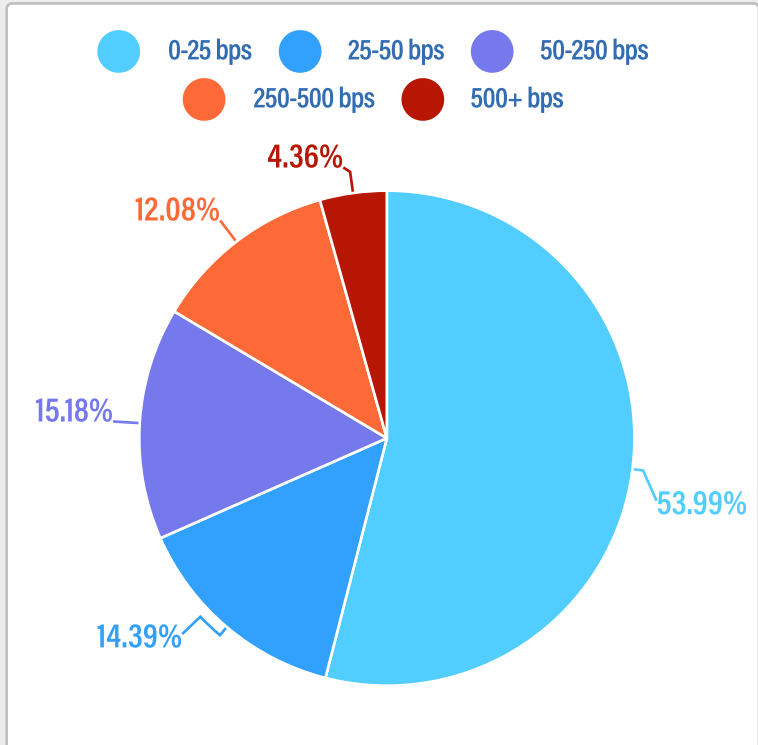
## FEES

39 bps +37.5%

### Equity Revenue By Fee Band



### Fixed Income Revenue By Fee Band



### Top Equity Earners

	Security	Revenue (USD)
	GAMESTOP CORP COM CLASS A	102,591,665
	BEYOND MEAT INC COM	70,073,503
	LUCID GROUP INC COM CL A	63,516,171
	SIRIUS XM HOLDINGS INC COM	37,188,118
	AMC ENTERTAINMENT INC COM 'A'	30,736,209
	DUTCH BROS INC COM CLASS A	27,452,865
	3M COMPANY COM	26,357,784
	UPSTART HLDGS INC COM	26,334,543
	CASSAVA SCIENCES INC COM	26,077,192
	FARADAY FUTURE INTEL ELEC	20,641,326

