

Global Equity Trading Volumes Surge 36% in 1st half 2015 driven by Mainland China

- **Global Equity Trading Volumes Ex Mainland China Up 5%**
- **Mainland China Share Trading Vols Rise 166% in H1 2015 vs H2 2014**

The World Federation of Exchanges has today published its Market Highlights Report for the first semester of 2015.

The main trends were:

- The **value of share trading** rose 36% worldwide to 59 trillion USD in H1 2015 from the second-half of 2014 (+58% year on year).
- The **number of trades** also rose 36% from the second half 2014 (+67% year on year).
- **Global Market Capitalization** rose 8% to 73 trillion USD from the second-half of 2014 (+6% year on year).
- **Strong increase in IPOs and in investment flows.** The number of IPOs increased by 19% year on year. Total investment flows increased by 42% year on year.
- **Exchange Traded Derivatives (ETD)** volumes decreased by 3.5% compared with the second half of 2014, mainly driven by commodity and currency derivatives.

Other highlights include:

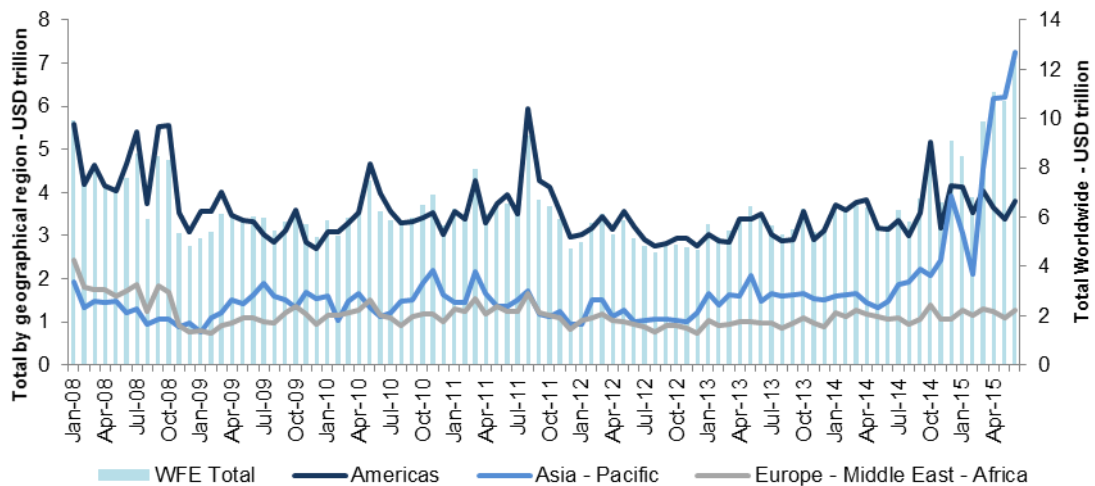
Value of share trading and Market Capitalization:

In the 1st half of 2015 the value of share trading increased by 36% worldwide (+5% excluding mainland China) to 59 trillion USD compared with 43 trillion USD in the previous semester.

This increase was mainly driven by the impressive growth in the value of share trading in mainland China (+166%). Excluding mainland China, global growth was 5% (+1% for Americas, +12% for Asia Pacific and +11% for EMEA).

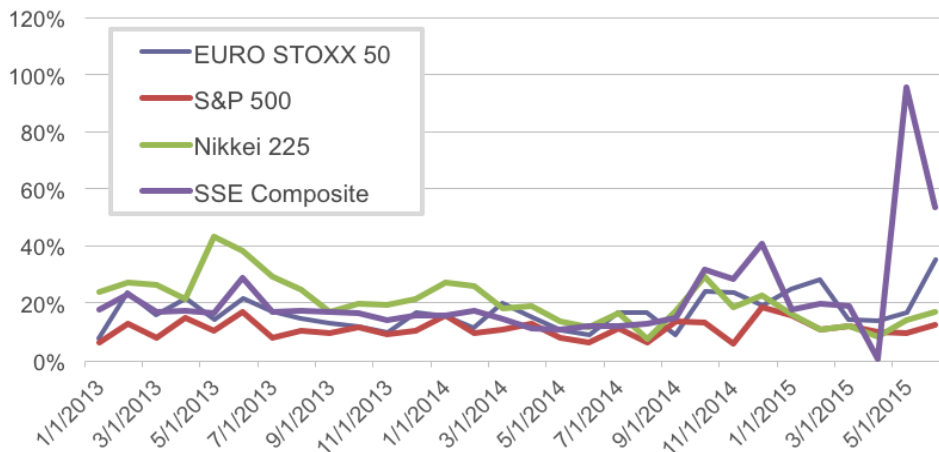
The boom in China is explained by a number of special factors: a very active participation of retail investors; a strong market performance and high volatility. It remains to be seen what impact the recent developments in June and July 2015 will have on the value of share trading in China in coming months.

