

THE PURPLE

BY **EQUILEND**

EQUILEND DATA & ANALYTICS Q1 2025 IN REVIEW



ISSUE 18

SECURITIES FINANCE REVENUE Q2 2025

GLOBAL

\$2,289,982,994

+2% YOY

AMERICAS

\$1,299,727,020

-7% YOY

EMEA

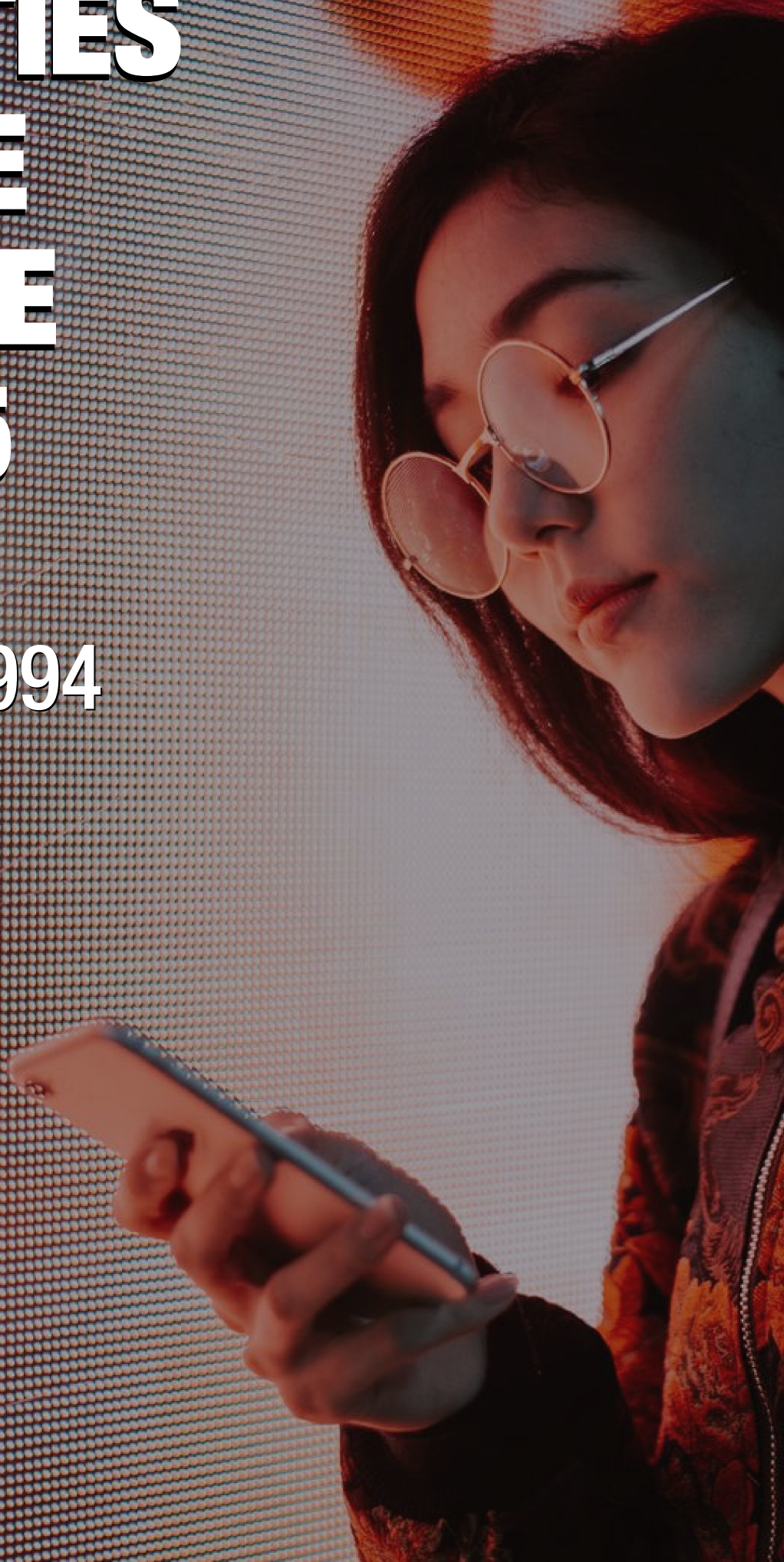
\$392,262,279

+5% YOY

ASIA PACIFIC

\$597,993,695

+27% YOY





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Head of Data & Analytics Solutions
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Well, it hasn't been a boring Q1 that's for sure! As the new administration tackles tariffs, the impact on the markets has been significant with the return of volatility, normally a good thing for our industry. However, sometimes volatility and uncertainty can lead to headwinds in the lending markets and that is what we experienced in Q1. Read all about it in our Q1 2025 Review on page 18.

In this issue, we also focus on leveraging securities finance data for corporate short interest insights. Unlike equities, corporate shorts are not publicly reported making it very difficult for investors to truly evaluate sentiment around a corporate bond. Also, we are very excited to launch our new Short Squeeze Score – a timely addition to our suite of analytics given market volatility!

As always, please feel free to reach out to us with feedback on The Purple and our Data & Analytics offerings. We are always looking for better ways to help our customers succeed!

And finally...if you are not already signed up, be sure to check out short interest indicators and financing data – now available with a simple click on the Bloomberg App Store!

<https://on.equilend.com/bloomberg-terminal>



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AMERICAS

Figures displayed represent lender to broker activity only from Jan 1 to Mar 31 2025. Deltas represent year on year change. All currency values are in USD and fees in bps.

LENDABLE

\$30.53 Trillion **+19.2%**

ON LOAN

\$1.94 Trillion **+13.0%**

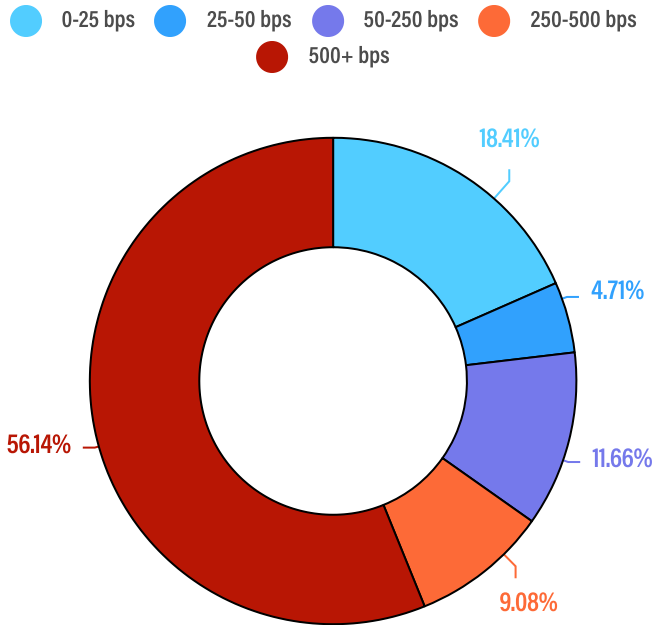
REVENUE

\$1.30 Billion **-6.8%**

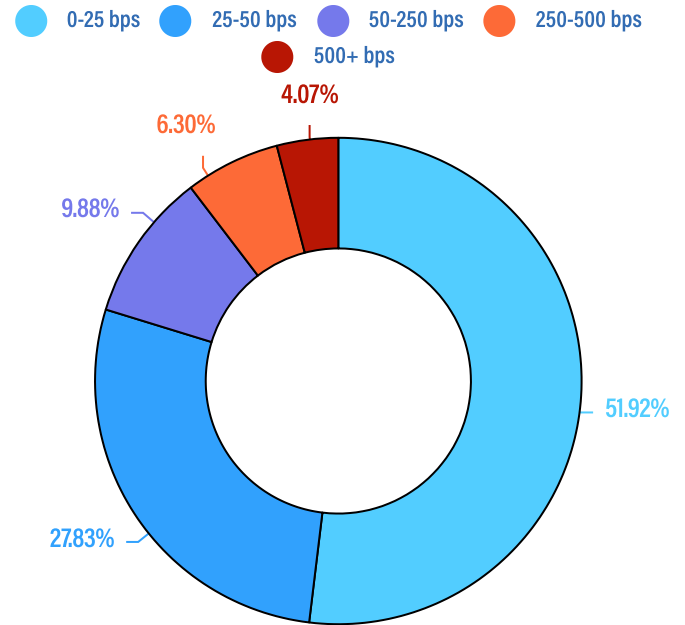
FEE

25.12 bps **-19.2%**

Equity Revenue By Fee Band



Fixed Income Revenue By Fee Band



Top Equity Earners

	Security	Revenue (USD)
	ENDEAVOR GROUP HOLDINGS	49,251,552
	QUANTUM COMPUTING	17,388,061
	PLUG POWER	15,498,482
	NANO NUCLEAR ENERGY	14,461,192
	VISA	9,304,561
	ENBRIDGE	9,269,186
	BEYOND MEAT	8,794,679
	RIGETTI COMPUTING	8,418,625
	TEMPUS AI	7,500,959
	D-WAVE QUANTUM	6,783,997

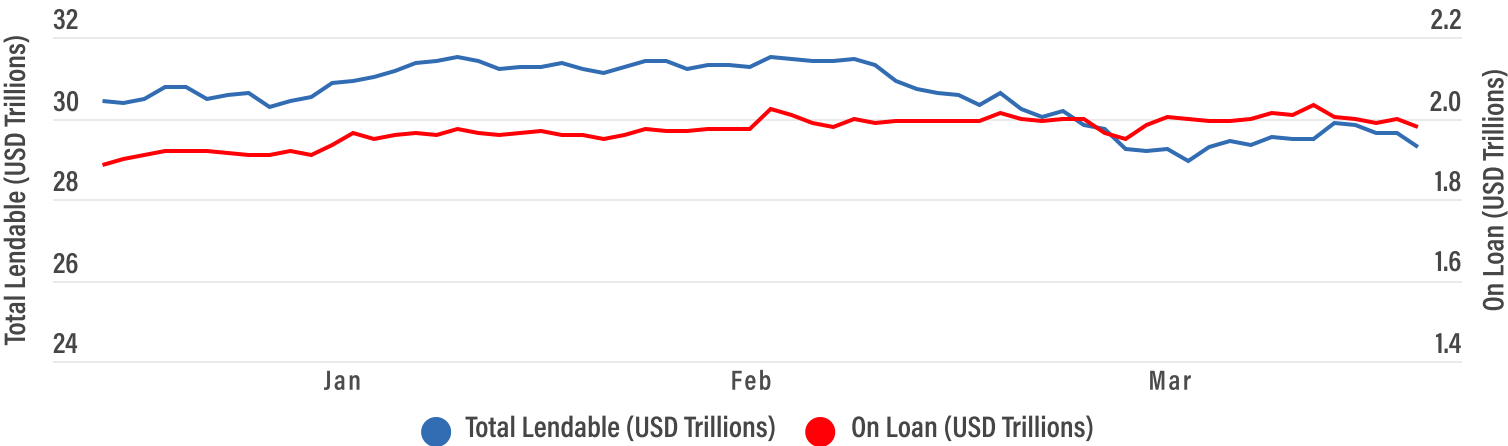
Top Corporate Debt Earners

	Security	Revenue (USD)
	FLORI 1.258% 01/07/2025	4,219,890
	MPT 0 5% 15/10/27	3,122,393
	CONCE 6.6% 02/08/2028	1,545,035
	CABLE 4% 15/11/30	1,376,965
	NEW F 8.75% 15/03/2029	1,375,095
	NEW F 6.5% 30/09/2026	1,332,648
	HERTZ 5% 01/12/29	1,141,779
	DOLLA 5.45% 5% SNR 05/07/33	1,049,146
	AVIS 8% 15/02/31	955,021
	MPT 0 5.25% 01/08/26	872,061