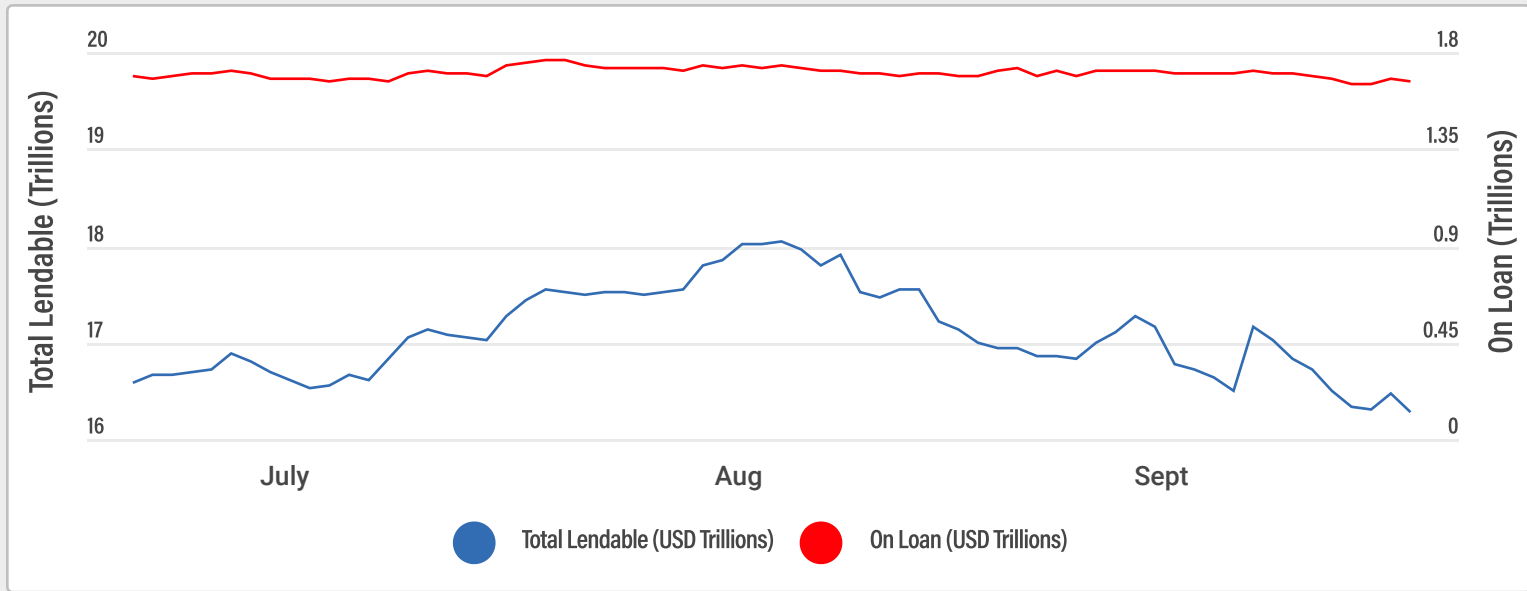
### Top Corporate Debt Earners

	Security	Revenue (USD)
	BOOKI 0.75% 01/05/25	2,430,941
	WOLVE 9% 15/11/26	2,036,660
	MPH A 5.75% 01/11/28	1,567,023
	MICRO 0.125% 15/11/24	1,560,152
	DEXCO 0.25% 15/11/25	1,180,401
	AAL 3.75% 01/03/25	1,125,739
	EURON 0.75% 15/03/49	1,120,170
	AXL 5% 01/10/29	988,830
	CLEVE 4.875% 01/03/31	983,142
	CORNE 6.75% 15/08/2024	956,466

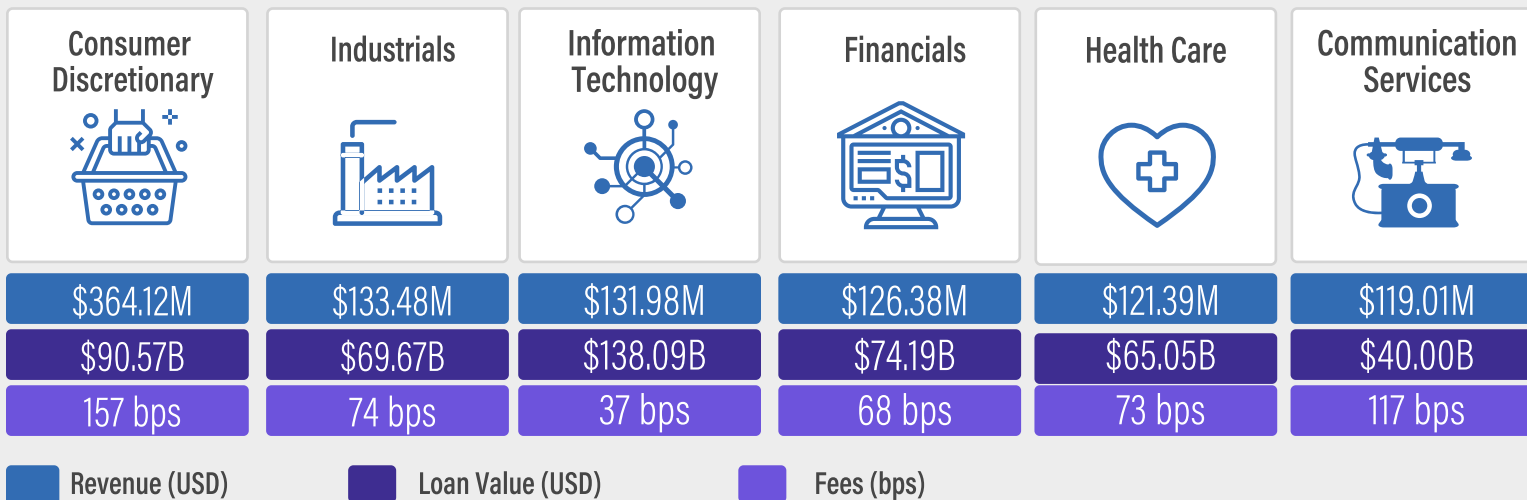
# AMERICAS

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## On Loan Vs Lendable



## Top Sectors By Revenue



## Market Breakdown

EQUITY	Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
	UNITED STATES	\$11.13T	-14.6%	\$636.11B	-3.5%	77 bps	40.2%	\$1.25B	36.7%
	CANADA	\$708.81B	-8.4%	\$57.43B	19.1%	59 bps	-0.3%	\$81.91M	18.2%
	LATIN AMERICA	\$37.48B	-5.0%	\$1.40B	16.2%	67 bps	-9.6%	\$2.33M	4.1%

FIXED INCOME	Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
	UNITED STATES	\$4.23T	-14.8%	\$847.58B	-8.7%	13 bps	33.2%	\$309.48M	32.1%
	CANADA	\$832.29B	-14.9%	\$149.11B	9.7%	12 bps	3.1%	\$43.82M	14.2%
	LATIN AMERICA	\$151.55B	-43.8%	\$12.38B	-33.8%	41 bps	54.3%	\$12.87M	2.2%