Value of Electronic Order Book (EOB) share trading in trillion USD



Source: WFE database

Global Equity Indices Volatility (Annualized volatility over 20 days)



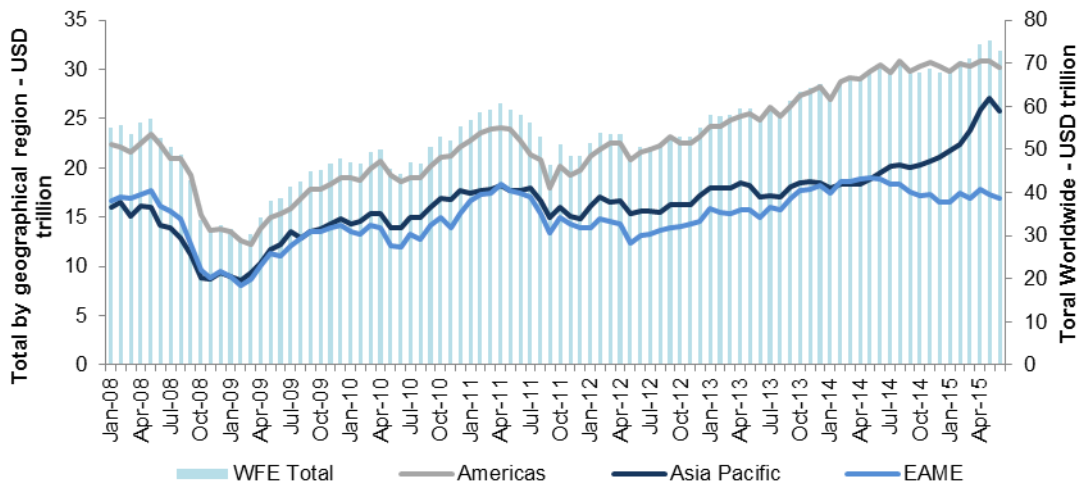
Source: Index providers - WFE calculation

Global market capitalization increased by 8% from December 2014 to June 2015 (+3% excluding mainland China). Here again the increase was largely driven by mainland China, which experienced the highest growth (+60%). Nevertheless, in one month, from 15 June 2015 to 15 July 2015, the SSE Composite Index dropped by 25%.

Other Asian countries also experienced strong growth of market capitalization: Japan increased by 13%, Hong Kong by 16%, India by 3% and Korea by 10%. The market capitalization of the whole Asia Pacific region increased by 22% on the first half of 2015 (+32% year on year).

Market capitalization in the Americas was little changed while the EMEA region witnessed a 3% increase. Contrasting trends were observable in this period in the Americas region. The United-States saw an increase of 1% while Canada and South America decreased by respectively 2% and 7%. In EMEA region, Europe and Middle East Africa followed quite similar trends: Europe increased by 3% and Middle East Africa increased by 2%.

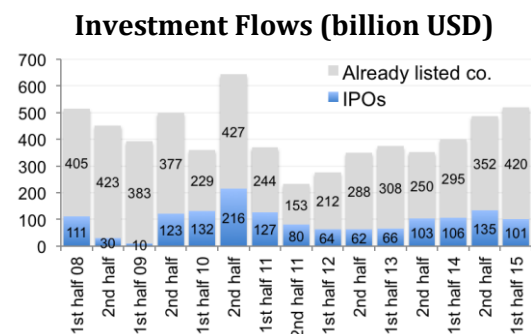
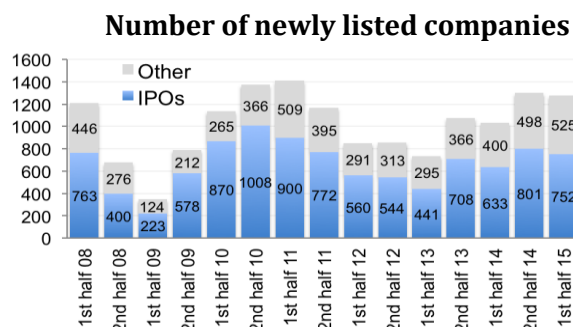
Domestic Equity Market Capitalization in trillion USD



Source: WFE database

Number of trades and average value of trades: in line with the value of share trading, the number of trades also rose (+36% globally/+7% excluding mainland China). The average value of trades increased 2% in the first half of 2015, compared with the second half of 2014. The average transaction size in Asia Pacific remains below the global average, pointing to a more active retail market in this region.

