



INSIDE THE FINANCING MARKETS

THE PURPLE

BY  **EQUILEND**

EQUILEND DATA & ANALYTICS
Q1 2026 IN REVIEW

ISSUE 22

SECURITIES FINANCE

Q1 2026 REVENUE

GLOBAL

3,841,359,040

+31% YOY

AMERICAS

Lender-to-Broker

1,555,148,051 **+20% YOY**

Broker-to-Broker

556,338,621 **+15% YOY**

EMEA

Lender-to-Broker

558,430,363 **+42% YOY**

Broker-to-Broker

121,455,140 **+56% YOY**

ASIA PACIFIC

Lender-to-Broker

884,128,790 **+48% YOY**

Broker-to-Broker

165,858,074 **+129% YOY**

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

Executive Summary



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Q1 has come and gone — and what a quarter it was.

2025 was a record-breaking year for securities finance, with total revenue reaching \$15.3 billion and \$11.72 billion generated on behalf of beneficial owners. That momentum has carried powerfully into 2026: Q1 delivered \$3.84 billion in total revenue, a 31% increase over Q1 2025. Dive into the full breakdown of what's driving performance in our Securities Finance Market Review: Q1 2026.

We're also excited to share a significant evolution in how we bring the market to life. Inside the Financing Markets: The Purple, now incorporates NGT data flows into our market update providing a direct lens into the flows crossing securities finance's leading trading platform. It's a richer, sharper picture of how the market is really moving.

For those who want our insights beyond this digest, our specialized securities finance and short interest research is now available directly on your Bloomberg Newsfeed (NH EQE). Several times a week, we publish market flashes highlighting the biggest movers, emerging stories, and the trends worth watching — delivered straight to the terminal you're already in. If you haven't checked it out yet, search NH EQE and subscribe today.

And finally, Iran. The conflict has put specific securities and markets firmly in the spotlight. Our article Epic Fury, Meet Furious Shorts: Bears Waste No Time Piling In, features a deep dive into the names and dynamics under pressure. It's essential reading for anyone tracking risk and opportunity in today's environment.

As always, thank you for your continued support of Inside the Financing Markets: The Purple. We hope this issue gives you the insight and edge you need.



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AMERICAS

Figures displayed represent lender to broker activity only from Jan 1 to Mar 31 2026. Deltas represent year on year change. All currency values are in USD and fees in bps.

Lendable

\$35.36 Trillion +15.8%

On Loan

\$2.40 Trillion +24.0%

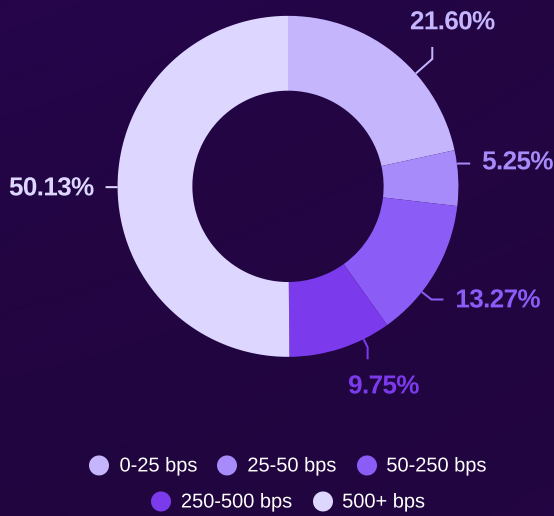
Revenue

\$1.56 Billion +19.7%

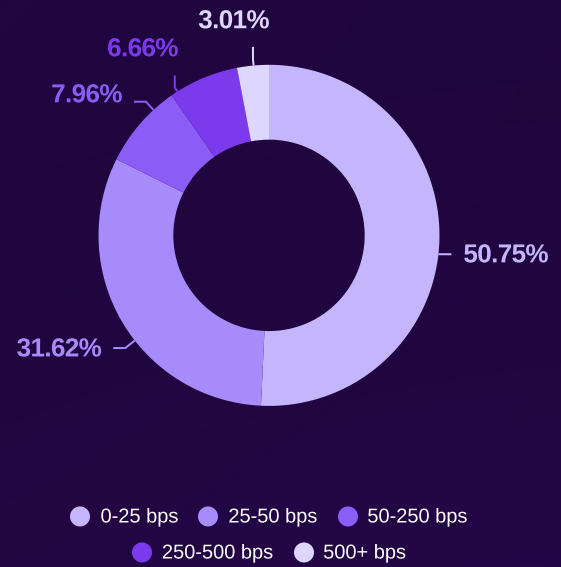
Fee

24.30 bps -3.2%

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	47,791,953
LUCID GROUP INC COM CL A (P/S)	29,240,569
ISHARES TRUST IBOXX USD INVST GRADE CORP	17,845,155
NANO NUCLEAR ENERGY INC COM	17,735,107
ISHARES TRUST IBOXX USD HIGH YILD CORP BD	15,817,328
IMMUNITYBIO INC COM	14,389,404
NEW FORTRESS ENERGY INC COM	13,440,772
SHIFT4 PAYMENTS INC COM CLASS A	11,248,503
ENBRIDGE INC COM NPV	10,071,089
GREENWICH LIFESCIENCES INC COM	10,038,409

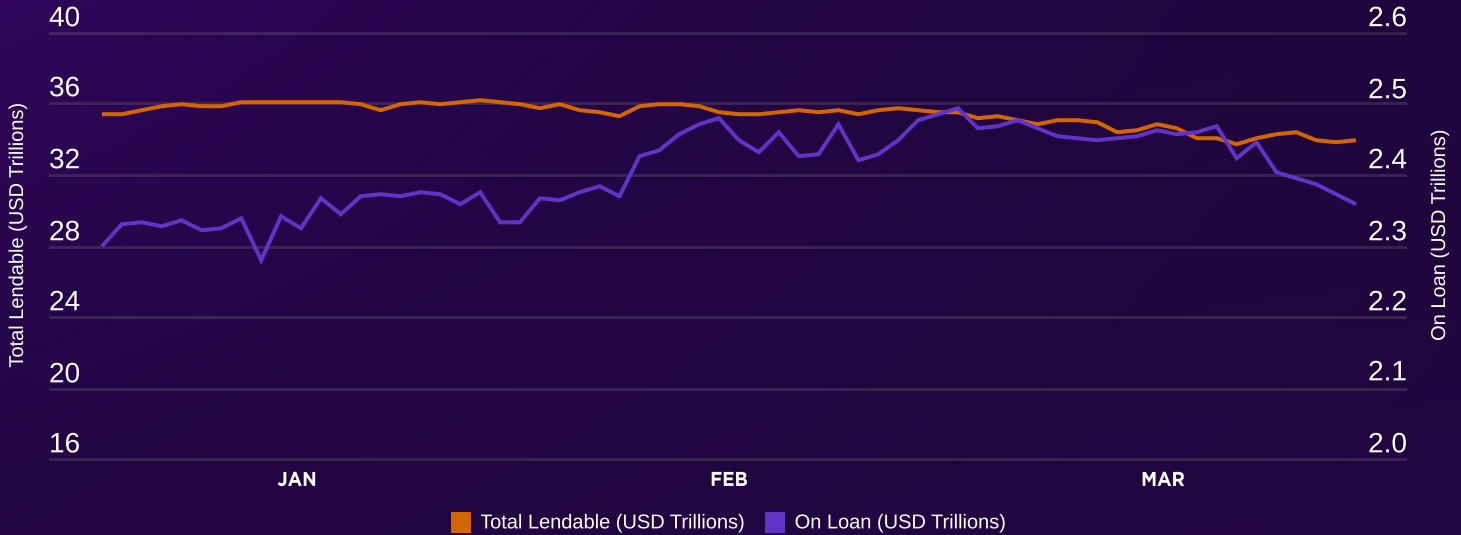
Top Corporate Debt Earners

Security	Revenue (USD)
TRONO 4.625% 15/03/29	2,716,216
CELAN 6.75% 15/04/33	2,690,905
CHAMP 8.75% 15/02/2029	2,218,265
CAESA 6% 15/10/32	1,649,778
COMCA 6.05% 15/05/55	1,274,543
ACADI 7.375% 15/03/33	1,254,487
CABLE 4% 15/11/30	1,203,552
CONCE 6.6% 02/08/2028	1,169,499
FMC C 5.65% 5% SNR 18/05/33	1,157,671
COMCA 5.3% 15/05/2035	972,616