## LENDABLE

\$4.53 Trillion -28.4%

## ON LOAN

\$570.64 Billion -8.3%

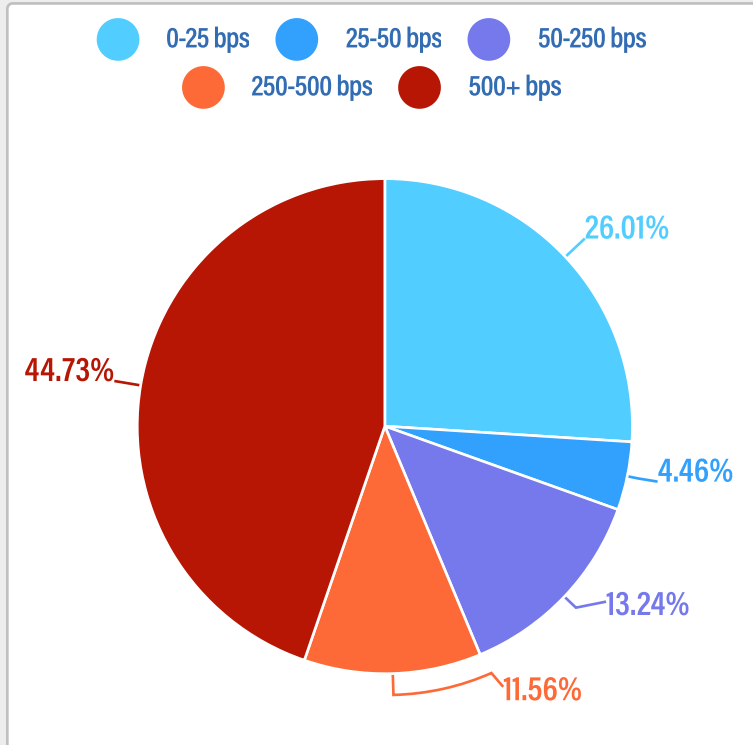
## REVENUE

\$460.33 Million -11.8%

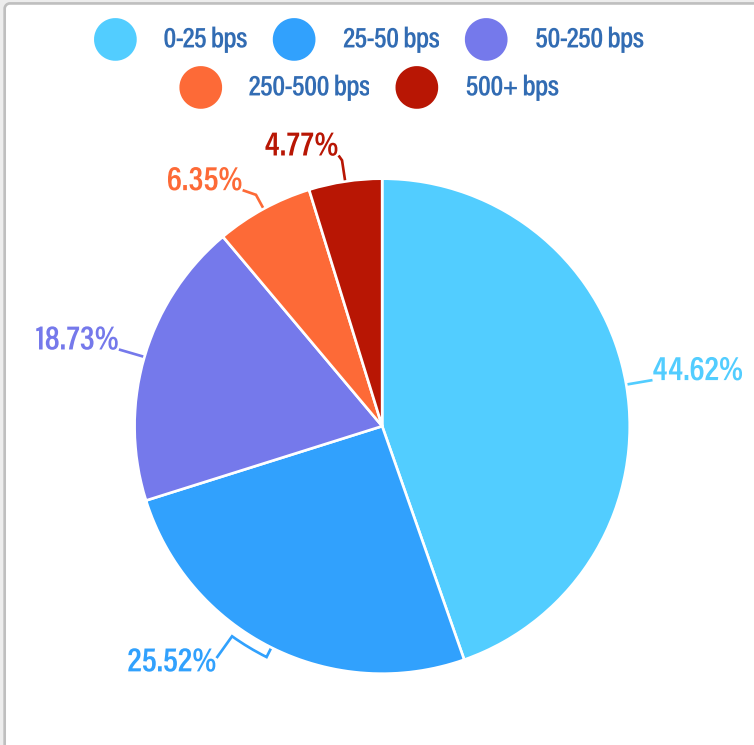
## FEES

31 bps -11.5%

### Equity Revenue By Fee Band



### Fixed Income Revenue By Fee Band



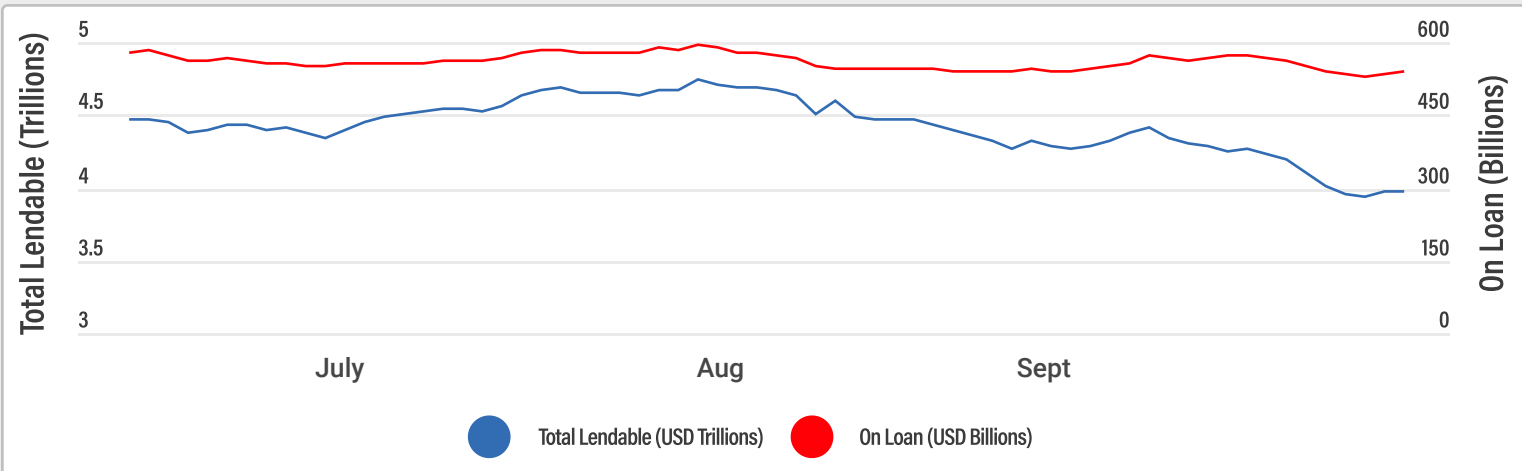
### Top Equity Earners

	Security	Revenue (USD)
	VARTA AG NPV	11,763,058
	TOTALENERGIES SE	9,752,254
	VOLVO CAR AB SER'B'NPV	8,564,316
	INTERNATIONAL CONSOL'D AIRLINE	8,460,775
	SAMHALLSBYGGNADSBOLAGET	4,628,833
	KONTRON AG NPV	3,903,274
	EQUINOR ASA	3,518,526
	EMBRACER GROUP AB SER'B'NPV	3,336,886
	SMA SOLAR TECHNOLOGY AG NPV	2,728,296
	ALSTOM	2,521,911

### Top Corporate Debt Earners

	Security	Revenue (USD)
	VIVIO 3% 08/08/2024	719,787
	HSBC 6.25% 5%-FRN T1	703,360
	SAIPE 3.75% 08/09/23	609,423
	NOBIA 3.625% 15/07/2026	549,515
	CO-OP 7.5% 08/07/2026	535,444
	ARCEL 4.25% 16/07/29	509,551
	WEPA 2.875% 15/12/27	506,146
	TEVA 6.75% 01/03/2028	467,230
	ICAG 0.5% 04/07/23	446,632
	THYSS 2.5% 25/02/25	433,211

## On Loan Vs Lendable



## Top Sectors By Revenue

Sector	Revenue (USD)	Loan Value (USD)	Fees (bps)