AMERICAS

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On Loan Vs Lendable



Top Sectors By Revenue

Information Technology	Industrials	Health Care	Financials	Communication Services	Consumer Discretionary
					
\$151.41M	\$109.56M	\$103.14M	\$97.46M	\$72.23M	\$65.76M
\$110.68B	\$76.27B	\$72.45B	\$114.89B	\$37.00B	\$86.00B
54.34 bps	57.64 bps	56.52 bps	34.29 bps	79.71 bps	29.74 bps
Revenue (USD)	Loan Value (USD)	Fees (bps)			

Market Breakdown

EQUITY								
Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
UNITED STATES	\$23.20T	21.0%	\$699.66B	9.1%	44.91	-20.9%	\$788.97M	-14.0%
CANADA	\$807.57B	16.3%	\$46.48B	-8.2%	77.84	1.6%	\$88.46M	-4.3%
LATIN AMERICA	\$35.10B	-25.5%	\$2.69B	9.8%	156.90	82.0%	\$10.48M	98.9%

FIXED INCOME								
Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
UNITED STATES	\$5.33T	13.7%	\$1.05T	18.2%	10.84	-11.8%	\$365.21M	9.8%
CANADA	\$902.17B	8.2%	\$124.76B	2.6%	11.14	-7.3%	\$34.87M	-4.8%
LATIN AMERICA	\$253.54B	38.8%	\$13.30B	45.4%	33.48	-25.9%	\$11.73M	13.4%

EMEA

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LENDABLE

\$5.88 Trillion **+17.9%**

ON LOAN

\$573.15 Billion **+23.2%**

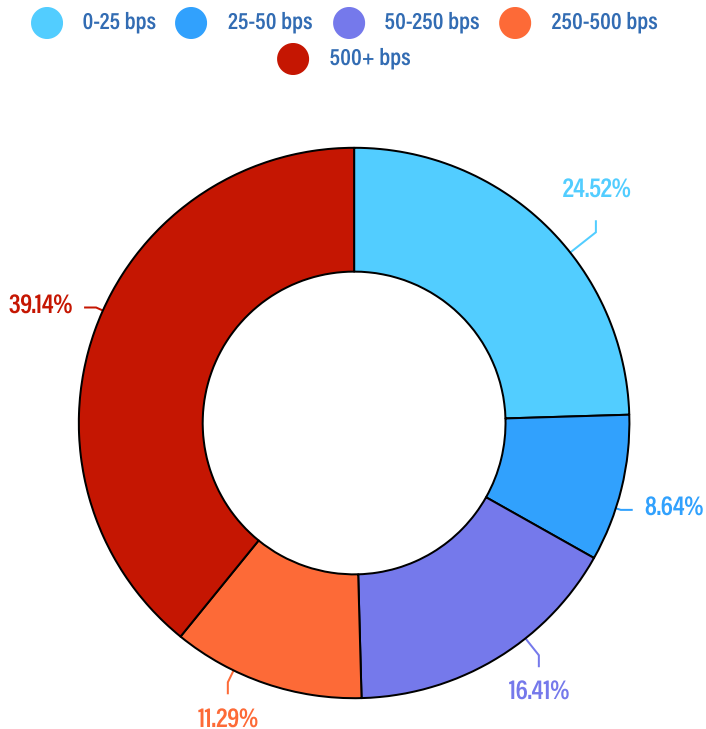
REVENUE

\$392.26 Million **+4.6%**

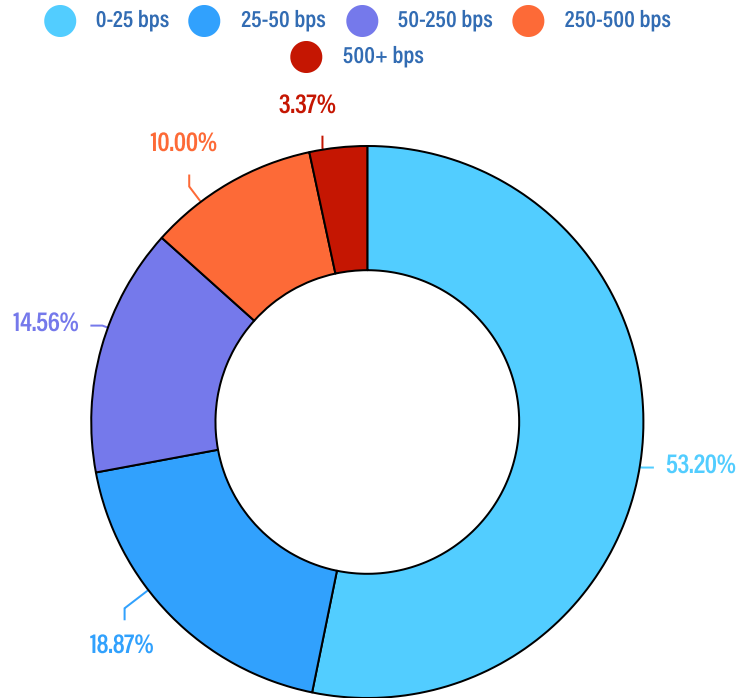
FEES

27.08 bps **-16.0%**

Equity Revenue By Fee Band



Fixed Income Revenue By Fee Band



Top Equity Earners

	Security	Revenue (USD)
	SVENSKA HANDELSBANKEN AB	6,806,069
	IDORSIA LTD	5,253,724
	SWEDBANK AB	4,223,994
	NORDEA BANK ABP	3,066,254
	EUTELSAT COMMUNICATIONS	2,533,585
	ROCHE HOLDINGS AG	2,163,632
	VUSIONGROUP	2,015,629
	VOLVO (AB)	1,975,665
	AURUBIS AG	1,952,166
	NOVARTIS AG	1,913,528

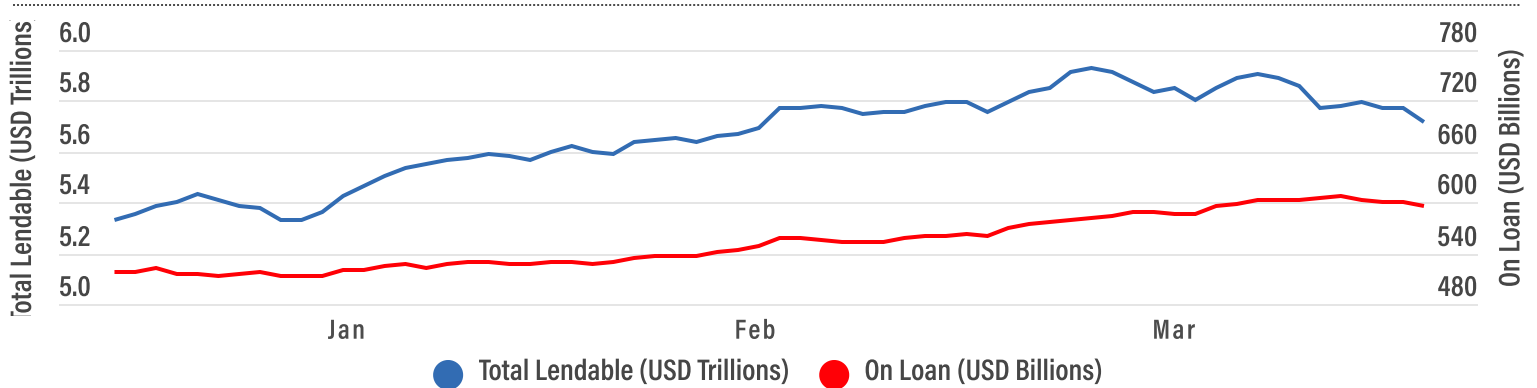
Top Corporate Debt Earners

	Security	Revenue (USD)
	SES S 2.875%	1,704,062
	WORLD 4.125% 12/09/2028	1,261,810
	VISTA 6.375% 5% SNR 01/02/30	697,629
	ARDAG 4.125% 15/08/2026	666,524
	GRIFO 4.75% 15/10/2028	642,279
	SES S 3.5% 14/01/2029	544,175
	BNP P 5.738% 02/35 USD'144	517,122
	AMS-O 10.5% 30/03/29	468,470
	ENGIN 11.125% 15/05/2028	459,632
	ARDAG 5.25% 15/08/27	450,284

EMEA

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On Loan Vs Lendable



Top Sectors By Revenue

Financials	Industrials	Health Care	Information Technology	Materials	Consumer Discretionary
					
\$34.94M	\$33.15M	\$22.11M	\$16.07M	\$15.34M	\$14.96M
\$33.22B	\$31.20B	\$16.84B	\$7.56B	\$11.98B	\$17.50B
37.92 bps	41.71 bps	52.44 bps	85.47 bps	51.48 bps	34.40 bps
Revenue (USD)	Loan Value (USD)	Fees (bps)			

EQUITY		Market Breakdown						
Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
Sweden	\$181.26B	16.6%	\$15.50B	-1.1%	72.87	-40.9%	\$31.90M	-35.9%
United Kingdom	\$957.84B	15.3%	\$33.14B	41.8%	35.12	-3.1%	\$29.83M	39.5%
Switzerland	\$446.00B	18.6%	\$20.42B	6.0%	43.12	-36.0%	\$22.62M	-26.8%
Germany	\$423.85B	30.6%	\$22.77B	42.7%	39.64	-29.9%	\$22.40M	-0.7%
France	\$588.64B	5.8%	\$20.69B	4.1%	41.33	1.2%	\$21.17M	7.2%