AMERICAS

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On Loan vs. Lendable



Top Sectors By Revenue

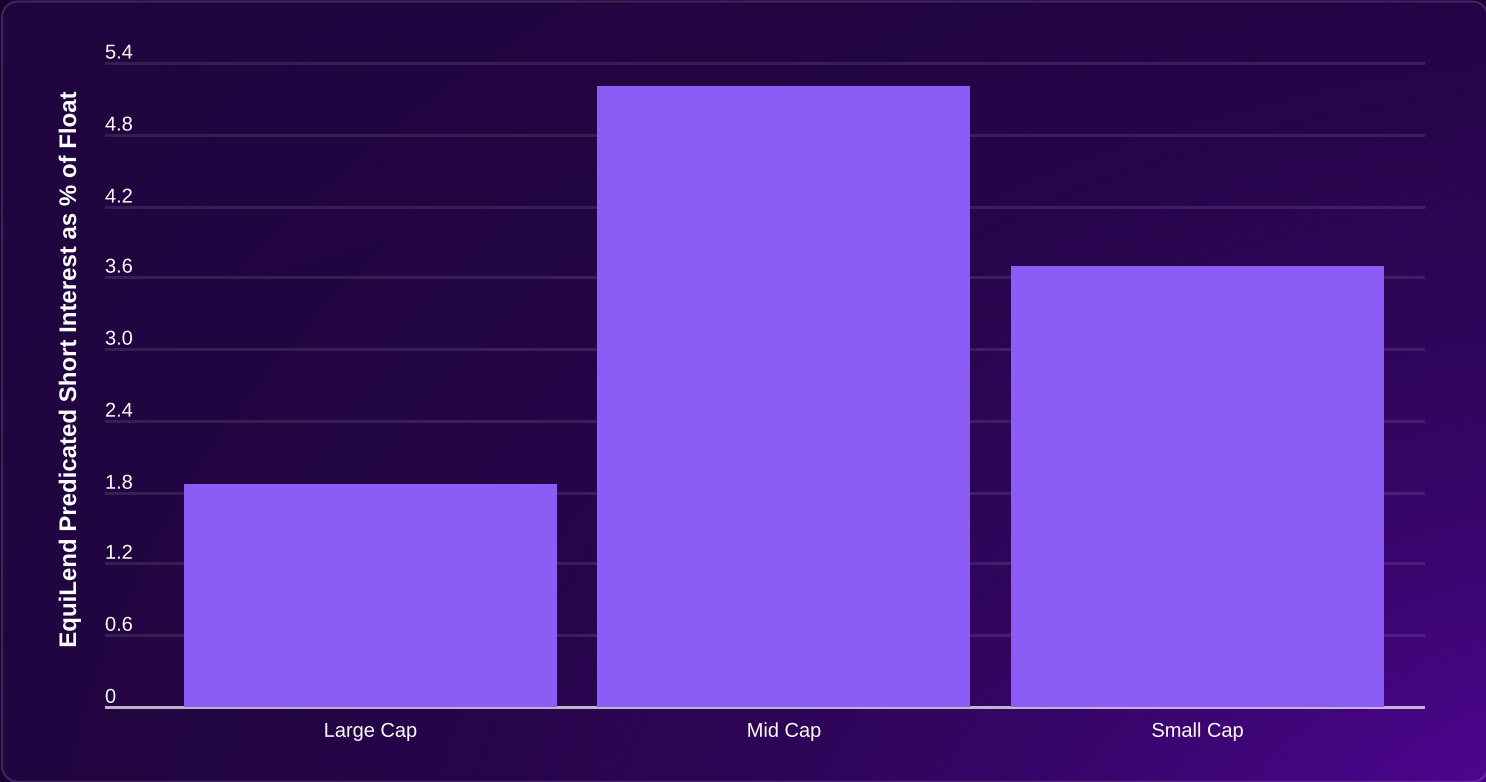
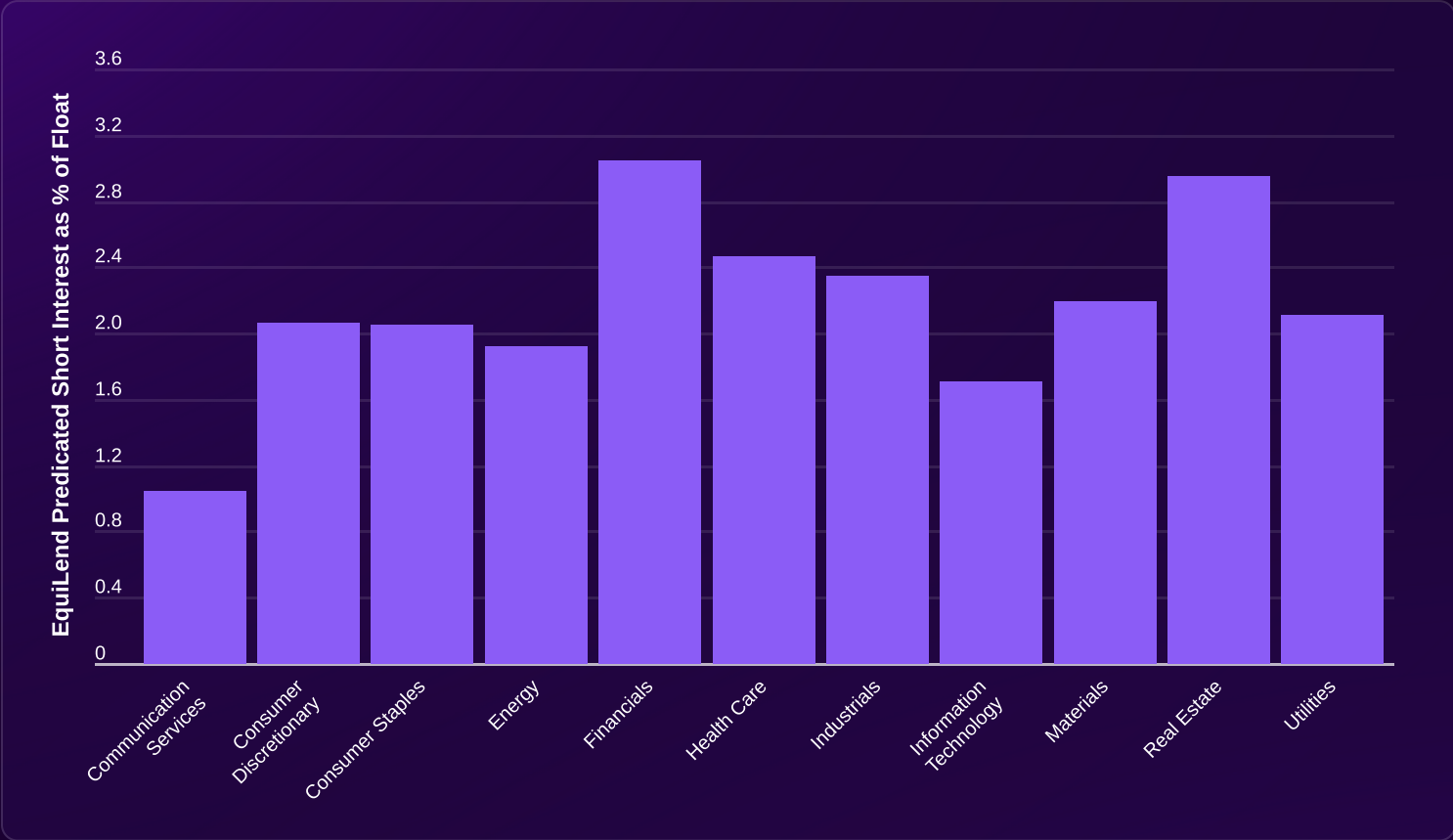
Information Technology	Health Care	Financials	Consumer Discretionary	Energy	Industrials
\$176.12M	\$124.14M	\$109.86M	\$104.45M	\$85.53M	\$84.08M
\$175.49B	\$97.52B	\$132.70B	\$112.99B	\$66.86B	\$119.88B
39.26	51.17	33.13	36.70	53.44	27.28

Market Breakdown

EQUITY	Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
	UNITED STATES	\$26.93T	16.0%	\$968.89B	38.5%	38.65	-13.9%	\$946.14M	19.9%
	CANADA	\$1.20T	48.7%	\$62.07B	33.5%	64.49	-17.2%	\$94.00M	6.3%
	LATIN AMERICA	\$49.60B	41.3%	\$3.38B	26.0%	176.43	12.4%	\$14.63M	39.6%
FIXED INCOME	Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
	UNITED STATES	\$5.90T	10.7%	\$1.23T	16.7%	11.86	9.5%	\$454.37M	24.4%
	CANADA	\$1.04T	15.1%	\$127.28B	2.0%	10.80	-3.0%	\$34.72M	-0.4%
	LATIN AMERICA	\$245.76B	-3.1%	\$14.47B	8.8%	29.94	-10.6%	\$11.29M	-3.8%