Industrials	\$63.63M	\$33.62B	75 bps
Consumer Discretionary	\$32.24M	\$31.33B	41 bps
Energy	\$23.64M	\$18.50B	52 bps
Financials	\$22.23M	\$24.04B	39 bps
Information Technology	\$21.59M	\$17.01B	51 bps
Materials	\$21.57M	\$19.81B	44 bps

## Market Breakdown

EQUITY	Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
	Germany	\$286.68B	-37.9%	\$41.07B	56.8%	47 bps	-36.5%	\$48.97M	-0.5%
	France	\$439.86B	-25.1%	\$49.79B	42.0%	30 bps	-74.5%	\$37.47M	-60.9%
	Sweden	\$140.93B	-39.6%	\$15.58B	17.6%	92 bps	12.5%	\$36.13M	38.6%
	United Kingdom	\$750.96B	-21.6%	\$26.71B	4.8%	52 bps	1.8%	\$35.47M	7.4%
	Switzerland	\$370.16B	-26.5%	\$19.95B	-8.7%	35 bps	32.1%	\$16.96M	18.9%

FIXED INCOME	Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
	Germany	\$236.69B	-13.4%	\$83.96B	-20.3%	24 bps	87.5%	\$52.25M	51.6%
	United Kingdom	\$392.83B	-20.5%	\$78.15B	-12.9%	16 bps	38.9%	\$41.09M	56.3%
	France	\$303.71B	-28.7%	\$81.04B	-14.6%	19 bps	8.4%	\$39.50M	-6.1%
	Italy	\$112.09B	-27.3%	\$27.00B	24.2%	15 bps	26.9%	\$10.11M	60.0%
	Netherlands	\$105.01B	-50.0%	\$14.02B	-38.6%	22 bps	24.2%	\$7.88M	-23.0%