FIXED INCOME								
Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
France	\$357.76B	10.9%	\$99.78B	24.9%	21.88	-17.5%	\$54.60M	2.4%
United Kingdom	\$573.34B	20.3%	\$93.69B	23.4%	17.01	6.3%	\$39.67M	30.4%
Germany	\$306.31B	34.8%	\$62.96B	4.2%	17.55	-5.5%	\$27.89M	-1.5%
Luxembourg	\$127.12B	45.3%	\$27.21B	55.8%	19.47	16.4%	\$13.41M	82.4%
Italy	\$137.47B	26.2%	\$26.49B	28.6%	15.38	-10.3%	\$10.10M	13.5%

ASIA PACIFIC

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LENDABLE

\$3.39 Trillion +16.6%

ON LOAN

\$277.82 Billion +11.7%

REVENUE

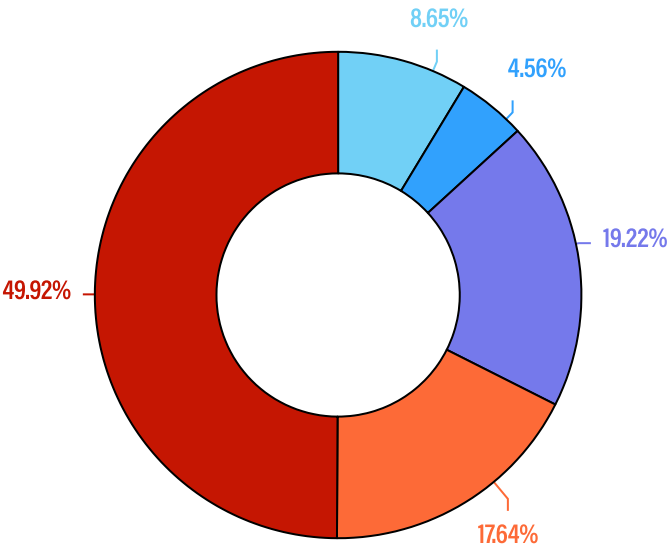
\$597.99 Million +27.4%

FEES

85.89 bps +14.8%

Equity Revenue By Fee Band

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

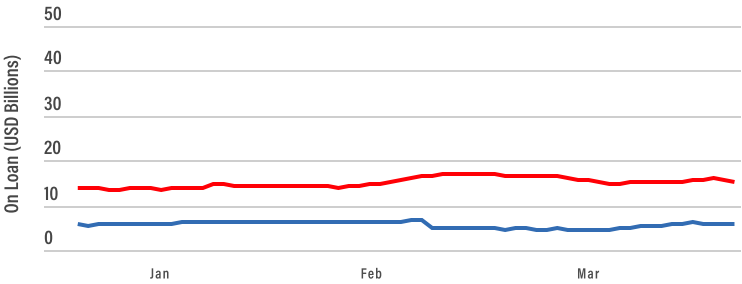


Top Equity Earners

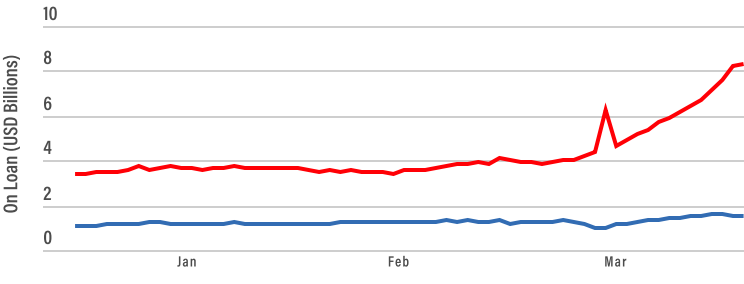
	Security	Revenue (USD)
●	METAPLANET INC NPV	9,158,103
🇹🇼	UNITED MICRO ELECTRONICS	6,566,531
🇨🇳	EAST BUY HOLDING LIMITED	5,976,031
🇨🇳	ALIBABA HEALTH INFORMATION TECH LTD	5,694,837
●	KIOXIA HOLDINGS CORPORATION NPV	5,693,004
🇨🇳	SUNAC CHINA HLDGS	5,578,326
🇨🇳	CHINA VANKE CO. LTD 'H'	5,004,919
🇹🇼	NOVATEK MICROELECTRONICS	3,848,855
🇹🇼	GLOBAL UNICHIP CORP.	3,789,709
🇨🇳	WEIMOB INC	3,760,745

Offshore Vs Onshore Loan Balance

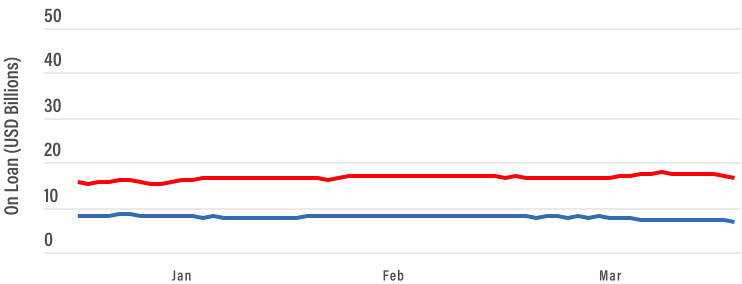
Australia



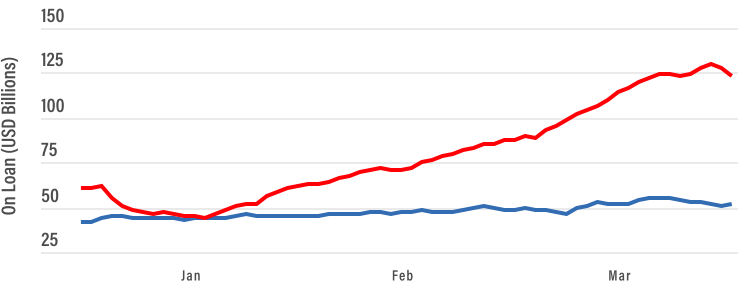
Korea



Taiwan



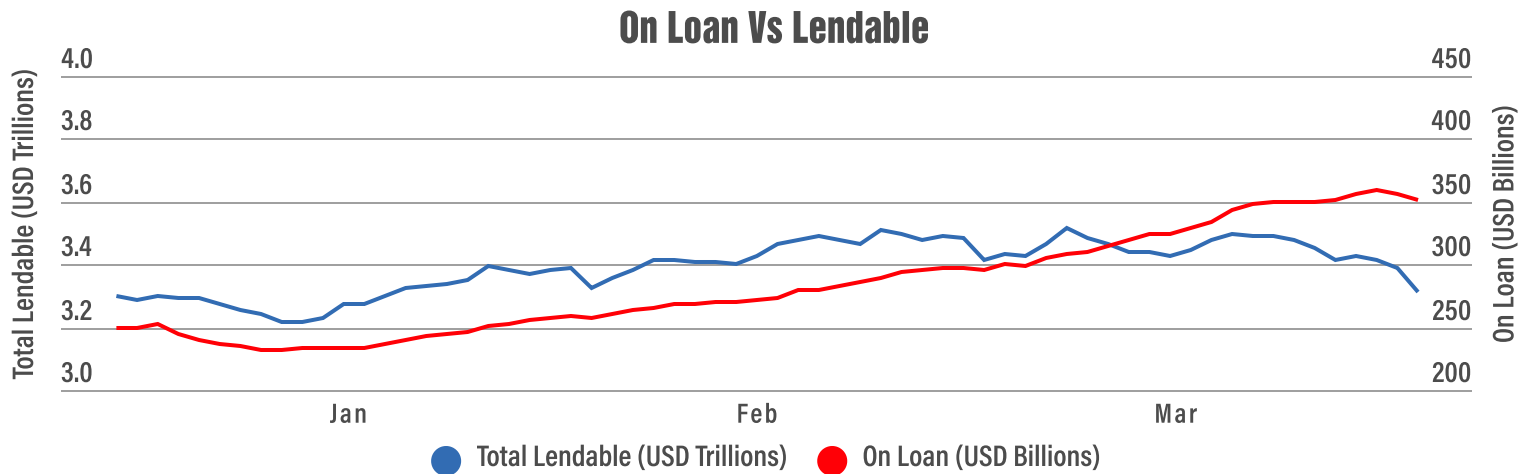
Japan



● Onshore ● Offshore

ASIA PACIFIC

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Top Sectors By Revenue

Information Technology	Industrials	Consumer Discretionary	Health Care	Materials	Financials
					
\$178.67M	\$86.72M	\$74.14M	\$43.45M	\$42.04M	\$35.91M
\$38.48B	\$37.13B	\$36.36B	\$12.43B	\$17.49B	\$25.07B
187.34 bps	93.30 bps	82.05 bps	139.93 bps	97.79 bps	56.37 bps
Revenue (USD)	Loan Value (USD)	Fees (bps)			

Market Breakdown

Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
Japan	\$1.38T	7.7%	\$126.73B	2.2%	59.56	8.0%	\$188.18M	9.6%
Taiwan	\$232.49B	48.4%	\$24.00B	26.9%	307.88	14.6%	\$183.02M	43.2%
Hong Kong	\$549.79B	35.7%	\$30.64B	59.6%	166.29	22.3%	\$125.79M	92.7%
Australia	\$539.71B	16.2%	\$21.23B	-3.1%	39.72	-13.3%	\$22.11M	-14.2%
Korea, Republic of	\$133.14B	-5.4%	\$5.37B	-35.0%	122.82	-6.6%	\$16.77M	-38.0%
Thailand	\$22.83B	-1.4%	\$2.11B	24.0%	310.95	1.1%	\$16.26M	24.2%
Malaysia	\$12.37B	18.4%	\$894.42M	68.7%	565.35	13.4%	\$12.55M	89.9%
Singapore	\$67.79B	33.6%	\$2.72B	42.3%	50.96	-1.4%	\$3.43M	38.2%

Introduction to the EquiLend Data & Analytics Short Squeeze Score



By Keith Min, Vice President, Data & Analytics and Thomas Ashton, Vice President, Data & Analytics

If 2021 taught the investing public anything, it's that the potential of a short squeeze can easily outweigh the returns of a short position. Retail investors sent GameStop and other companies to the moon pushing short sellers to their limit by forcing them to buy back shares to close their shorts which drove prices even higher. The new EquiLend Short Squeeze Score is designed to provide early warning signals of potential short squeezes, enabling short sellers and market participants to proactively mitigate risk and protect their portfolios.