United States Equities Short Interest

Q1 2026 - US Equities



EMEA

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Lendable

\$7.00 Trillion **+19.1%**

On Loan

\$753.33 Billion **+31.4%**

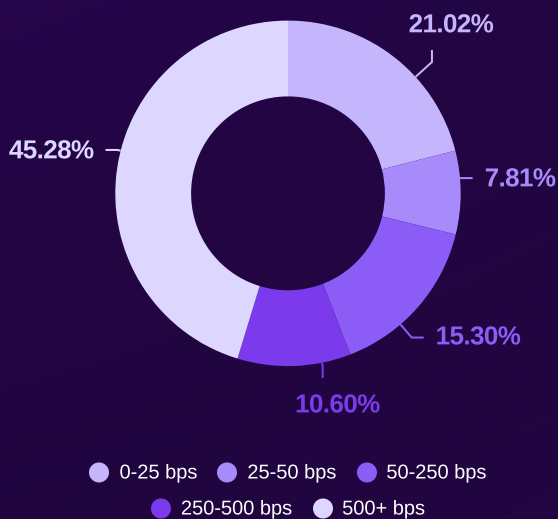
Revenue

\$558.43 Million **+42.4%**

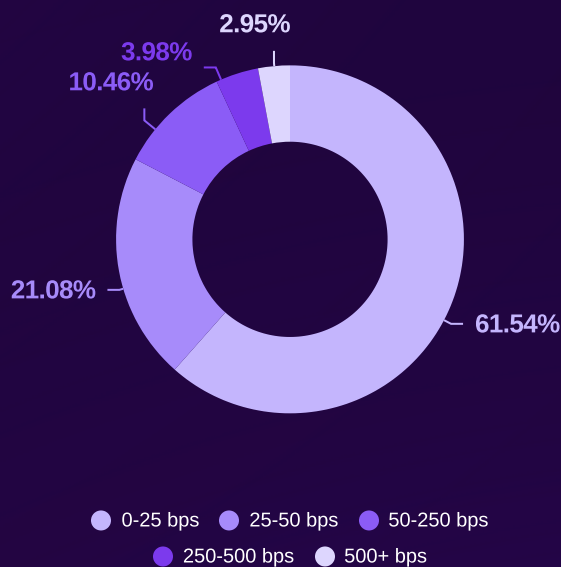
Fee

29.55 bps **+9.1%**

Equity Revenue By Fee Band



Fixed Income Revenue by Fee Band



Top Equity Earners

	Security	Revenue (USD)
	SWEDBANK AB SER'A'NPV	12,631,035
	SVENSKA HANDELSBANKEN AB SER'A'NPV	10,539,086
	MODIVO SA	9,751,079
	IBERDROLA SA	9,696,589
	ISHARES IV PLC MSCI CHINA A UCITS ETF USD	8,973,928
	SKANDINAVISKA ENSKILDA BANKEN SER'A'NPV	4,905,210
	2CRSI SA	3,826,301
	NORDEA BANK ABP NPV	3,800,296
	A.P. MOLLER - MAERSK SER'B'	3,478,022
	HG CAPITAL TRUST PLC ORD	3,086,973

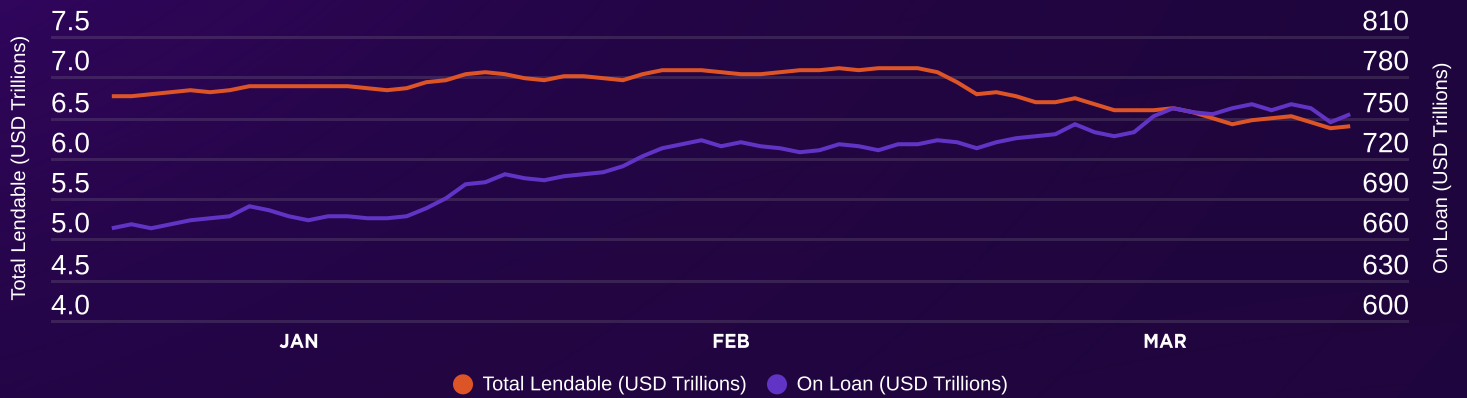
Top Corporate Debt Earners

	Security	Revenue (USD)
	WORLD 4.125% 12/09/2028	1,278,863
	WORLD 5.5% 10/06/30	1,012,236
	CONSO 5.625% 15/10/28	724,544
	ADLER 9.5% 01/04/2027	589,443
	WORLD 5.25% 27/11/29	567,567
	SES S 5.5% 12/09/2054	539,738
	BELLI 8% 01/07/31	527,661
	TELEP 4.25% 21/01/30	513,491
	MEDIQB 12/31 EUR	512,798
	TELEP 5.75% 22/11/31	478,427

EMEA

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On Loan vs. Lendable



Top Sectors By Revenue

Financials	Industrials	Consumer Discretionary	Materials	Health Care	Information Technology
\$63.30M	\$57.97M	\$36.46M	\$31.30M	\$26.63M	\$21.87M
\$44.12B	\$47.19B	\$24.80B	\$20.62B	\$23.32B	\$11.51B
55.35	49.55	59.36	60.76	46.79	77.23

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

Market Breakdown

EQUITY	Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
	Sweden	\$234.88B	29.6%	\$24.55B	58.5%	88.54	21.5%	\$56.48M	77.0%
	United Kingdom	\$1.22T	27.0%	\$43.90B	32.5%	45.07	28.3%	\$48.89M	63.9%
	Germany	\$489.80B	15.6%	\$29.48B	29.5%	50.73	28.0%	\$36.82M	64.4%
	France	\$673.81B	14.5%	\$26.70B	29.1%	49.56	19.9%	\$32.68M	54.4%
	Switzerland	\$535.94B	20.2%	\$31.54B	54.5%	32.66	-24.3%	\$25.33M	12.0%
	FIXED INCOME	Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue
France		\$396.30B	10.8%	\$127.01B	27.3%	19.76	-9.7%	\$64.09M	17.4%
United Kingdom		\$644.67B	12.4%	\$128.03B	36.7%	15.48	-9.0%	\$51.01M	28.6%
Germany		\$302.29B	-1.3%	\$79.81B	26.8%	16.65	-5.2%	\$33.97M	21.8%
Luxembourg		\$125.75B	-1.1%	\$32.82B	20.6%	14.63	-24.8%	\$12.59M	-6.1%
Italy		\$149.39B	8.7%	\$31.39B	18.5%	13.06	-15.1%	\$10.14M	0.5%

ASIA PACIFIC

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Lendable

\$4.43 Trillion **+30.8%**

On Loan

\$402.72 Billion **+45.0%**

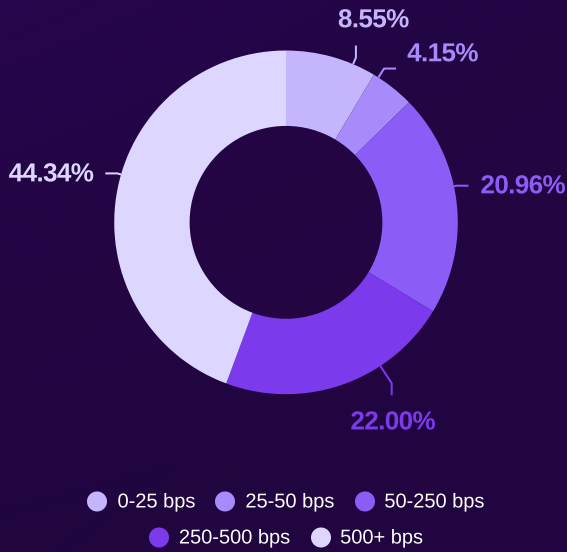
Revenue

\$884.13 Million **+47.8%**

Fee

88.66 bps **+3.2%**

Equity Revenue By Fee Band

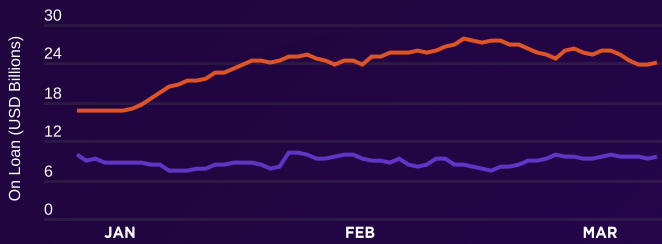


Equity Revenue By Fee Band

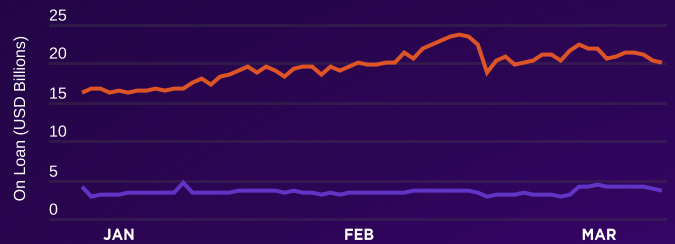
Security	Revenue (USD)
CONTEMPORARY AMPEREX TECHNOLOGY CO H SHS	11,333,185
GIANT BIOGENE HLDG CO. LTD	8,777,336
CHINA VANKE CO. LTD 'H'	6,816,896
HANMI SEMICONDUCTOR CO LTD	6,531,284
LG ENERGY SOLUTION LTD	6,515,446
SUNAC CHINA HLDGS	6,293,477
AUO CORPORATION	5,800,985
MINIMAX GROUP INC A	5,486,532
EVERGREEN MARINE CORP(TAIWAN)	5,012,943
GLOBALWAFERS CO LTD	4,436,588