# ASIA PACIFIC

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## LENDABLE

\$2.65 Trillion **-20.3%**

## ON LOAN

\$227.81 Billion **+1.0%**

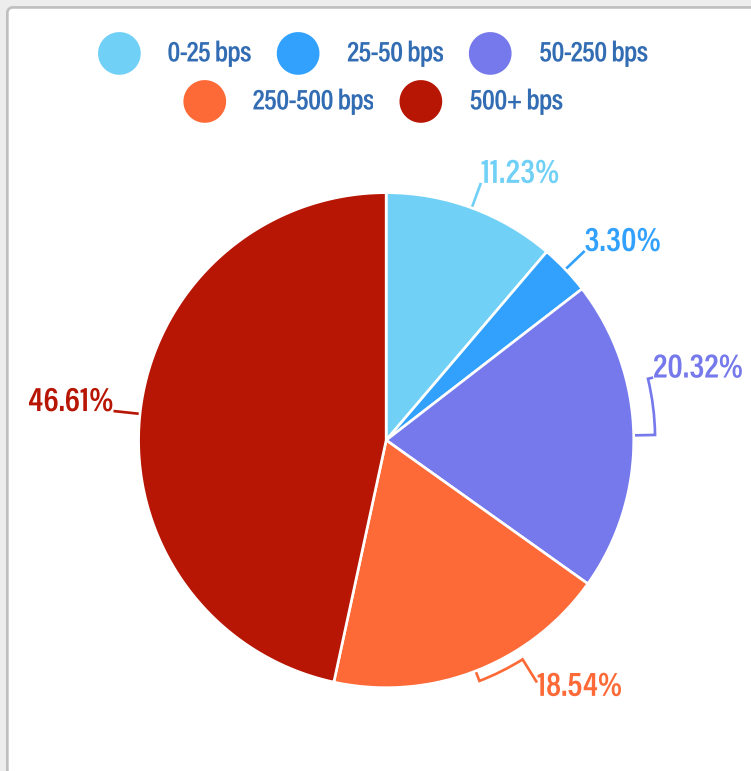
## REVENUE

\$475.02 Million **-14.2%**

## FEES

82 bps **-15.5%**

### Equity Revenue By Fee Band

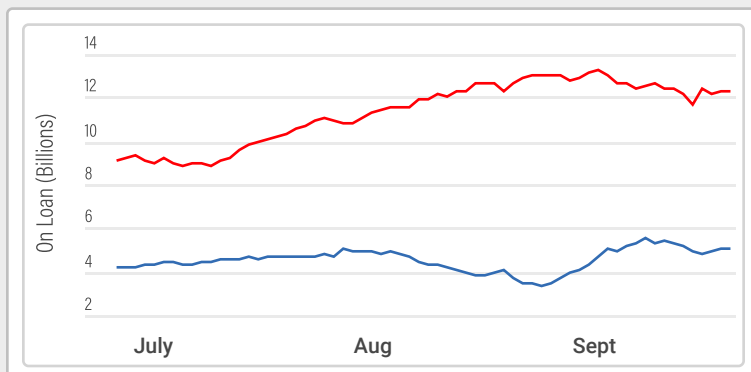


### Top Equity Earners

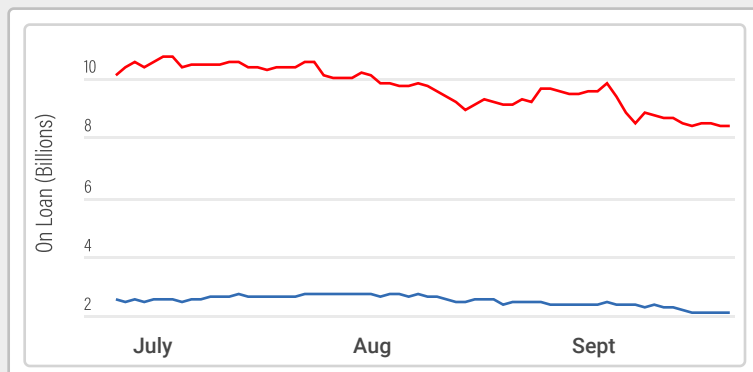
Country	Security	Revenue (USD)
🇰🇷	LG ENERGY SOLUTION LTD	6,939,713
🇹🇼	WIWYNN CORPORATION	6,313,018
🇦🇺	LAKE RESOURCES NL NPV	5,879,655
🇮🇹	H Aidilao Intl Hldg Ltd	5,757,136
🇹🇼	UNITED MICRO ELECTRONICS	5,669,460
🇦🇺	BRAINCHIP HOLDINGS NPV	4,072,017
🇰🇷	SK BIOSCIENCE CO. LTD.	3,933,788
🇮🇹	ANGELALIGN TECHNOLOGY INC	3,755,469
🇮🇹	TIANNENG POWER INTL LTD	3,617,755
🇮🇹	KOOLEARN TECHNOLOGY HLDG LTD	3,552,025