The Short Squeeze Score is available across more than 50,000 unique equities in EquiLend's suite of Data & Analytics Solutions, including DataLend, Orbisa and the Orbisa app on Bloomberg. The score incorporates existing data elements used by short sellers today combined with comprehensive securities

finance data from EquiLend's ecosystem. The score considers industry-wide P&L, demand ratios and other metrics to incorporate changes in liquidity and borrow cost within the securities finance market. Crucially, the Short Squeeze Score uses social media sentiment data to tap into the same sources that drove the major short squeezes of 2021.

The EquiLend Short Squeeze Score is built on a scale of 0 to 100. Scores between 0 and 30 identify a negligible or low probability of a squeeze event. Scores between 30 and 60 identify a medium probability of a squeeze event, suggesting market conditions in this security should be monitored. A high probability of a squeeze event would be classified with a score of 60 to 100, indicating to investors that immediate action is needed to mitigate risk.



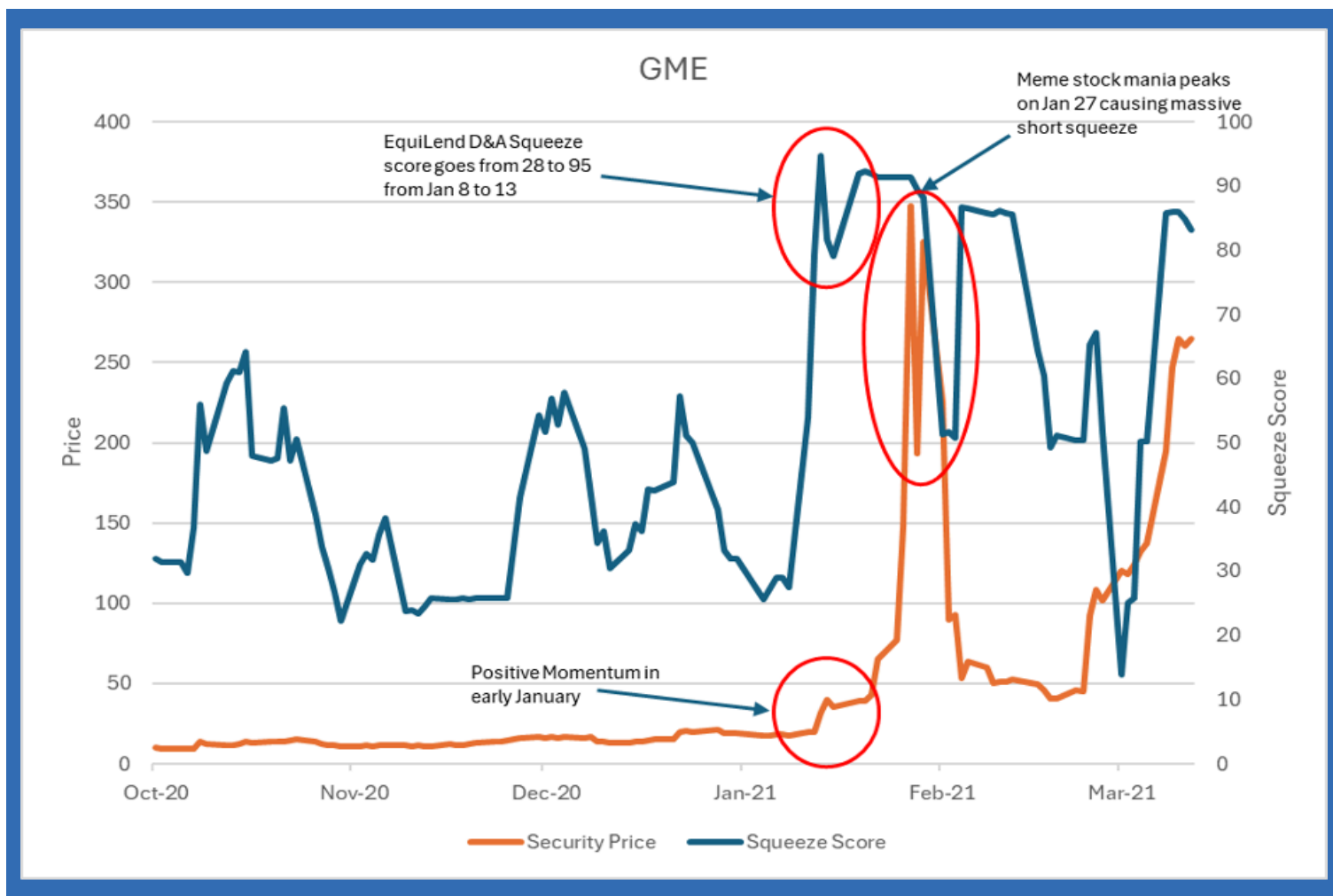
The score is calculated daily for users to proactively adjust their strategies ahead of a significant market event and offset potential losses. Below are a handful of recent examples where the EquiLend Short Squeeze Score warned of potential short squeezes.

Historic Short Squeeze: GameStop (GME US) in 2021

The GameStop short squeeze in early 2021 became a landmark financial event, highlighting the power of retail investors and the complexities of modern market dynamics. Social platforms, like the subreddit r/wallstreetbets, identified an unusually high short interest and began to aggressively buy

into the stock, driving the price up and creating a feedback loop of increasing demand and price.

The EquiLend Short Squeeze Score saw this massive market event coming two weeks prior to the meme stock mania peaking. In early January, GME saw modest positive price momentum; the price uptick, coupled with high short interest and extremely high demand in the securities lending market saw EquiLend's Short Squeeze Score increase from 28 to 95 over the period of January 8 to the 13. This early warning sign, two weeks before the peak of meme stock mania, would have alerted investors to the larger squeeze and provided them with ample time to adjust portfolios and potentially avoid massive losses.



Recent Observations: Oklo (OKLO US) in 2025

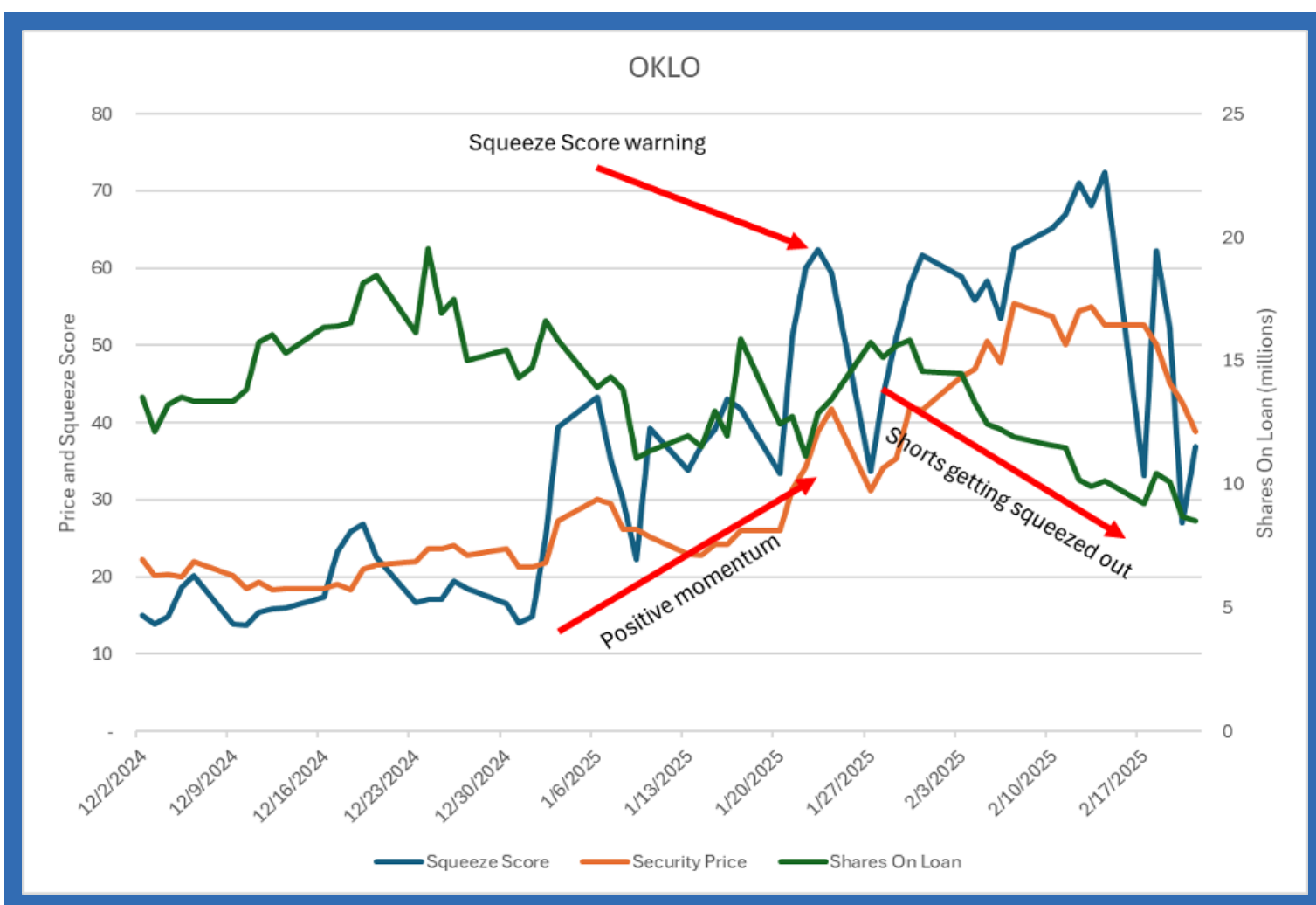
A more recent example of a short squeeze was observed in early 2025 with Oklo Inc. (OKLO US) a clean energy company. The company saw rising short interest and borrow demand in the securities financing industry throughout 2024 which peaked in December after some positive news saw its stock price continue to rise.

In January of 2025 that positive momentum only continued and while some shorts closed out, the name remained crowded and EquiLend's squeeze score more than doubled increasing to 62 from 20 on January 23rd. Oklo's price continued to rise into

February under the hopes that the US energy sector would benefit under the new administration.

This price jump saw short positions close out at a loss as Short Interest dropped as well as EquiLend's shares on loan, which went from 15+ million to 8.5 million shares.

By monitoring EquiLend's Short Squeeze Score an investor would have identified the increasing risk a month ahead of the squeeze. An investor could have then closed out the position prior to the squeeze.



Don't be caught short –incorporate EquiLend's Short Squeeze score into your data and analytics to manage your positions with additional market intelligence.

Recent Observations: Hertz Global Holdings (HTZ) in 2025

EquiLend's Short Squeeze Score for Hertz had reached 61 (jumped 36 points in a single day), placing it among the highest-ranked short squeeze candidates in our screening universe. The stock broke through several key resistance levels on massive volume, demonstrating the powerful impact of activist investor involvement in heavily shorted stocks. The combination of high short interest and a credible investor taking a significant position created ideal conditions for a short squeeze.