Newly listed companies and investment flows: the number of IPOs decreased by 6% in the first half of 2015 compared with the second half of 2014, but increased by 19% year on year. The decrease in the first half of 2015 was driven by Americas and Asia Pacific, which saw falls of 16% and 10% respectively while EMEA increased by 16%. Investment flows via IPOs decreased 26% in the first half of 2015 compared with the second half of 2014 but investment flows through secondary offers increased by 19% over the same period resulting in a 7% global increase in total investment flows.

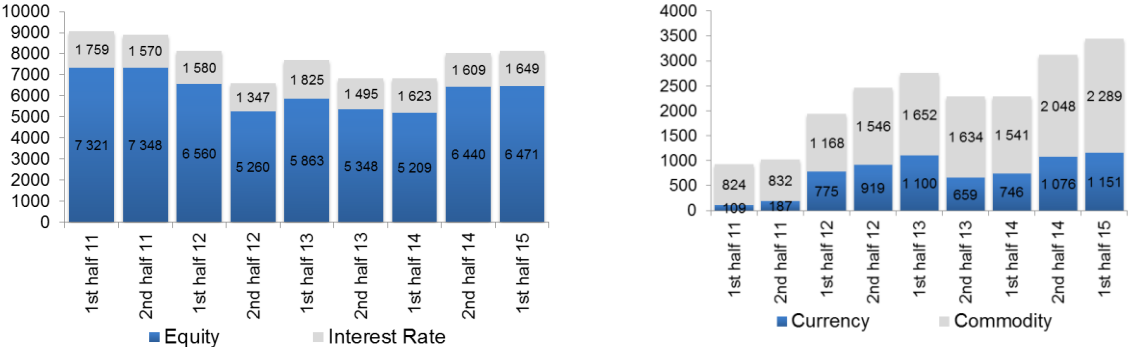


Source: WFE database

Exchange Trades Derivatives (ETD): The volume of ETD contracts traded increased by 3.5% globally in the first half 2015.

- **Equity derivatives** volumes remained stable (+0.5%). The significant decrease of volumes in the United States was counterbalanced by the good performance of index options and futures in Asia Pacific region.
- **Interest rate derivatives** witnessed a 2.5% increase of volumes. United States decreased by 6% while Europe increased by 16%. This nevertheless follows an opposite trend observed in 2014 versus 2013.
- **Commodity derivatives** experienced the strongest growth, with a 12% semi-annual growth rate. Both mainland China and the United States experienced significant growth (respectively +11% and +14%).
- **Currency derivatives** increased by 7%. The two main countries for number of contracts traded i.e. India and Russia experienced contrasting trends. Volumes in India increased by 43% while they decreased by 19% in Russia.

Number of ETD traded worldwide (million contracts)



Source: WFE database

Other products: The value of bond trading decreased in the 1st half of 2015 (-7% compared with the 2nd half of 2014). The EMEA region – which dominates total turnover value (81%) in bond trading on exchanges – saw an 8% decrease. Asia Pacific turnover increased 7% while the Americas saw a 20% decrease. The total number of trades around the world increased by 67%.

ETF volumes continued to increase, with turnover increasing 7% in the first half of 2015. The increase was driven by a strong Asia Pacific performance (+82%), representing 12% of total turnover. Turnover in the Americas rose just 0.1% while Europe, Africa, Middle East saw a 15% rise. The Americas however still dominates ETF trading however, accounting for 81% of total turnover.

Securitized derivatives volumes increased 58% in the first half of this year, driven by Asia-Pacific region which accounts for 81% of total turnover and where volumes increased 71%. EMEA region also saw an increase (+19%).

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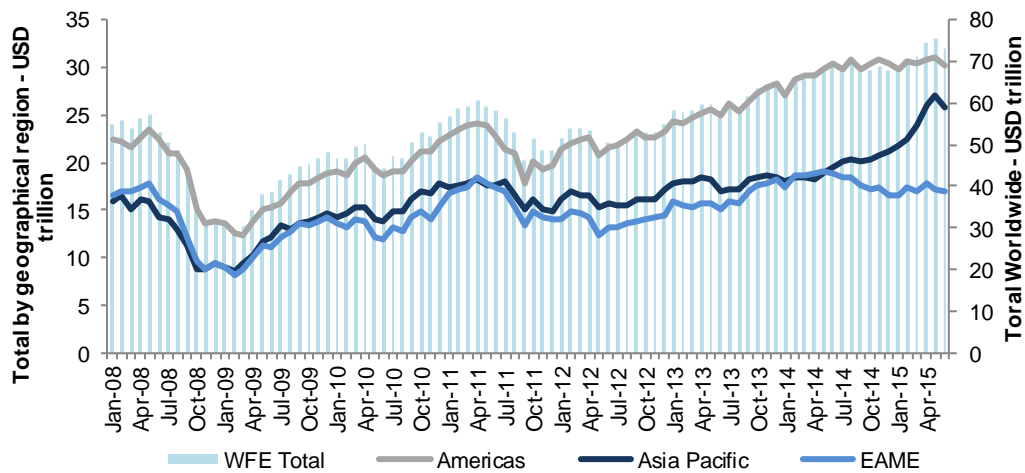
1. Domestic equity market capitalization