### Off Shore Vs On Shore Loan Balance

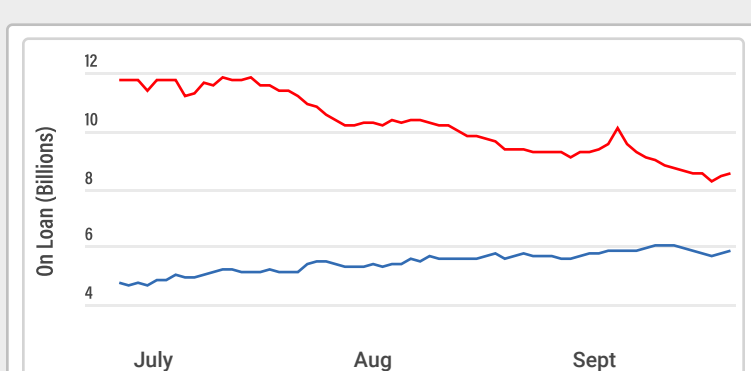
#### Australia



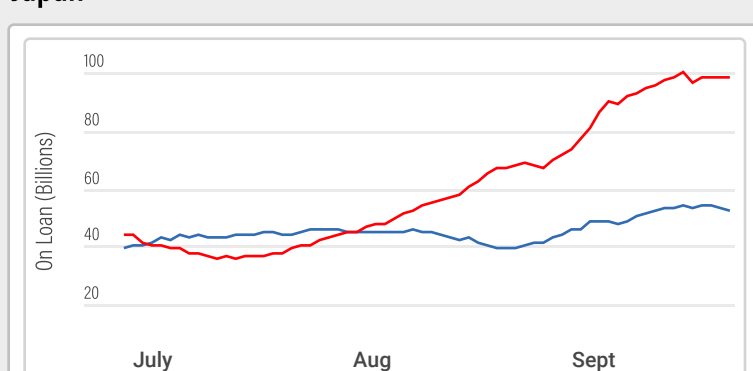
#### Korea



#### Taiwan



#### Japan



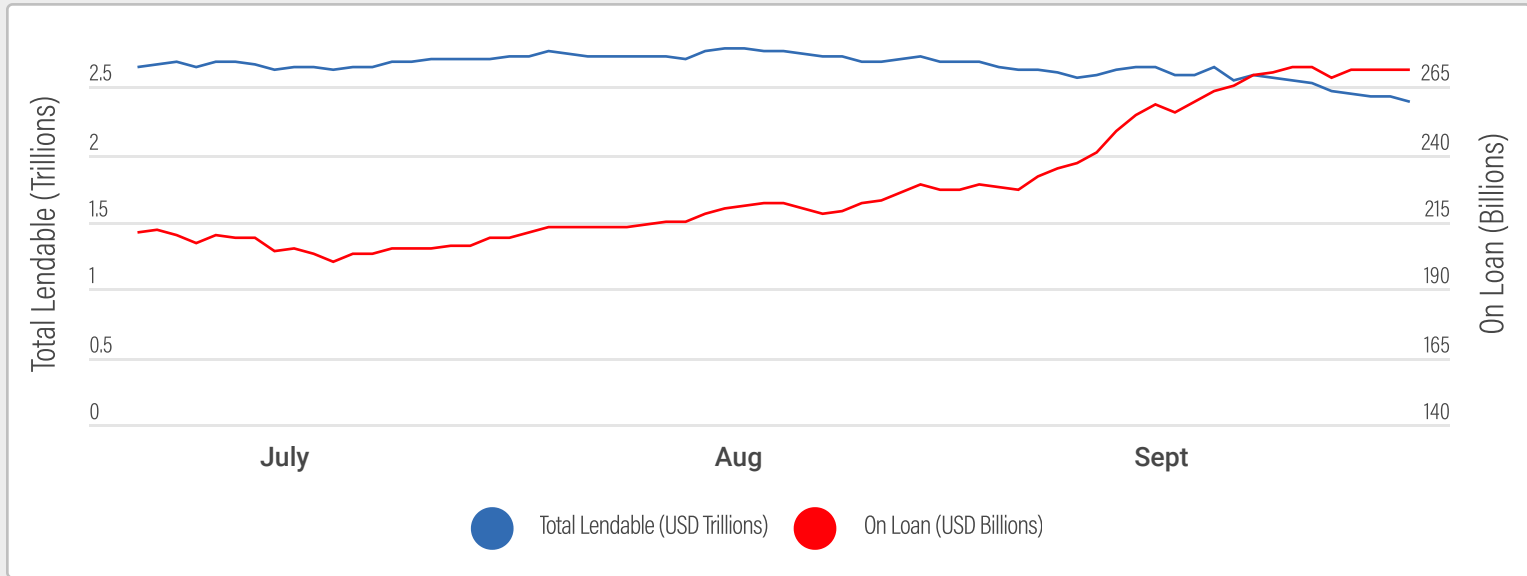
● Onshore ● Offshore



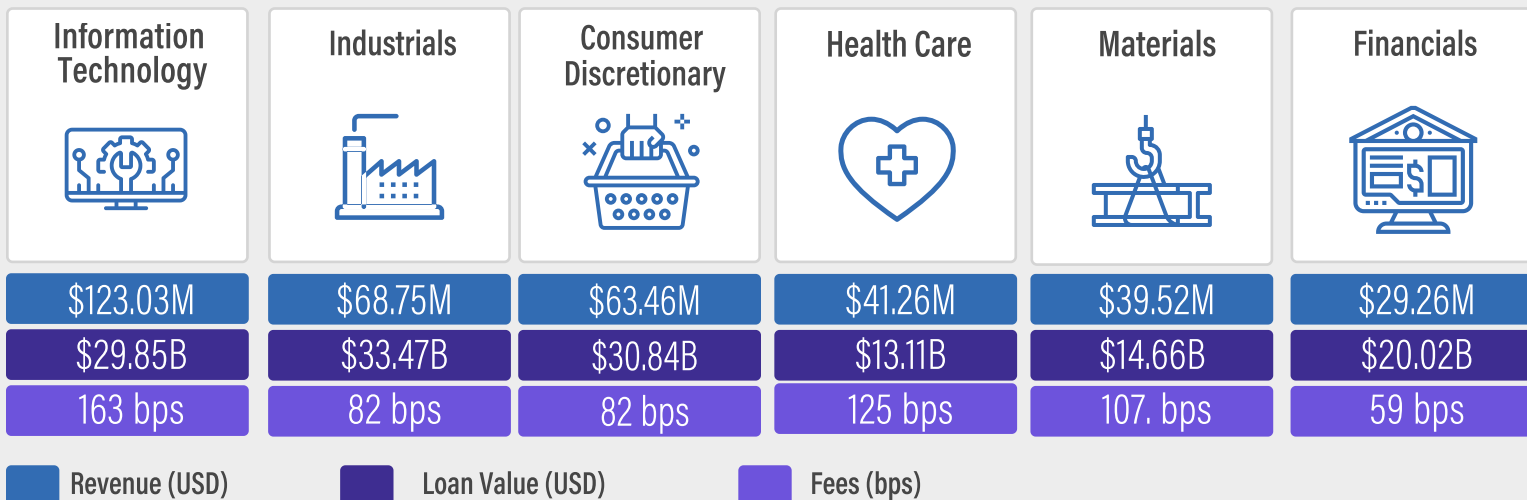
# ASIA PACIFIC

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## On Loan Vs Lendable



## Top Sectors By Revenue (USD)



## Market Breakdown

Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
Japan	\$1.03T	-24.0%	\$108.34B	4.9%	46 bps	-5.8%	\$123.64M	-3.3%
Taiwan	\$90.90B	-28.9%	\$15.75B	-22.2%	298 bps	-4.0%	\$118.38M	-25.0%
Hong Kong	\$533.57B	-23.9%	\$26.56B	-27.5%	115 bps	5.4%	\$77.01M	-22.3%
Korea, Republic of	\$149.01B	-31.1%	\$12.31B	-7.0%	190 bps	-28.2%	\$59.21M	-32.8%
Australia	\$407.31B	-5.0%	\$16.32B	-2.0%	91 bps	67.2%	\$37.52M	64.6%
Thailand	\$27.65B	-0.6%	\$1.61B	-34.5%	313 bps	-22.7%	\$12.68M	-49.3%
Singapore	\$53.68B	-1.0%	\$2.03B	31.9%	72 bps	-53.7%	\$3.67M	-39.2%
Malaysia	\$10.30B	-15.4%	\$304.34M	-54.2%	409 bps	-44.9%	\$3.08M	-75.5%

# EquiLend Data & Analytics:

## Q3 Insights in Securities Lending

Rebecca Branca, Cameron Cole, Alec Rhodes, Keith Min  
Data & Analytics Product Specialists

**WITH Q3** in our rear view, a wide variety of asset classes were in play as volatile market conditions continued and recession concerns joined inflation headlines. In this past quarter, the securities lending market generated \$2.63 billion, an increase of 12% over the same period in 2021. The third quarter's performance brings