By incorporating EquiLend's Short Squeeze Score into their workflow, investors would have identified Hertz as a high-risk short position before the squeeze occurred. This case further demonstrates the value of incorporating EquiLend's Short Squeeze Score into investment decision-making processes to manage risk effectively.

Contact us at <https://equilend.com/services/equilend-short-squeeze-score/> to find out how you can leverage EquiLend's Short Squeeze Score today.





Leveraging Securities Finance for Corporate Short Interest Insights

By Keith Min, Vice President, Data & Analytics

Navigating short interest in the corporate bond market can be filled with risk. The lack of transparency and public reporting forces investors to use limited tools while today's macroeconomic volatility provides prime conditions for short selling. DataLend arms investors with real-time market signals in security-level liquidity, financing cost and approximate short interest to proactively navigate the global credit markets. With access to securities financing data, credit investors can anticipate positive and negative price momentum to better manage their portfolio.

Limitations in Reporting Short Interest

Unlike equities, where heavily delayed short interest reporting is publicly available across most regulatory bodies, fixed income markets lack the same level of transparency. Standard market data includes prices, yields and liquidity metrics, helping traders assess bond valuation and trading opportunities. Macroeconomic data, such as interest rates, central bank policies, and more recently tariffs, influence fees, and investor sentiment. Credit data, including credit ratings, provides insight into the financial health of issuers. While these data sources are essential for any investor, they do not provide any color into short sentiment.

Securities Finance Data Fills a Gap

Securities finance data plays a crucial role in addressing these limitations, offering actionable insights that enable both long investors and short sellers to make informed decisions. Like the equity market, when a short seller wants to short a fixed income instrument, they must borrow the bond. This is typically done in the securities finance and repo markets and for that reason, securities finance market data serves as a proxy for short interest in bond markets. When a bond is heavily shorted this is reflected in securities finance through increasing borrow quantities, borrow costs and overall market demand.

DataLend leverages exclusive intraday access to the securities finance industry's richest global dataset from transaction activity across EquiLend's broad securities financing ecosystem.

Below, we have outlined three examples of where DataLend's financing data would have helped bond investors make decisions around the trading strategies and portfolio construction.

Short Entry and Exit Signals: Concentrix Corporation

In July 2023, Concentrix Corporate (CNXC US) issued \$2.15 billion in senior notes to finance the acquisition of fellow customer experience provider, Webhelp. While the six months following issuance were relatively quiet, Concentrix's AI-dependent future for its outsourced call centers gained skepticism among analysts. More recently, Moody's Investors Services downgraded Concentrix outlook from stable to negative in February 2025 (<https://cbonds.com/news/3273063/>).

While the common share in the equity market indicates a highly liquid and low cost to borrow

security, Concentrix's bonds tell a different story. Concentrix 6.6% Aug 2, 2028 (US20602DAB73) had limited availability within the securities finance market since late November of 2024 when the utilization, percentage of inventory on loan, reached 90% and the short interest indicator breached 30%, (percentage of issuance size on loan).

DataLend illustrated that this high utilization indicated strong negative sentiment among investors well before Moody's revised Concentrix outlook and was an early sign of what eventually happened. On February 4, the short positions profited as the bond's price fell from \$106.60 to \$103.24 in a single day. Long investors who did not have access to DataLend likely saw a hit to their profits as they likely did not close their position due to lack of information.

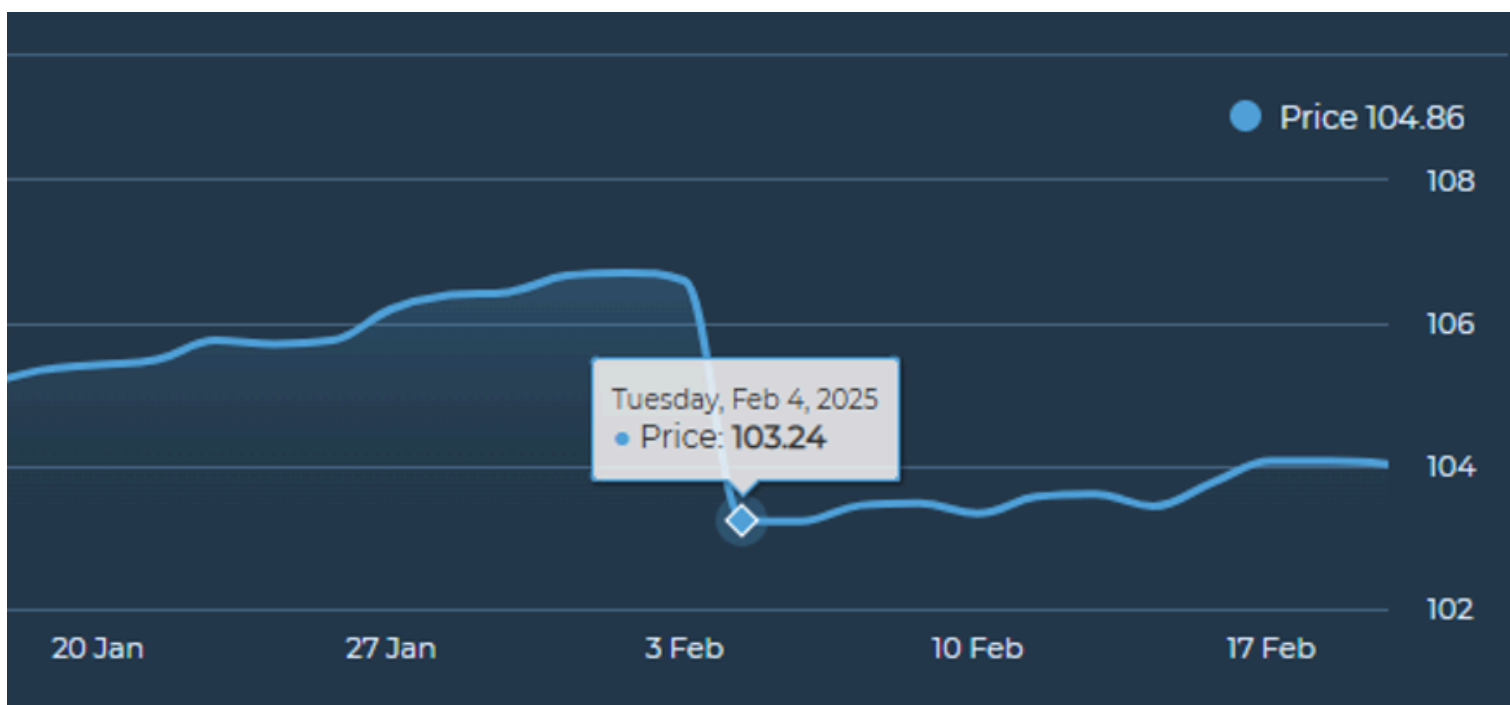


Figure 1. Concentrix 6.6% SNR Aug 2, 2028 Bond Price (USD)



Shortly after, DataLend observed a significant downturn in the total inventory quantity, or bonds available in the securities finance market, suggesting long holders in the securities finance pool sold out of their positions. The reduced inventory also contributed to Fee 1, or the spot financing cost to borrow the security, increasing from 200 basis points to just under 700 basis

points today. As the fee jumped, the cost to maintain the short position increased.

By using DataLend, long holders would have quickly identified an increased risk from mounting short interest while short sellers would have clear confirmation into their short positions and real time signals into increasing fees.

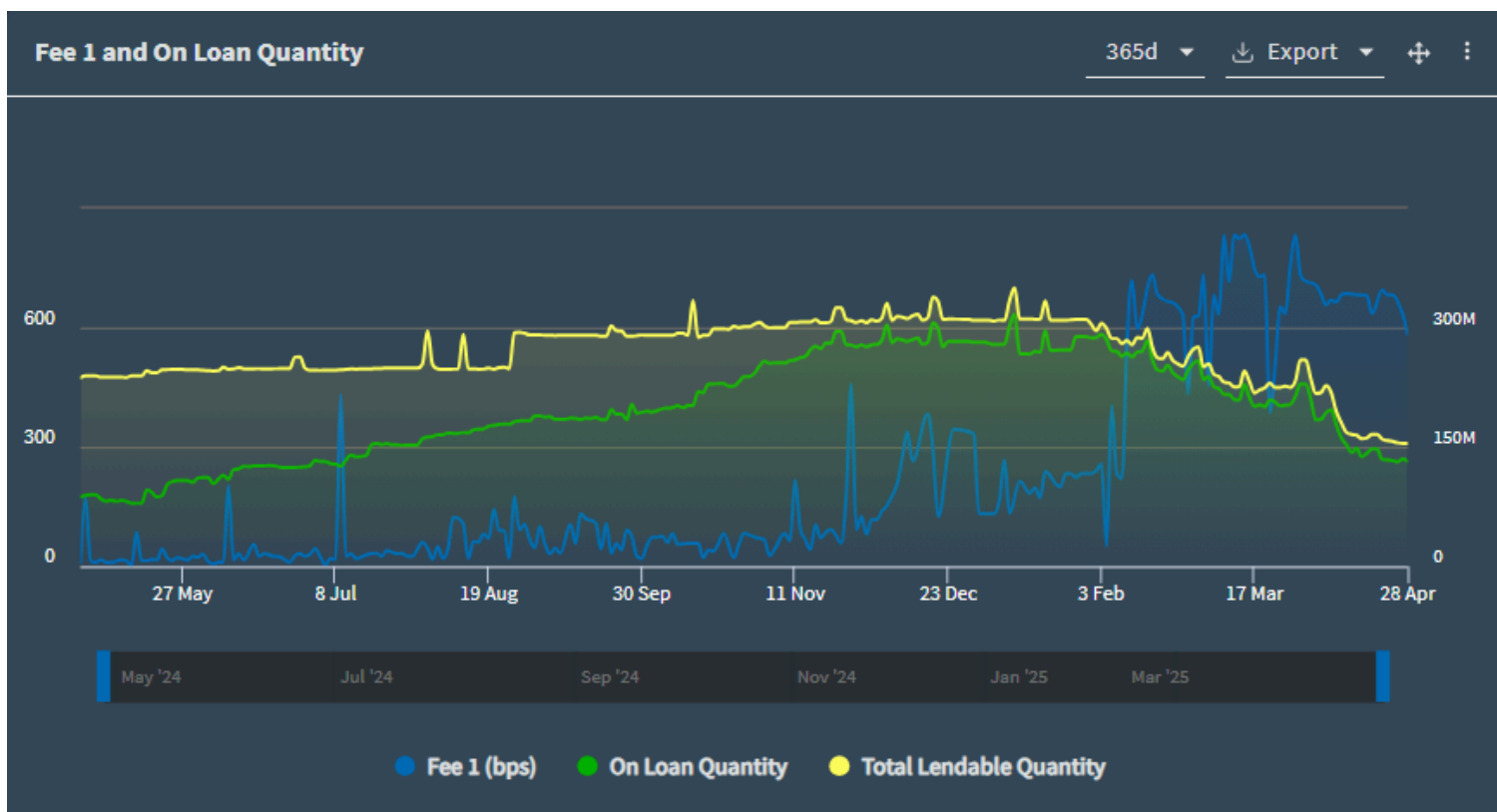


Figure 2. Concentrix 6.6% SNR Aug 2, 2028 On Loan Quantity, Inventory Quantity and Fee 1

Overvalued Bonds: Avis Budget Group

Since the beginning of the year, Avis Budget Group (CAR US), among others, fell victim to the sweeping tariffs affecting the automotive industry. While Q4 2024 results included the resignation of a 45-year tenure CEO and a net loss of \$2 billion, Avis's 2025 guidance provided optimism for the year ahead. Since the earnings report on February 11, the tariff impact on automobile fleet prices settled in as the common shares borrowed increased from 2.36 million to 4.96 million on March 19, with the price per share falling by 35%. While short interest for the common share is steadily increasing, shorts in the bond market are accelerating at a higher pace.