Offshore vs. Onshore Loan Balance

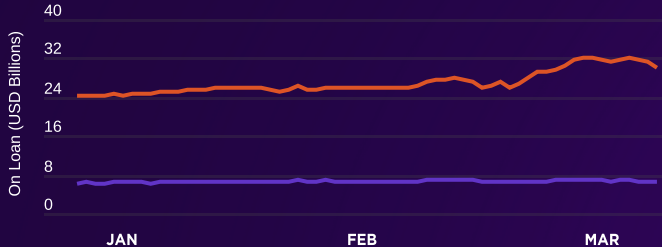
Australia



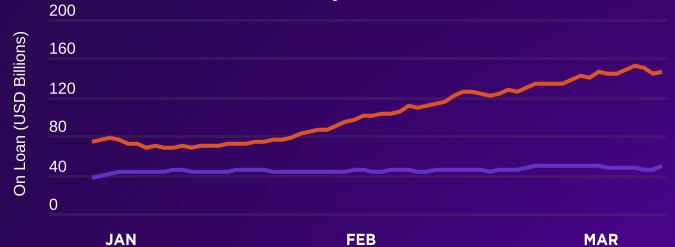
Korea



Taiwan



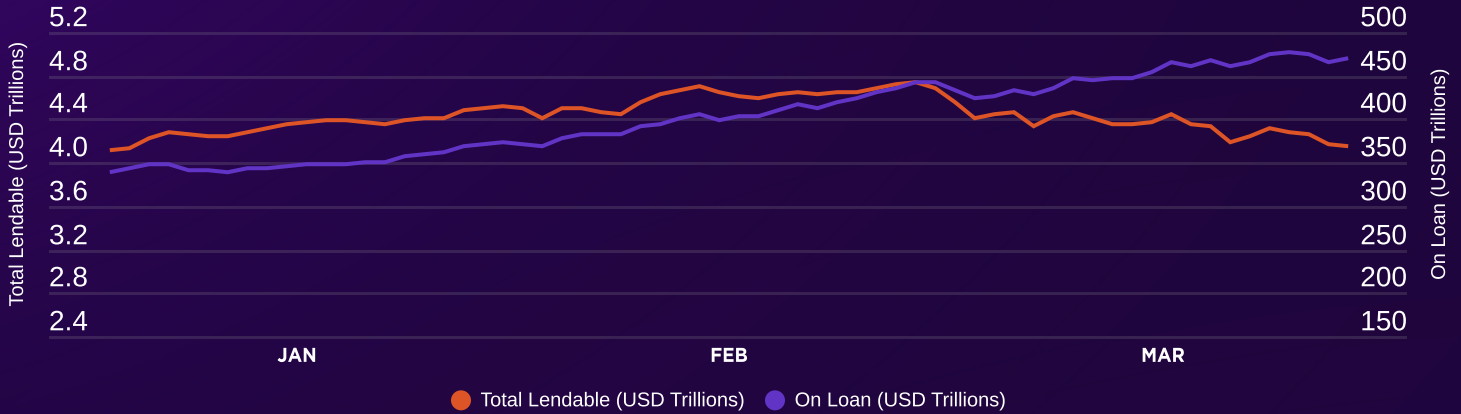
Japan



ASIA PACIFIC

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On Loan vs. Lendable



Top Sectors By Revenue

Information Technology	Industrials	Consumer Discretionary	Health Care	Materials	Consumer Staples
\$265.53M	\$170.63M	\$86.52M	\$65.76M	\$60.60M	\$54.37M
\$58.07B	\$58.87B	\$45.29B	\$19.97B	\$31.46B	\$18.11B
185.38	117.44	77.40	132.92	77.81	122.75

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

Market Breakdown

Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
Taiwan	\$336.82B	44.9%	\$33.71B	40.4%	273.09	-11.3%	\$227.26M	24.2%
Japan	\$1.83T	32.4%	\$151.02B	19.2%	58.32	-2.1%	\$216.17M	14.9%
Hong Kong	\$708.33B	28.8%	\$67.96B	121.8%	116.65	-29.9%	\$195.28M	55.2%
Korea, Republic of	\$285.59B	114.5%	\$23.14B	330.6%	241.61	96.7%	\$138.17M	723.8%
Australia	\$660.11B	22.3%	\$33.62B	58.4%	40.97	3.1%	\$35.49M	60.5%
Malaysia	\$14.83B	19.8%	\$1.38B	53.8%	532.72	-5.8%	\$18.04M	43.8%
Thailand	\$24.23B	6.1%	\$2.38B	12.8%	208.59	-32.9%	\$12.23M	-24.8%
Singapore	\$87.67B	29.3%	\$2.91B	7.1%	64.01	25.6%	\$4.62M	34.8%

Epic Fury, Meet Furious Shorts:

Bears Waste No Time Piling In

When the U.S. and Israel began strikes on Iran on February 28th, 2026, it triggered what the International Energy Agency has since described as the “greatest global energy security challenge in history”. The near-total closure, followed by a blockade of the Strait of Hormuz, a narrow chokepoint through which roughly 20% of global oil supply and one-fifth of all LNG trade flows, did more than push Brent crude above \$100 per barrel. It sent shockwaves through trading desks worldwide, reshaping borrowing patterns, driving elevated short interest in some of the market’s most prominent names, and exposing fault lines across sectors ranging from jet fuel to solar panels.

For securities lending participants, the conflict has created something rare: a fast-moving, multi-sector short-selling event driven by a single geopolitical catalyst. Our data across energy, airlines and utilities, tells a consistent story of rising valuations met with disciplined, tactical short positioning. This leads to a simple question every desk should be asking; are the shorts right?



Energy:

The Infrastructure Trade and the Bet Against It

Few sectors have been re-rated as quickly and dramatically as oil and gas storage and transportation since hostilities began. As seaborne crude routes were disrupted and domestic North American infrastructure surged in strategic value, midstream operators and tanker names saw their equity valuations climb sharply. Our securities finance data tells the full story of rising prices, rising loan quantities, and a short-selling community making a very specific bet that the conflict ends quickly, and the premium evaporates with it.



ONEOK (OKE), a diversified energy company with a focus on natural gas, is the clearest illustration of this dynamic. At the start of the year, OKE was trading around \$73–74 per share with approximately 26.2 million shares on loan and utilization sitting at 9.68%. As the conflict escalated through February and into March, the stock climbed steadily reaching \$92.96 by March 30 a gain of roughly 27% from January 1. This price rally saw shares on loan surge to over 51.8 million by mid-March representing a near-doubling of short interest from the start of the year with utilization climbing to 19.02%.

If the Strait of Hormuz reopens and U.S. domestic midstream infrastructure loses its scarcity premium, the stock gives back a meaningful portion of its gains. As ongoing ceasefire talks trigger an immediate relief rally across risk assets and send oil prices lower, these shorts may be well-positioned in the near term.

International Seaways (INSW), a marine shipping company with a focus on crude oil, presents an equally compelling data picture, but from the tanker side of the trade. INSW, one of the largest U.S.-flagged crude tanker operators, was a direct beneficiary of route disruption and surging spot rates on vessels operating outside the Persian Gulf. The stock moved from approximately \$48–55 per share in early January to a peak above \$76 in late February and early March, as the conflict intensified, representing a gain of over 40% at its high. Shares on loan climbed from roughly 1.4 million at the onset of the conflict to over 2.5 million by late March. The loan value itself surged from approximately \$117 million at the start of the year to over \$156 million by late March, reflecting both higher share prices and elevated borrow demand.

As with OKE, the short thesis is not a fundamental rejection of the business, it's a duration call. Tanker rates are acutely sensitive to geopolitical risk premiums. If the conflict de-escalates and Hormuz flows normalize, the spot rates that have underpinned INSW's valuation will compress rapidly. Shorts in this name are, in effect, selling the ceasefire trade before it happens.