Regional and global domestic equity market capitalization (USD billion)

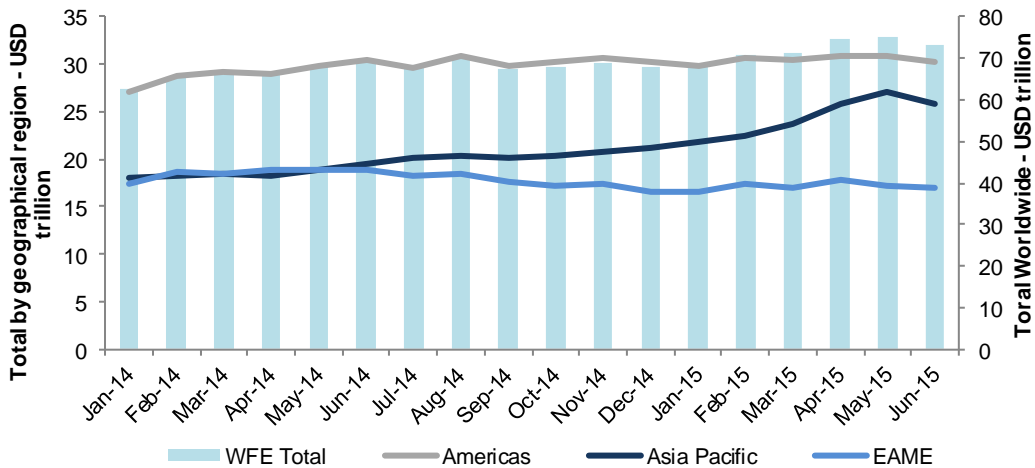
Time zone	Semester 1	Semester 2	Semester 1	% change	% change
	2014	2014	2015	S1 2015 /	% change
	USD billion	USD billion	USD billion	S2 2014	Year on Year
Americas	30 425	30 269	30 236	-0.1%	-0.6%
Asia-Pacific	19 462	21 082	25 816	22.5%	32.6%
Europe - Middle East - Africa	18 858	16 477	16 953	2.9%	-10.1%
Total	68 746	67 828	73 005	7.6%	6.2%

Source: WFE database

Domestic equity market capitalization by time zones in USD trillion



Zoom on 2014 and 1sts half of 2015 - Monthly evolution of domestic equity market capitalization by time zones



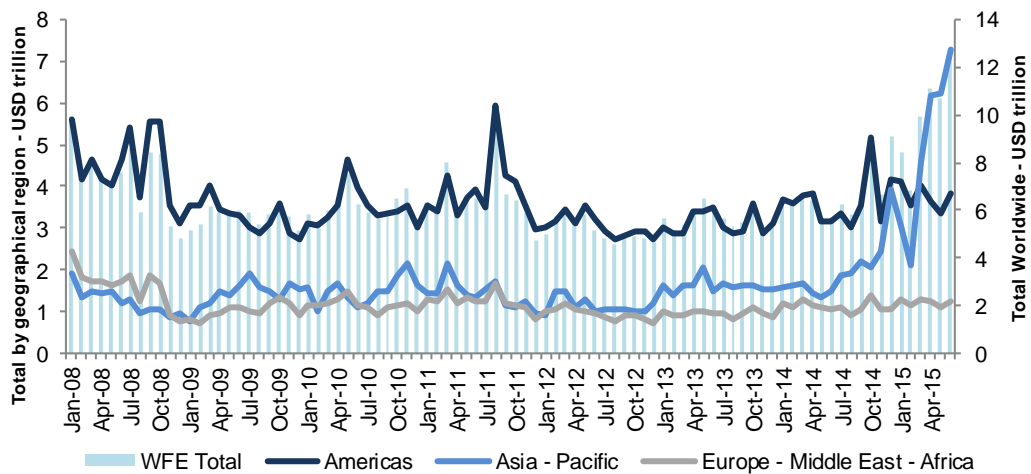
2. Share trading value

Regional and global Electronic Order Book share trading value (USD billion)