Following a mid-March downgrade from BB- to B+, Avis Budget Car Rental 8.25% SNR Jan 15, 2030 (US053773BJ51) approached full inventory saturation in the securities finance market with the Short Interest Indicator doubling from 12% to 23% in two trading days. While the price for the common share fell 35% over the past month, the bond experienced a minor 4% decrease over the same timeframe. However, the drastic and sustained increase in short activity for the bond suggests that further downside exists as deteriorating credit conditions target the auto rental company.

The signals within DataLend identify when shorts are entering and exiting the market in real time. By quickly comparing equity short interest with its credit counterparts, DataLend simplifies research across multiple asset classes.

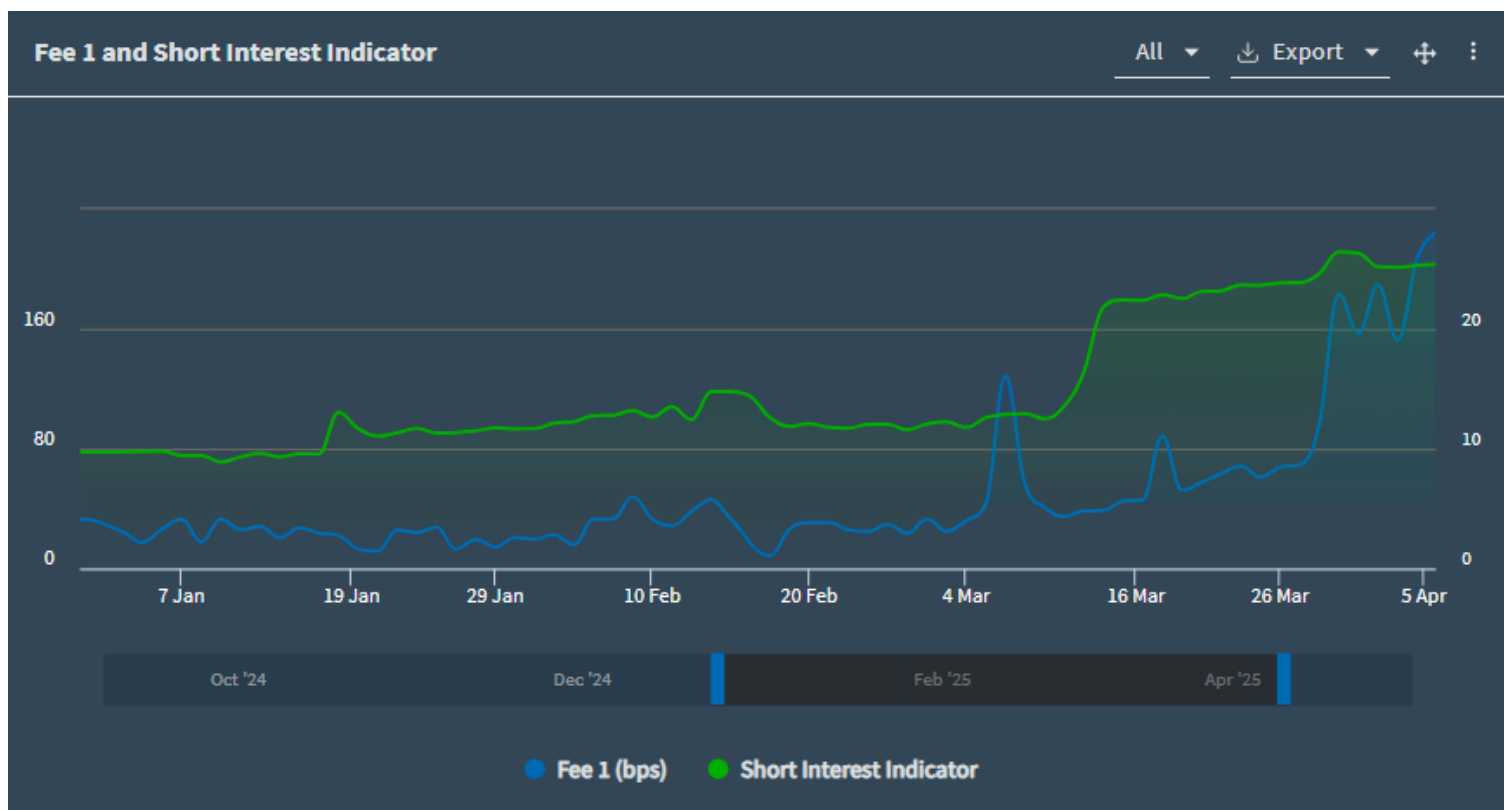


Figure 3. Avis Budget Car Rental 8.25% SNR Jan 15, 2030 Fee 1 and Short Interest Indicator

Market Awareness of Financing Costs and Short Squeezes: Medical Properties Trust

Healthcare REIT, Medical Properties Trust Inc (MPW US) and its bond issuing subsidiary, MPT Operating Partnership, have been under immense pressure since January 2024 as liquidity issues for one of its tenants sparked a chain of events that include lowered dividends, congressional scrutiny, and major increases in short interest for the common shares.

While the utilization for MPT OPER PARTNERSHIP 5% SNR October 15, 2027 (US55342UAH77) has been over 50% well before 2024, it wasn't until mid-2024 when the Corporate Crimes Against Health Care act

was introduced that the short interest indicator and average fee began to accelerate. More than 30% of the total issuance was borrowed (Short Interest Indicator) within the securities finance market with the Fee 1 reaching just under 500 bps. Since October, the liquidity, or total inventory quantity, in the securities finance market decreased by over 20%, driving the cost to short even higher.

However, after a positive earnings announcement in February the bond price is up 11% year to date. The limited liquidity in the securities lending market and high cost to borrow coupled with positive price momentum are all early indicators of a short squeeze. By accessing DataLend investors can see these trends before it's too late and decide whether to close out of a short position before being caught in a possible squeeze.