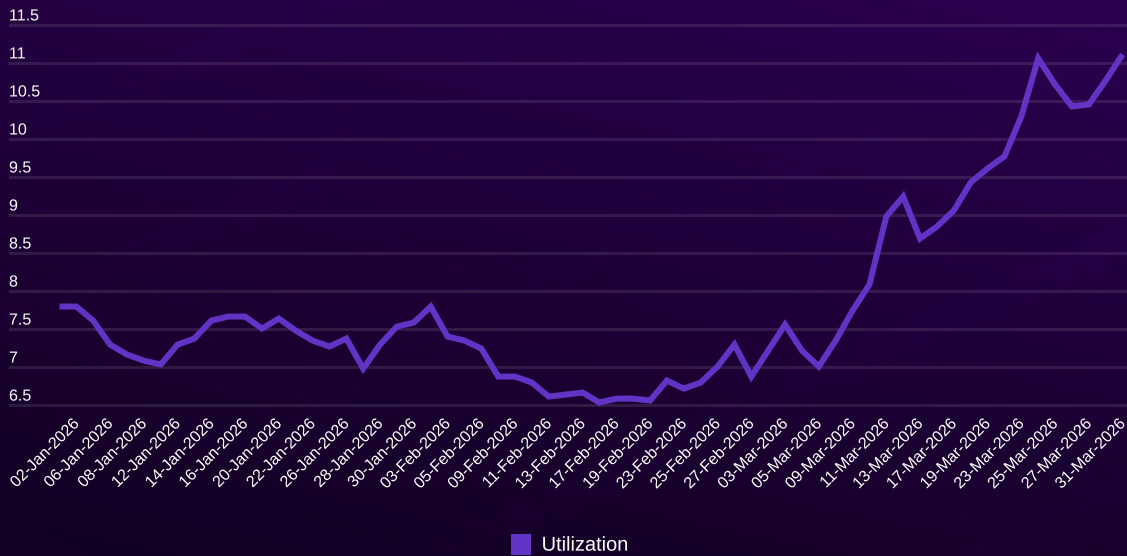
Turbulence at **35,000 Feet:**

Airlines Feel the Heat of Rising Jet Fuel Costs

Few sectors wear the fingerprints of geopolitical disruption quite as visibly as commercial aviation. When conflict ignites in oil-producing regions, the knock-on effect moves swiftly through the supply chain and lands squarely on the airline industry's single largest operating cost: jet fuel. With Brent crude spiking amid escalating Iran tensions, the short-selling community has responded with conviction, and our data makes the scale of that conviction impossible to ignore.

At the aggregate level, utilization across all passenger airlines rose from 7.8% at the start of January to 11.1% by the end of March, a jump of 3.3% over just one quarter. That rate of increase is significant as it reflects not merely opportunistic short selling in one or two names, but a coordinated, broad-based conviction trade against the sector.

Airline Utilization



At the security level, the moves are even more striking. American Airlines (AAL) has seen shares on loan surge 228% to over 53 million, with its leveraged balance sheet leaving it acutely exposed to margin compression at current crude levels. Delta (DAL) and Alaska Airlines (ALK) round out the domestic picture, each seeing loan quantities roughly double over the quarter, reflecting a broad-based conviction trade across U.S. legacy carriers.

The pressure is equally acute internationally. EasyJet (EZJ LN) leads the pack with a staggering 3,340% increase in shares on loan over the period. Norwegian Air (NAS NO) tells a similar story with loan quantities up 1,407%, reflecting acute pressure on a carrier with limited balance sheet buffer to absorb a prolonged fuel shock. Japan Airlines (9201 JP) has seen loan quantity growth of 853%, pointing to deeply convicted short positioning in the Asia-Pacific market. Lufthansa (LHA GR) rounds out the international picture with borrowing activity up 314%, as European carriers face the dual burden of fuel cost inflation and potential airspace rerouting costs tied to the conflict.

Ticker	Security	Loan Quantity - Jan 1	Loan Quantity - 31 Mar	% Change
EZJ LN	easyJet	1,739,784	59,852,218	3340%
NAS NO	Norwegian Air Shuttle	2,536,896	38,241,916	1407%
9201 JP	Japan Airlines	2,866,597	27,331,421	853%
LHA GR	Lufthansa	12,665,022	52,410,589	314%
AAL	American Airlines	16,198,991	53,175,115	228%
QAN AU	Qantas Airways	4,803,843	14,099,842	194%
DAL	Delta Airlines	11,582,933	23,772,259	105%
AIR NZ	Air New Zealand	9,112,728	18,503,671	103%
ALK	Alaska Airlines	7,902,947	15,615,682	98%
UP	Wheels Up Experience	8,740,102	16,681,362	91%

Utilities: The Safe Harbor Under Siege

Utilities have long served as the market's security blanket; the sector investors flee to when geopolitical storms darken the horizon. Traditionally characterized by stable dividends, regulated revenue streams, and inelastic demand, utilities should be thriving right now. On the surface, that holds true, but beneath the calm, securities finance data tells a more complicated story.

NextEra Energy (NEE), the largest U.S. utility by market cap, has seen its shares climb as high as over \$95, up 18%, reflecting investor appetite for defensive exposure. At the same time, loan quantities have climbed steadily through Q1 2026 from a low of 15.2 million to as high as 42 million shares. The market is simultaneously buying the safety narrative while betting against the valuation stretched by it.

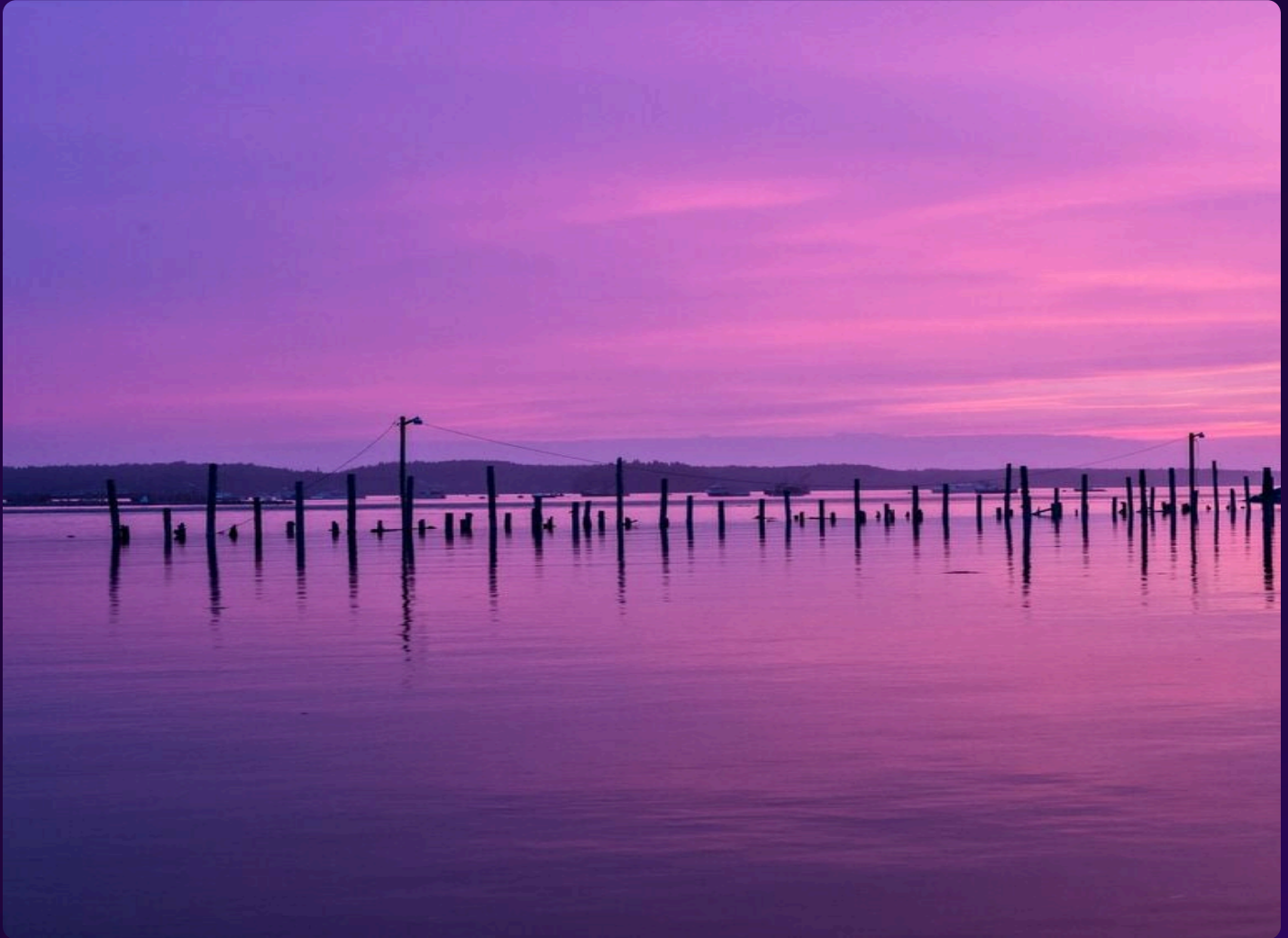
Xcel Energy (XEL) tells a similar tale. With shares trading in the low \$80s, up almost 15%, and a market cap approaching \$52 billion, XEL has seen loan quantities surge, peaking at 31 million shares on loan as of late March, up from a low of 10 million in mid-February.