the year-to-date revenue for 2022 to \$7.45 billion, tracking 8% greater than 2021. As North American equities played a major role in the increase from prior quarters, both corporate and government debt impressed with Q3 revenue gains of 89% and 16%, respectively. Equities in EMEA and Asia fell behind compared to Q3 2021 by approximately 20% with new regulations casting a large shadow over Asia's Q4 outlook. Join EquiLend's Data and Analytics team as we navigate the developments of the third quarter.



## \$2.63 billion

Securities lending revenue in  
Q3 2022



## +12%

Year-over-year increase in  
revenue from Q3 2021 to Q3  
2022



## North American Equities

For North American equities, the securities lending industry generated \$1.3 billion in revenue in Q3. The 35% increase over last year was attributed to a surge in average fees of 37%.

While revenue grew across most sectors, communications services, consumer discretionary and consumer staples had the largest increases over Q3 2021. Driven by meme stock AMC Entertainment (AMC) and the return of a 2018 top earner, Sirius XM (SIRI), communication services revenue increased 137% over the same period in 2021. Consumer discretionary, led by GameStop (GME) and Lucid (LCID), observed an 80% increase in lending revenue. Finally, consumer staples, led by Beyond Meat (BYND), saw a year-over-year increase of 295% in revenue.

A split-off exchange on September 1 capped off Q3 with more than \$31 million in lending revenue generated by 3M Company (MMM) and Neogen Corporation (NEOG).