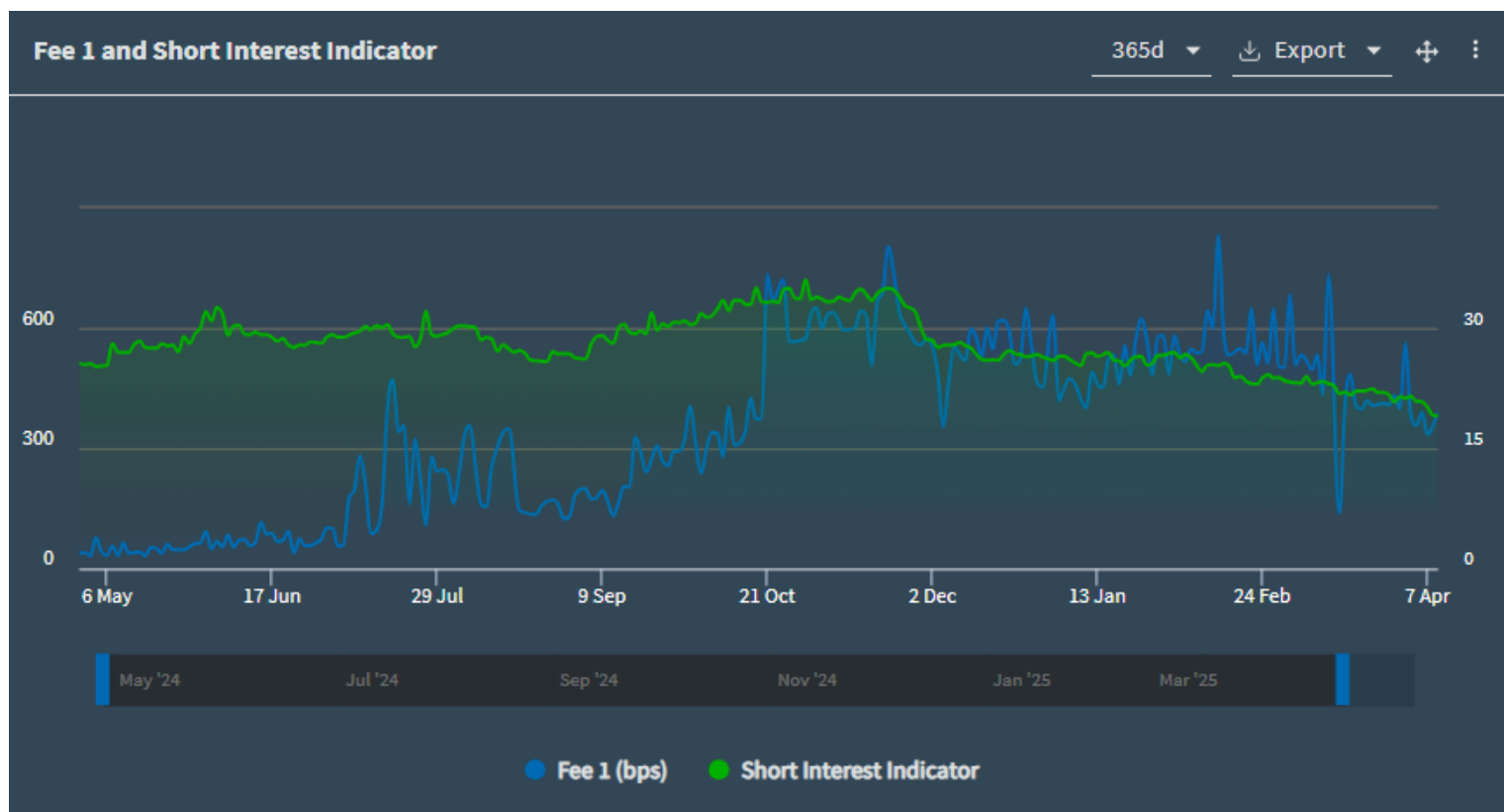
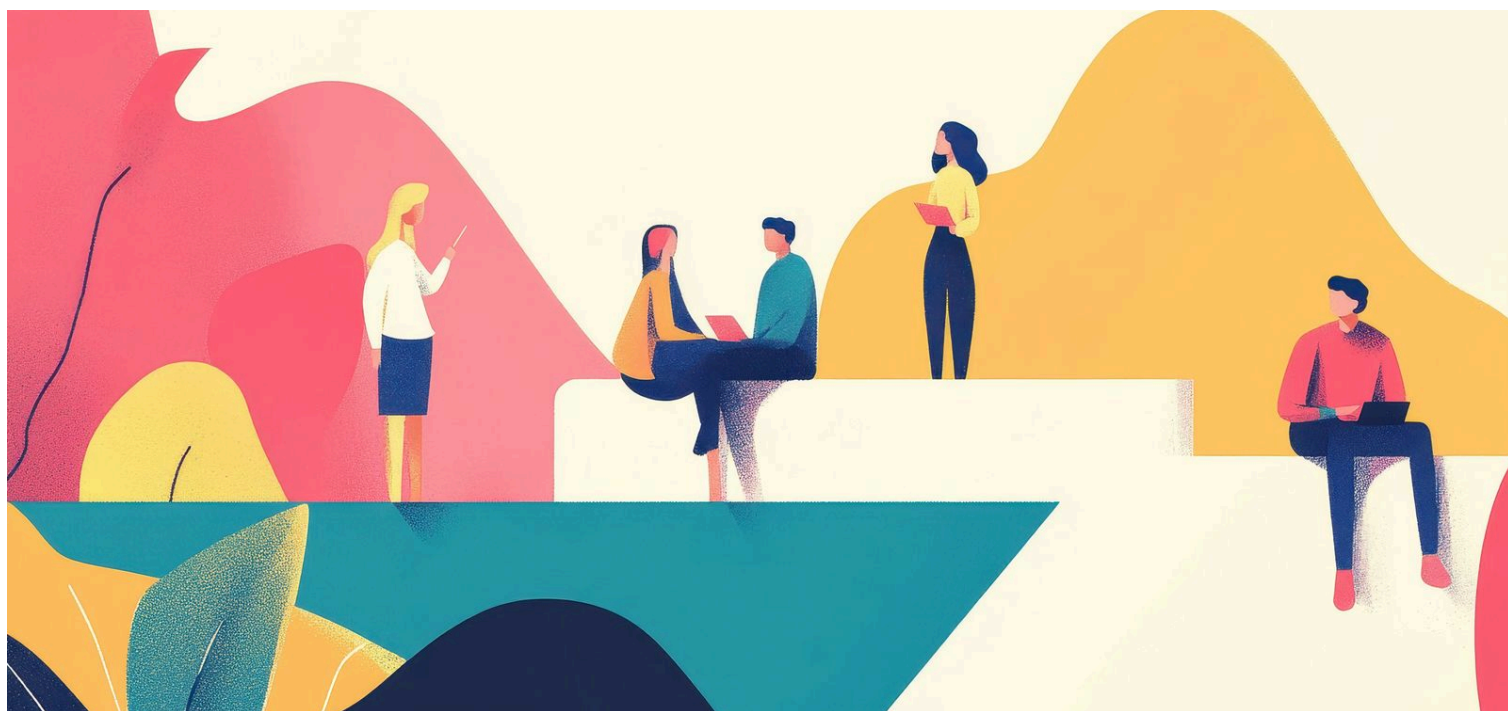


Figure 4. MPT OPER PARTNERSHIP 5% SNR October 15, 2027 Fee 1 and Short Interest Indicator

With the lack of short interest information on corporate bonds, the highly correlated securities finance data found within DataLend provides a level of transparency on availability, fees, market sentiment, and credit risk trends. By leveraging DataLend, investors can make more informed

decisions, manage risks effectively, and optimize trade execution using the most up to date information available. As the corporate bond landscape continues to grow, the role of securities finance data in enhancing market efficiency and transparency will only become more significant.



Q1 2025 Review

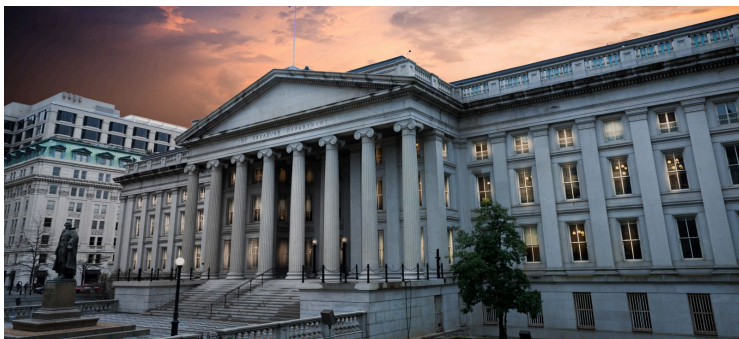
By Bob Sheehan, Vice President, Data & Analytics

Macro Developments

The first quarter of 2025 was a period of heightened volatility and uncertainty for global markets, driven by a confluence of macroeconomic and geo-political factors. The Trump administration's implementation of tariffs was a defining element in Q1. Designed to address trade imbalances and revitalize the domestic manufacturing sector, these tariffs raised concerns about disruptions to global supply chains and their potential impact on corporate earnings. The ongoing tariff negotiations fueled volatility, particularly in equity markets, as investors grappled with the implications for global trade.

Central Bank activity and varied economic data led to dispersion across global economies. The Federal Reserve refrained from cutting rates in its January and March meetings but has signaled a willingness to make multiple cuts in the latter half of the year.

The Fed's hesitancy to cut rates this past quarter was driven by a stickier inflation environment as well as elevated economic uncertainty which has weighed on business investment and consumer confidence. Meanwhile, regions like China and parts of Europe showed signs of stabilization, bolstered by policy support, creating a divergent economic backdrop.



North American Equities

After a strong rally late in 2024, the S&P 500 slipped in the first quarter of 2025 as volatility made its return to equity markets. U.S. stocks particularly struggled in the latter half of the quarter, declining over 10%, entering a correction. Despite volatility returning to the markets, securities lenders faced significant challenges with Q1 revenue down nearly 8% compared to last quarter and 13% year-over-year. Market performance varied widely by sector, with defensive sectors such as Health Care, Consumer Staples, and Utilities faring better and growth heavy sectors taking the brunt of the market's downturn. Similarly, securities lending revenue had a wide dispersion across sectors. Fees in the Technology sector were up 36.85% over the quarter while fees in Health Care were down 42.73%.



Looking at individual securities, Endeavor Group was a top earner, generating \$49,251,552 after the announcement that Private Equity group Silver Lake had completed its purchase of the company for \$27.50. At the time of the announcement, Endeavor was trading at a price premium to the purchase price, spurring lenders and borrowers to take advantage of the discrepancy.

EMEA Equities

European equity markets outperformed their U.S. counterparts by the widest quarterly margin in decades. This strength was fueled by more attractive valuations, easing geopolitical risks, and robust performance in Financials and Defense sectors. Proposals for increased fiscal spending in countries like Germany, aimed at boosting defense and infrastructure also supported equity sentiment.

Securities lending revenue was relatively stable for

the region, with revenue up 1.23% from the previous quarter and down 3.01% on a year-over-year basis. From a country standpoint, Sweden was the largest contributor to securities lending revenue, generating \$32 million. Swedish banks, driven by corporate events, were 3 of the top 4 earners in the entire EMEA region. Despite a stellar start to the year for European Bank stocks, investors have begun to worry about potential compression of net interest margins as the ECB continues its easing cycle.

Idorsia, a biotechnology company based in Switzerland, was the 2nd highest earner for the quarter with \$5 million in revenue. Idorsia came into focus on the back of an announcement that they were released from an exclusivity agreement with an undisclosed party for the global rights to Aprocintan, a drug used to treat high blood pressure. The party in talks did not sign the deal as expected, forcing Idorsia to head back to the open market to source new potential buyers.





APAC Equities

Asian Equity Markets displayed significant dispersion. Chinese equities were the standout performers in Q1 2025 returning 15% on the back of improved sentiment towards Chinese tech firms and hints of supportive policies from Beijing. Elsewhere, performance was mixed with Japanese equities pressured by a stronger Yen and Indian stocks facing headwinds.

From a lending revenue perspective, the region had a strong quarter up 9.15% from Q4 and 29.22% from a year ago.

A third of that revenue came from Japan, as lenders benefited from increased short interest amidst an inflationary environment that has weighed on Japanese equities. Taiwan also contributed more than 30% as the securities finance market showed an increased interest in microchip stocks.

Metaplanet Inc., a Japanese company that has made Bitcoin the center of its corporate strategy, was the top earner for the quarter with \$9 million in revenue. The company is among the Top 10 publicly traded holders of Bitcoin, with its balance swelling to 4,206 BTC. This is a good example of Bitcoin's growing impact on not only markets broadly, but specifically the securities finance ecosystem.

Fixed Income

The fixed income market showed mixed performance in Q1 2025. Yields on U.S. Treasuries declined, with the 10-year yield dropping over the course of the quarter due to rising recession fears and the Fed's outlook for more rate cuts later this year, providing a tailwind for bond prices. Corporate bonds showed resilience with credit spreads remaining contained for much of the quarter, though they have widened in more recent weeks.

Lending revenue declined over the quarter for all fixed income 8.56%, though it is still up 9.65% year-over-year. Government bonds declined 9.16% over the quarter but were up 10.91% on a year-over-year basis. The quarterly decline was primarily driven by fees, as they were down 7.13% while loan balances were roughly flat, up 0.47%.

Corporate bonds were down 7.06% in the quarter but up 6.68% from the previous year. Within the Corporate bond space, both Investment Grade and High Yield were down on the quarter, 4.23% and 9.69% respectively. Like the Government bond space, this was primarily driven by fees which were down -2.03% for Investment grade and down -8.55% for High Yield.