The Bottom Line

The Iran conflict has handed the securities finance market one of its most active short-interest environments in years. Across energy infrastructure, aviation, and utilities, the pattern is consistent: rapid valuation moves driven by geopolitical fear, met with disciplined short selling positioned for a return to normalcy. The shorts are wagering that when a ceasefire holds, the Strait reopens and the risk premium deflates.

Bridging the Short Interest Gap:

EquiLend's Predicted Short Interest Now Live!



Market turbulence has a way of exposing what's signal and what's noise. Two months ago, amid heightened market volatility, EquiLend's Predicted Short Interest went live and with multiple reporting cycles now closed, we now have our first real opportunity to evaluate how those early estimates stack up against subsequently released exchange and FINRA data.

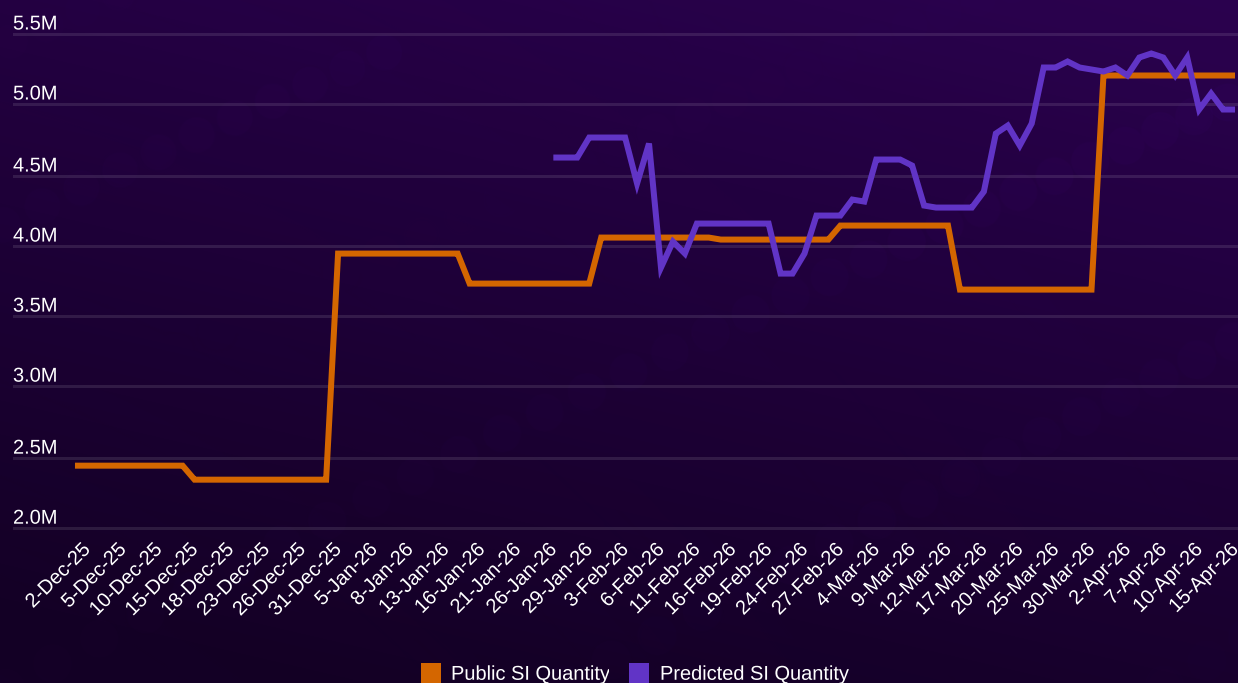
What follows revisits a cross-section of names where Predicted Short Interest flagged meaningful changes in positioning well before they became visible to the broader market. From stressed micro-caps to rebounding cyclicals and pressured large-cap software, these examples highlight how the metric has cut through volatility surfacing crowding, conviction, and risk inflection points ahead of traditional disclosures. This is not about hindsight or calling tops and bottoms; it is about whether early visibility into positioning provided a clearer read on market dynamics when it mattered most.

Cango Inc. (CANG): Early Indication of Short Accumulation in a Distressed Name

Cango Inc. is a Shanghai-based company that has undergone multiple business model transitions in recent years. Originally focused on automotive services, the firm pivoted to Bitcoin mining in late 2024 and, in April 2026, announced plans to liquidate its Bitcoin holdings and reorient toward AI infrastructure through its EcoHash subsidiary. These strategic shifts have coincided with significant financial deterioration.

The company reported a net loss of \$622 million dollars in 2025, primarily driven by impairment charges related to mining equipment and fair value losses on Bitcoin holdings. The stock is down approximately 65% year-to-date and is subject to NYSE delisting risk after trading below one dollar for more than 30 consecutive sessions. Together, these factors place the company firmly in the distressed equity category.

Against this backdrop, Predicted Short Interest estimated 5.25 million shares short on March 24th, shortly after the company's Q4 2025 earnings call. When public short interest data was later released on April 10th for a March 31st settlement date, reported short interest was 5.21 million shares. The proximity between the predicted estimate and the disclosed figure suggests that short positioning had already reached elevated levels well before being reflected in public data. From a research standpoint, this example demonstrates that Predicted Short Interest can provide an earlier view of positioning buildup in distressed situations, where price weakness alone may not fully convey the extent of negative positioning.

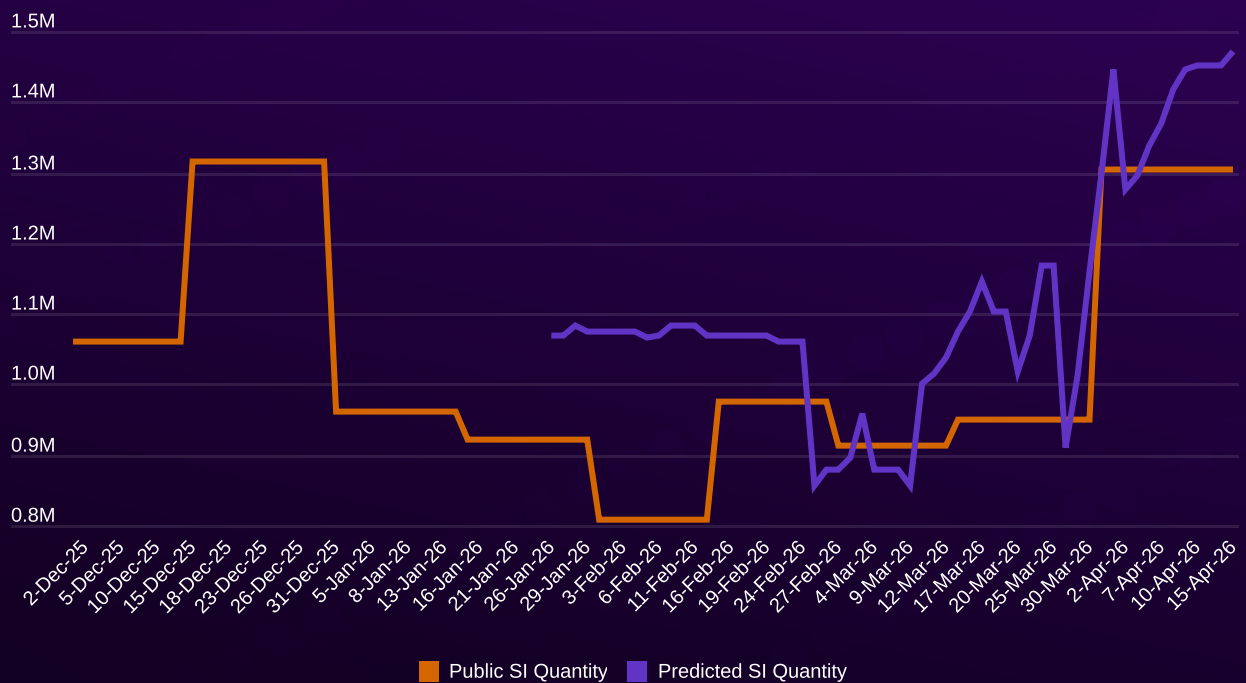


SPX Technologies (SPXC): Rising Shorts in a Midcap AI Exposed Industrial

SPX Technologies represents a midcap industrial case study, highlighting how Predicted Short Interest can surface hedging activity even amid strong fundamental performance. The company focuses on HVAC and infrastructure systems, with meaningful exposure to secular growth areas such as data center cooling, pharmaceutical facilities, and industrial process solutions.