## Corporate Debt

Corporate debt continued its strong performance, generating \$182 million in revenue in Q3, driven by a 79% increase in average fees. This impressive performance came in the midst of market volatility, with recessionary fears and increasing interest rates driving strong demand. Similarly, iShares iBoxx \$ High Yield Corporate Bond ETF (HYG) also exhibited strong lending activity, being the 11th top earner for the quarter.

The increase in revenue was seen across both high-yield and investment-grade debt, where revenue was up 100% and 73%, respectively. Regionally, the bulk of the revenue increase came from bonds issued by North American corporations, up by \$46 million compared to Q3 2021, with EMEA issuances seeing an increase of \$26 million over the same period.

## Government Debt

Revenue for government debt lending was up 16% year-over-year in Q3 as central banks acted to combat global inflation. Continued market volatility and diverging monetary policy led to cross-currency and duration-mismatch opportunities for investors. The uptick in revenue was driven by an overall increase of 18% in lending fees, despite yields on the secondary market declining in comparison to new issuances.

Fee increases offset a more modest 11% drop in loan balances for government securities, with U.S., UK and German debt all generating significantly increased revenue year-over-year—16%, 43% and 36%, respectively—as lenders took advantage of special opportunities. Notably, the slice of the U.S. debt market which carried fees greater than 20 bps swelled from 1% to 4%.

## EMEA and APAC Equities

Although the average loan balance increased in EMEA by 19%, a major decline in the average fees resulted in a decrease in revenue over Q3 last year. EMEA, down 26% in revenue and 43% in average fees, lost ground over the prior year; equity lending revenue in 2021 had been bolstered by corporate events from Naspers (NPN SJ) in mid-August and Vivendi (VIV FP) in late September.

APAC, down 19% in revenue and 14% in average fees for Q3 year-over-year, saw lending revenue decrease across all markets except for Australia, where revenue rose 65%. Major revenue contributors of 2021 and tech-heavy markets, Taiwan and Korea, have since declined. Loan balances fell by 22% in Taiwan as demand for semiconductor and technology firms Novatek (3034 TT), InnoLux (3481 TT) and AU Optronics (2409 TT) decreased dramatically from over 80% utilized at the end of Q3 of last year to single digits at the end of Q3 this year. South Korean equities observed a 28% decrease in average fee as Q3 2021 top earners LG Display (034220 KS) and KMW (032500 KS) fell in share price by 33% from the beginning of Q4 2021 to the end of Q3 2022, which resulted in a greater than 80% average fee decline for both.

Regulatory bodies in both Taiwan and Korea have paid close attention to the short-selling markets of late, with the former applying securities lending volume limitations. We will be watching for further developments and any impact on activity in these markets.



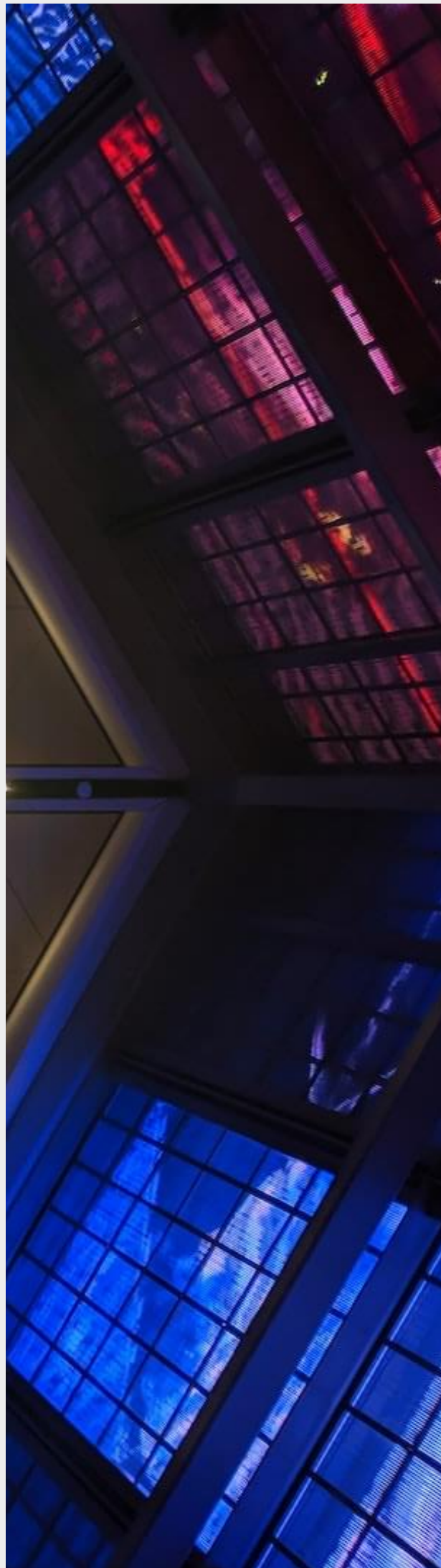
# -26%

EMEA equities decline in revenue from Q3 2021 to Q3 2022



# +65%

Australian equities increase in revenue from Q3 2021 to Q3 2022



# THE PURPLE