In Focus: Tariffs

The implementation of new tariffs in Q1 2025 has created significant market positioning activity visible through securities lending data. Sectors with complex multinational supply chains demonstrated the most pronounced increases in lending fees, particularly in Technology Hardware (led by Infinera and Microvision), Semiconductors (with Rigetti Computing and United Micro Electronics showing elevated activity), and Automotive (Luminar Technologies and NIO). The Industrials sector showed the highest average fees as a percentage of contract value at 14.5%, followed by Materials at 9.1%, reflecting investor concerns about supply chain disruptions. Information Technology and Health Care showed the highest utilization rates at 31.6% and 30.4% respectively, indicating strong demand for borrowing these securities. Securities lending metrics are valuable indicators of tariff vulnerability, with fee increases and loan balance providing valuable insight into investor sentiment of companies and market segments.



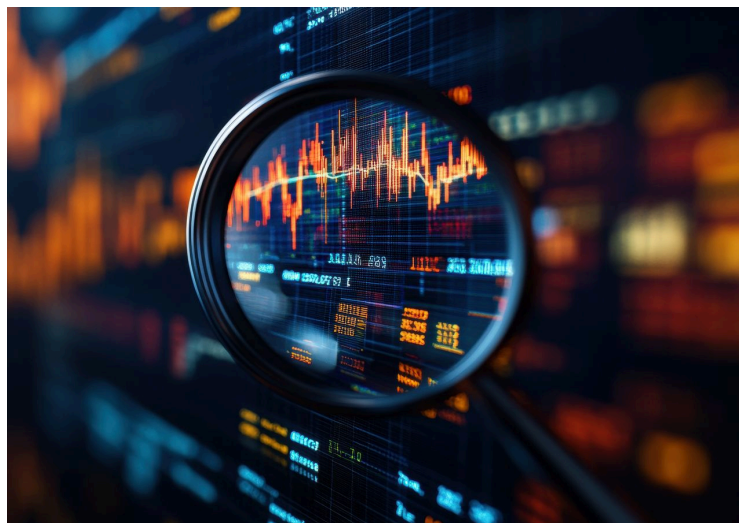
Korean Short Selling is Back

By Keith Min, Vice President, Data & Analytics

In Q1 2025, the lending of APAC equities bolstered revenue for the rest of the securities finance market by reporting a 29% increase in year-over-year revenue of \$569 million. Driven by 20% rise in average fee and a 9% increase balances, the region's growth in the lending markets proved to be extraordinary as one of its major markets, South Korea, had a short selling ban in place. But on March 31, the ban was lifted and equity lending for APAC's third largest market by revenue, pre-short selling ban, is back in focus. With the first week of trading as a guide, here is what we can expect from the equity lending market with over \$128 billion in lendable assets.

Comparing the Recent Bans

When the COVID-related ban was partially lifted in mid-2021, market sentiment for Korean equities was high. The "Donghak Ant Movement" - a surge in retail investment in tech stocks - combined with low interest rates from the Bank of Korea and strong global chip demand for semiconductors, drove the KOSPI Composite Index to unprecedented levels. These conditions presented opportunities for short sellers, even though short selling remained limited to large cap securities. The securities finance market immediately returned to pre-ban balances of \$10 billion but the average fee of 311 bps trailed its pre-ban benchmark of 400 bps.



Today's global market sentiment paints a very different picture. With tariff wars initiated by the U.S., weakening chip demand, political instability with a recent call to Martial Law and significantly higher interest rates, the short selling market is primed for a major comeback. With new controls and monitoring to curb naked short selling, the initial week of short selling activity brought \$4.38 billion USD in short activity according to the Korea Exchange. During the short time frame, the highly correlated securities finance market's average fee returned to pre-ban levels in the 250-bps range. While the finance market's balance of \$12 billion is still growing, we expect this to match and exceed November 2023's figure of \$19 billion USD within the next few months if current market conditions continue.





Figure 1. Average Fee and On Loan Value for Korean Equities since 2023

Top 2 Earners, Same Exposure

Battery-related companies were in heavy focus once the ban was lifted as the top three earners for the week shared identical fee and utilization changes. The industry has been facing major headwinds as the demand for electric vehicles declined, and the rising costs for raw materials, such as nickel, tapered profitability resulting in reduced forecasts.

LG Energy Solution (373220 KS) generated the most revenue in the Korean equity lending market, lendable supply remained highly utilized with over 3.7 million shares on loan but throughout the week,

the average fee for existing loans rose from 700 bps to just over 1,000 bps, drastically increasing the cost to short the security.

Similarly, POSCO Future M (003670 KS) observed a similar trend with the average fee across open positions increasing from 1,300 bps to 1,450 bps at the end of the week. With over 70% of inventory already on loan, rates are bound to escalate further as new short positions arise.

Security Description	TICKER	Fee All (BPS)	1 Week Revenue (USD)
LG ENERGY SOLUTION LTD	373220 KS	1,031	1,628,983
POSCO FUTURE M CO LTD	003670 KS	1,451	684,835
ECOPROBM CO.LTD	247540 KS	999	516,432
ECOPRO CO LTD	086520 KS	685	380,372
POSCO DX COMPANY LTD	022100 KS	2,187	231,050

Figure 2. Top Five Earners for Korean Equities from March 28th to April 4th

Largest Increases in Active Utilization

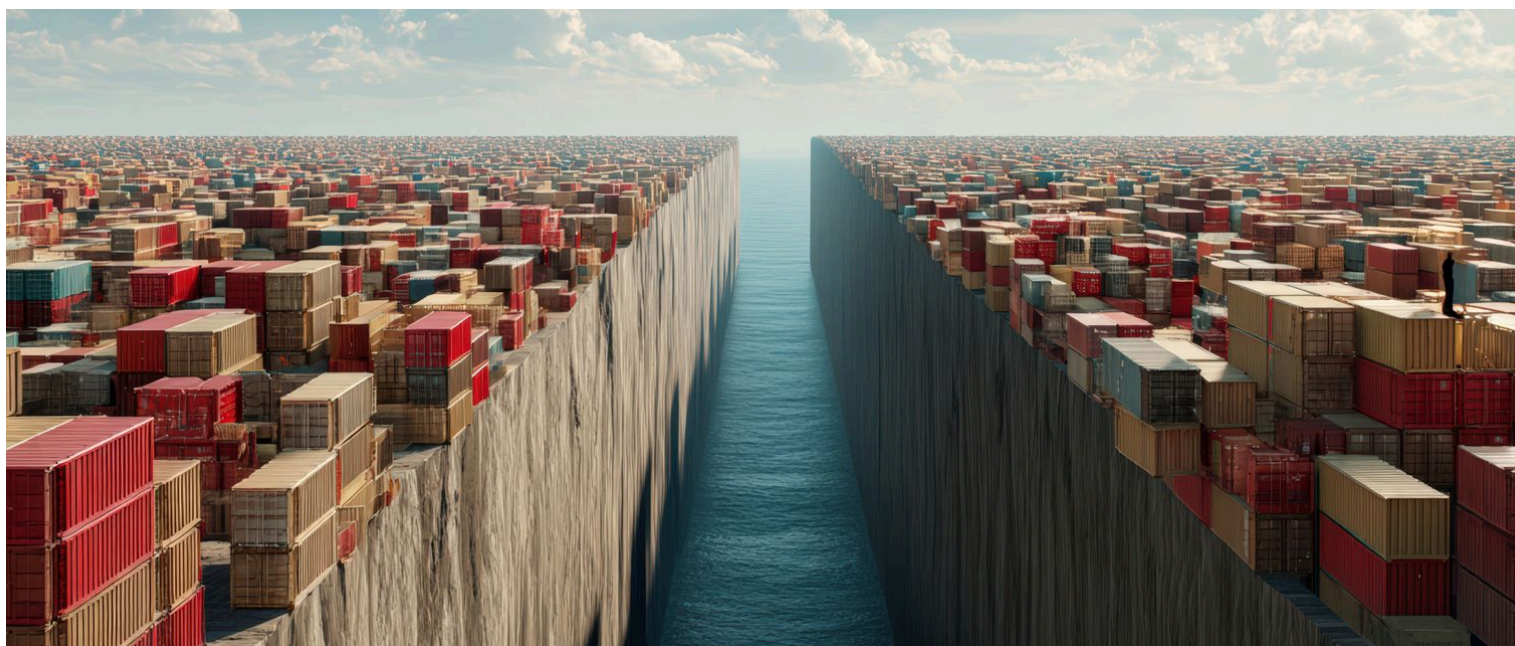
Once the ban was removed, Doosan Robotics (454910 KS) jumped in active utilization from 47% to 87% in a single day. The South Korean company specializing in collaborative robots for industrial applications has not reported a profit since its inception in 2015, while reporting a 13% decline in revenue year-over-year. Additionally, a failed merger with an “undervalued” Doosan Bobcat raised investor concerns for both companies’ corporate governance structure. The drastic increase in loan quantity from 336,945 on March 28 to 587,958 on March 31 suggests that short sellers have been patiently waiting to place their positions despite shares being down 40% since mid-February.

Cosmo Advanced Materials & Technology Co (05070 KS), a manufacturer and distributor of battery-related materials, observed a 34% increase in active utilization from 9% to 44% over the first week since the ban. As with the top two earners, the company faces sector headwinds with declining EV demand and increasing raw material costs, which saw its stock price fall by 26% since the beginning of the year. Shares are still available within the securities finance market but with other battery-related companies fully utilized, Cosmo Advanced Materials & Technology should expect increased demand as shorts pivot to similar securities within the same sector.

Security Description	TICKER	Apr 4th Active Utilization (%)	Mar 28th Active Utilization (%)	Diff (%)
DOOSAN ROBOTICS INC.	454910 KS	94.36	47.02	47.34
COSMO ADV MATERIALS & TECHNOLOGY CO	005070 KS	43.72	9.25	34.48
ISU SPECIALTY CHEMICAL CO. LTD.	457190 KS	47.9	20.95	26.95
HANA MICRON INC	067310 KS	48.6	27.29	21.31
HPSP CO LTD	403870 KS	30.76	10.83	19.93

Figure 3. Top Five Utilization Increase for Korean Equities from March 28th to April 4th with a Loan Value greater than \$10 Million

Just five years ago, equities in the APAC region accounted for 27.5% of the total equity revenue of Q1 2020. In the first quarter of 2025, that market share increased by just under 7% to 34.3% of total equity revenue. With all major markets experiencing volatility, the full return of short selling should bolster the Korean and APAC securities lending markets to new levels for the industry.



By EquiLend

1. 2019年12月31日，甲公司“应付账款”科目所属各明细科目期末贷方余额如下：应付账款—A公司100万元，应付账款—B公司200万元，应付账款—C公司150万元，应付账款—D公司80万元。甲公司2019年12月31日资产负债表“应付账款”项目期末余额为（ ）万元。
 A. 530
 B. 430
 C. 330
 D. 230



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