Shares of SPX Technologies have risen approximately 66% over the past year, supported by consistent double-digit earnings and revenue growth as AI-driven infrastructure investment has lifted demand across the sector. Despite this performance, short sellers have increasingly targeted AI-adjacent industries in recent months, reflecting a broader shift toward relative value and thematic hedging.

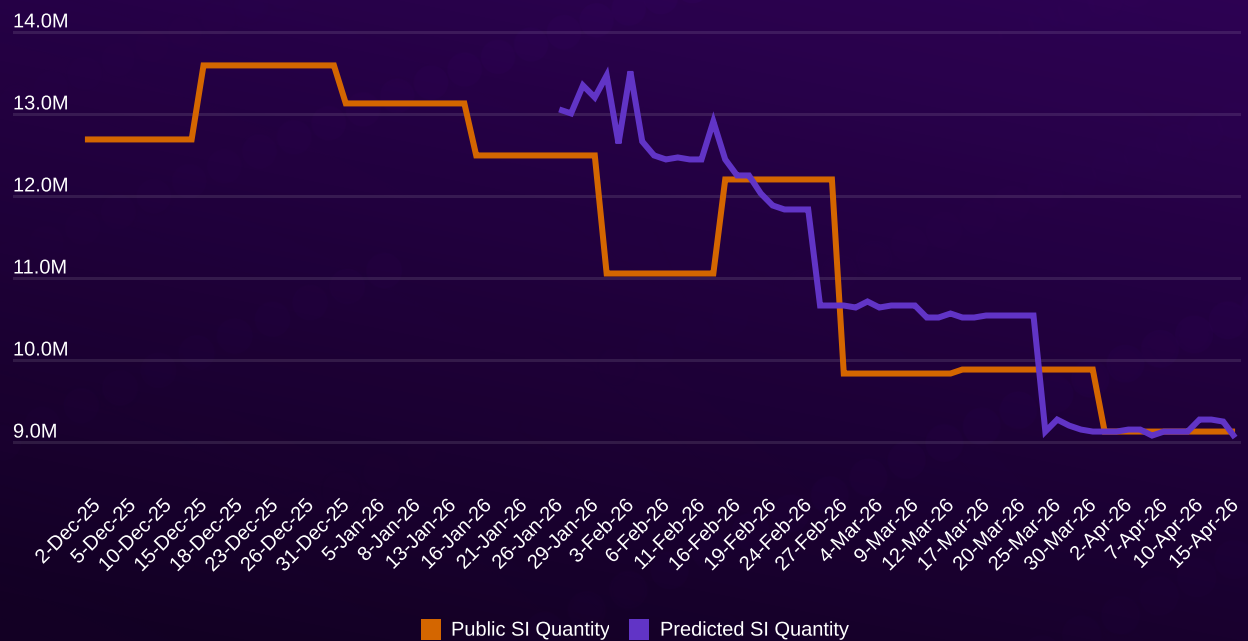
Reported short interest in SPX Technologies increased 37% over the latest reporting period, rising from 949,896 shares on March 13th to 1,304,624 shares on March 31st. EquiLend's Predicted Short Interest model had already captured this increase, estimating 1.30 million shares short as of March 31st, approximately ten days before the official data became publicly available. This case illustrates how Predicted Short Interest can provide early insight into emerging hedging and positioning trends, even in stocks with strong price momentum and favorable fundamentals.



Seagate Technology (STX): Identifying Short Covering During Sustained Price Strength

Seagate Technology provides a contrasting case, illustrating how Predicted Short Interest behaves during periods of sustained price strength. The company, a major supplier of high-capacity data storage solutions, has benefited from increased demand tied to AI-related infrastructure investment. Shares are up approximately 83% year-to-date, supported by strong order visibility, constrained industry capacity, resulting in favorable pricing power.

Predicted Short Interest estimated 9.14 million shares short as of March 24th, while public data reflected a higher level, near 9.85 million shares. When exchange-reported short interest for March 31st was subsequently published, the figure had declined to 9.14 million shares, matching the earlier estimate. This alignment suggests that Predicted Short Interest was able to capture the downward trend in short positioning before it became visible through official channels. In markets characterized by gradual short covering rather than abrupt squeezes, timelier positioning data may help contextualize ongoing price trends.



Implications for Positioning Analysis

Across all three cases, EquiLend Predicted Short Interest estimates closely tracked later public short interest figures, but with earlier timing. The consistency of this alignment across disparate market environments, distressed small caps, outperforming mid-cap technology, and mega-cap software, supports the view that Predicted Short Interest can function as a credible leading indicator of positioning. As with any modeled dataset, continued validation across market cycles and stress environments will be important. However, these early examples suggest that Predicted Short Interest can meaningfully reduce the informational gap created by reporting lags in traditional short interest data.



Securities Finance Market Review: Q1 2026

AI crowding, regional winners, and why borrow demand stayed busy

Mike Norwood, Head of EquiLend Trading Solutions | Max Baker, EquiLend Data & Analytics Product Specialist

NGT Trading Volumes

Q1 Trades

11.34M

Q1 Notional

\$13.6T

YoY Trade Growth

+25.58%

March Record Month

4.31M / \$5.22T

EquiLend Data & Analytics Market Data

Q1 Revenue

\$3.84B

YoY Revenue Growth

+31%

Biggest Mover (YoY): Asia

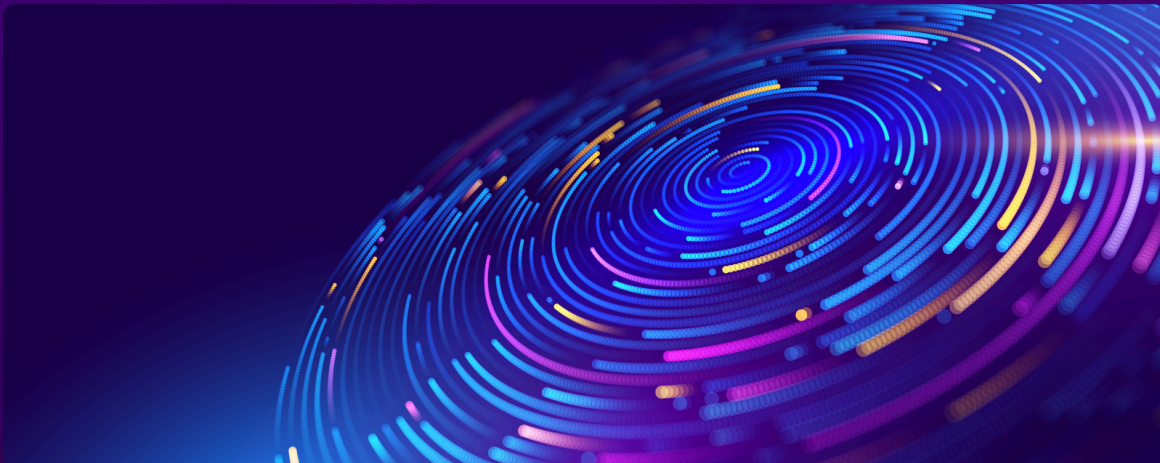
\$884M / +48%

Q1 did not tiptoe into 2026; it kicked the door in. NGT processed a record 11,335,376 trades against \$13.6 trillion in notional, up 25.58% versus Q1 2025 and 8.3% versus Q4. March alone reset the bar at 4.31 million trades and \$5.22 trillion in notional. On March 23rd, the platform recorded its busiest single day ever with 226,370 trades printed.

According to EquiLend Data & Analytics securities lending revenue reached \$1.24 billion in January, \$1.11 billion in February, and \$1.49 billion in March bringing the total to \$3.84 billion for Q1 overall, up 31% year-on-year.

But market conditions were not the only fuel in the tank. Continued platform adoption and new-client growth also mattered, particularly as clients leaned harder on NGT to cope with volatility, tighter inventory management, and the operational strain that comes with faster settlement cycles and less room for error. The result was record loan balances with \$4.2 trillion on loan in Q1, reinforcing the strength and depth of activity across the market.





AI Stopped Being One Trade and Became a Full Contact Sport

AI remained the quarter's biggest sector driver, but by Q1 it was no longer a clean upside story. It became a sorting machine. Information Technology remained the top sector by notional flow on NGT, reflecting both conviction and caution. Likewise, Technology continued to lead revenue generation at a sector-level, with lenders earning \$464 million globally from IT equities.

In January, crowded semiconductor longs and powerful flows into Korea and Taiwan drove hedging around the AI winners. By February, the conversation got less tidy: semiconductors and infrastructure beneficiaries still had momentum, while software and services were being repriced as investors asked who would benefit, who would be disrupted, and who was simply priced for perfection. That is usually good news for securities finance. Underperformance, crowding, and valuation sensitivity create borrow demand, and Q1 had all three in size.

Revenue earnings told the same story. Despite continued strength in semiconductors, fueled by the AI-wave, investor skepticism remained firmly in place. U.S.-based SEALSQ (LAES), along with Korean giant Hanmi (042700 KS) and Taiwan's GlobalWafers (6488 TT) were among the top securities lending revenue earners in the past quarter at \$7.9 million, \$6.5 million, and \$4.4 million respectively. On the surface, all three companies have announced significant advancements and revenue growth so far this year. However, with lingering question marks around fundamentals in some cases and intensifying competition, the market looks to name these three to bet against the semiconductor rally.

Top Names Told the Story Before the Indices Did

February's most-traded lineup - MSTR, LITE, CHTR, AMCR, and SMCI - remained heavily shaped by AI bifurcation and valuation stress. MSTR, LITE, and SMCI sat right in the blast radius of the AI debate, where momentum, crowding, and margin-compression fears made hedging almost unavoidable. By March, the list shifted to MSTR, RIVN, LYV, CHTR, and KMB, signaling a shift toward a broader, more catalyst-driven environment. Rivian drew fresh attention after Uber agreed to invest up to \$1.25 billion and deploy autonomous R2 vehicles as robotaxis. Live Nation combined strong operating momentum with an active antitrust backdrop. Charter stayed busy following approval of its Cox deal, and Kimberly-Clark picked up late-month corporate-action risk. Different names, same message: the market moved from pure AI positioning into a broader mix of event risk, relative value, and macro hedging.

The top performers from a revenue perspective played out slightly differently. Infosys ADR (INFY) led earnings globally in Q1 at \$48 million, followed by Lucid Group (LCID) at \$29 million and Nano Nuclear Energy (NNE) at \$18 million. Infosys ADR (INFY) saw elevated borrow demand following weaker-than-expected I.T. services guidance and concerns over AI-driven disruption to outsourcing models, while Lucid Group was heavily shorted amid broader weakness across the EV sector. Nano Nuclear Energy (NNE) also emerged as a top earner amid the backdrop of the headline story of Q1, the Iran war and knock-on energy crisis, but saw heightened short demand for a completely different reason. As an early-stage nuclear energy company, they're not expected to see significant revenue for several years. However, the stock rallied when SMR nuclear stocks were in vogue on social hype alone. This meme-stock activity drew significant short interest, making NNE one of the most active stocks in the securities lending market in Q1.



Regional Rotation Was Real, and It Was Rational

APAC was the quarter's early overachiever. January set the tone with total trades reaching 396,048. Daily averages rose 20% in equity and 30% in fixed income, driven by capital inflow into Asia and semiconductor concentration demanded hedging. That strength was reinforced by Data & Analytics revenue, with APAC equity lending revenue up 49% year-on-year in Q1, returning \$848 million. Revenue earnings were led by Taiwan, Japan, and Hong Kong on elevated balances as well as a notable comeback from South Korea generating \$138 million as market participation increased significantly from the lifting of the short-sell ban.

By February, activity tilted toward EMEA, where strong European equity performance, defense leadership, industrial rotation, and continued demand in the UK, Germany, and France pulled activity west. EMEA equity lending revenue rose 76% year-on-year in January and 61% in February, making the region the fastest-growing in Q1 overall (up 68%). Within this, Sweden emerged as the standout market, generating \$56 million (up 77%), as Swedish banks were particularly prominent among the top earners, driven by increased corporate event demand. As a result, the financial and industrial sectors in EMEA led growth, generating \$63 million and \$57 million respectively, both rising by over 70% year-on-year.

By March, regional leadership of traded assets broadened again as oil, inflation, and rates hit different markets in different ways: Canada rotated into energy and materials, Japan and Hong Kong reflected semiconductor and exporter sensitivity, and the UK saw more hedging around banks, miners, housebuilders, and travel. Same playbook, different accents: volatility creates financing demand, and regional rotation usually follows whichever market has the most to defend.

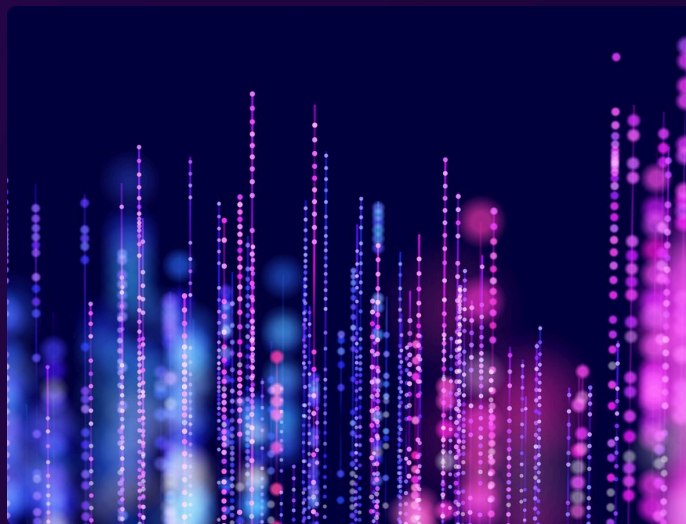


This Was Not Just an Equity Story

Fixed income quietly did a lot of the heavy lifting. Corporate debt trade counts rose 20% year-on-year; sovereign debt was up 14.7%, and March fixed income volume increased across every region. As skepticism toward the U.S. fiscal outlook grew, rising yields brought renewed demand to the asset class. North American fixed income alone generated \$489 million in revenue in Q1 2026, up 22% year-on-year, driven largely by U.S. Treasuries as investors positioned around inflation risk. Corporate debt added another \$124 million, with activity skewing toward names under pressure amid widening spreads. EMEA fixed income returned \$222 million in the quarter, up 16% year-on-year, with sovereign volatility as the primary driver. France led at \$64 million, followed by the U.K. at \$51 million and Germany at \$34 million, all posting growth between 20 and 30%. French OAT activity and the UK gilt market were particularly notable as political turbulence drove borrow demand for government debt throughout Q1, generating \$49 million and \$39 million in revenue respectively.

ETFs were even more eye-catching, with trade counts up 48.3% year-on-year and a record 763,646 ETF trades executed on NGT during the quarter. ETF lending revenue reached \$187 million in Q1 2026, rising 49% year-on-year, with North America as the dominant contributor at \$160 million. The quarter was defined by volatility and rapid repositioning, and ETFs proved to be an increasingly central tool for gaining or hedging exposure across asset classes. This was especially true in fixed income, where the iShares iBoxx \$ Investment Grade Corporate Bond ETF (LQD) and iShares iBoxx \$ High Yield Corporate Bond ETF (HYG) ranked among the top revenue-earning securities globally. Rising short bets on both products reflected broader investor unease over U.S. credit markets, with famed short seller Carson Block also placing bearish bets on LQD and HYG as a hedge against economic risks tied to the AI capital expenditure boom. Their prominence in the lending market underscores how fixed income ETFs have become a primary vehicle for expressing views on rates and credit conditions - accessible, liquid, and increasingly hard to ignore.

The increased demand for fixed income and ETFs told the bigger story. On NGT non-GC trade counts rose 49.19% year-on-year, non-GC notional jumped 94.3%, and broker-to-broker notional increased 63.5%. In other words: Q1 was not powered by easy general collateral and straight-line beta. It was powered by more price-sensitive borrow, more balance-sheet usage, and more clients expressing increasingly precise views across equities, ETFs, credit, and sovereigns.



Wrap-up and look forward

Q1 was a record trading quarter because it combined structural growth with exactly the kind of market friction that makes securities finance matter. January brought momentum and new capital; February brought rotation and dispersion, and March brought outright cross-asset stress. Each phase created a different reason to borrow, lend, hedge, or optimize collateral, and NGT captured all three. Just as importantly, NGT was not merely a scoreboard for volatility; it was part of how clients coped with it. As settlement cycles accelerate, operational tolerance shrinks, and dislocated markets demand faster decisions, clients need workflows that can absorb pressure rather than add to it. That is where NGT earns its keep.

The cleanest read-through into Q2 is this: market volatility can create the conditions for higher volumes, but platform growth is also being supported by continued client adoption, new client onboarding, and the need for more automation when markets get harder to keep up with. If Q1 proved the depth of demand, Q2 will test how much more of that demand the market wants to run electronically.

The message from securities lending revenue is the same: Q1 2026 did not just continue the momentum of a record 2025 - it surpassed it, delivering the largest Q1 returns ever for lenders. Crucially, the drivers were meaningfully broader than the equity momentum that defined much of last year. Volatility, geopolitical friction, and shifting rate expectations pulled fixed income, ETFs, and new regional markets into focus, something that a calmer quarter simply would not have allowed. A record built on dispersion, sovereign and geopolitical stress, credit repositioning, and cross-asset hedging all firing at once is a more durable one. If Q1 proved the depth of demand across the market, the conditions look firmly in place for momentum to continue and then who knows, 2026 may provide another record year in earnings.



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