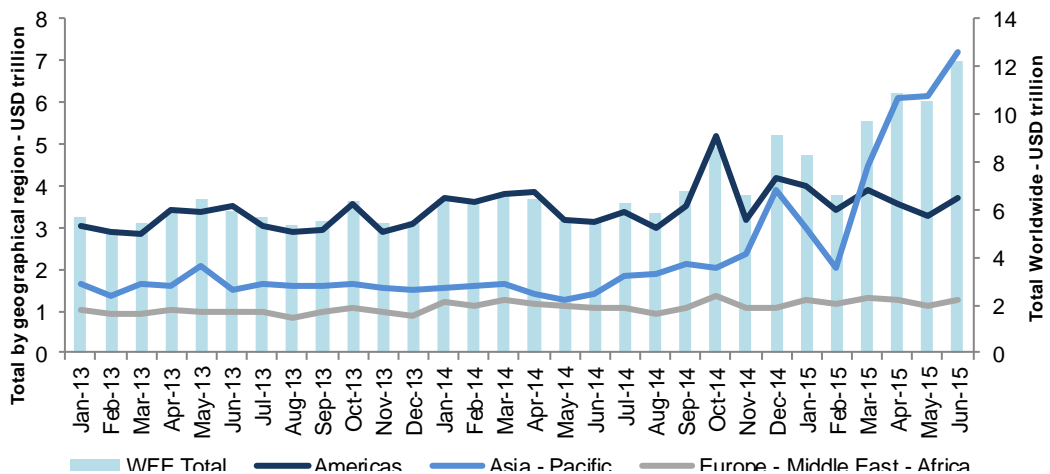
Time zone	Semester 1	Semester 2	Semester 1	% change	% change
	2014	2014	2015	S1 2015 /	% change
	USD billion	USD billion	USD billion	S2 2014	Year on Year
Americas	21 217	22 406	22 533	0.6%	6.2%
Asia-Pacific	9 201	14 473	29 360	102.9%	219.1%
Europe - Middle East - Africa	6 976	6 617	7 361	11.2%	5.5%
Total	37 394	43 497	59 254	36.2%	58.5%

Source: WFE database

Electronic Order Book share trading value by time zones in USD trillion



Zoom on 2014 2d half and 2015 1st half - Monthly evolution of EOB share trading value by time zone



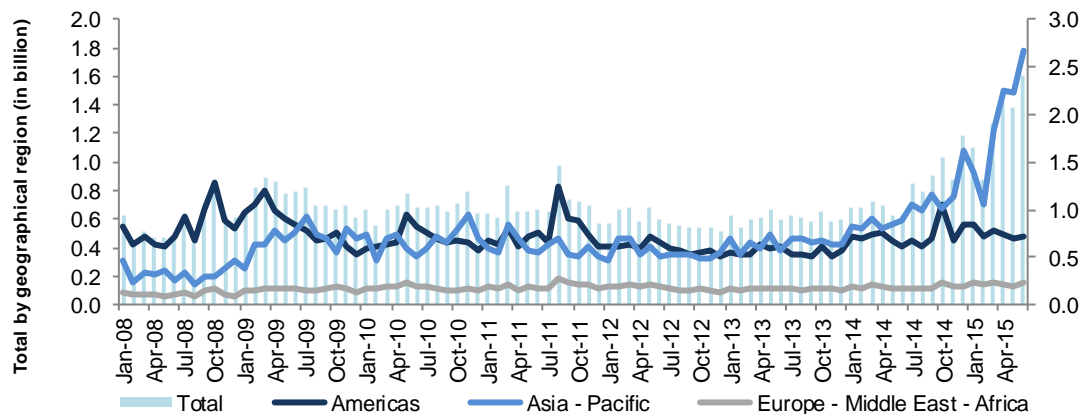
3. Number of trades in equity shares & average value of trades

Regional and global Electronic Order Book number of trades (in thousand)

Time zone	Semester 1	Semester 2	Semester 1	% change	% change
	2014	2014	2015	S1 2015 /	% change
	USD billion	USD billion	USD billion	S2 2014	Year on Year
Americas	2 801 541	3 034 880	3 004 717	-1%	7.3%
Asia-Pacific	3 355 415	4 646 980	7 607 818	64%	126.7%
Europe - Middle East - Africa	744 432	765 952	900 131	18%	20.9%
Total	6 901 387	8 447 812	11 512 666	36%	67%

Source: WFE database

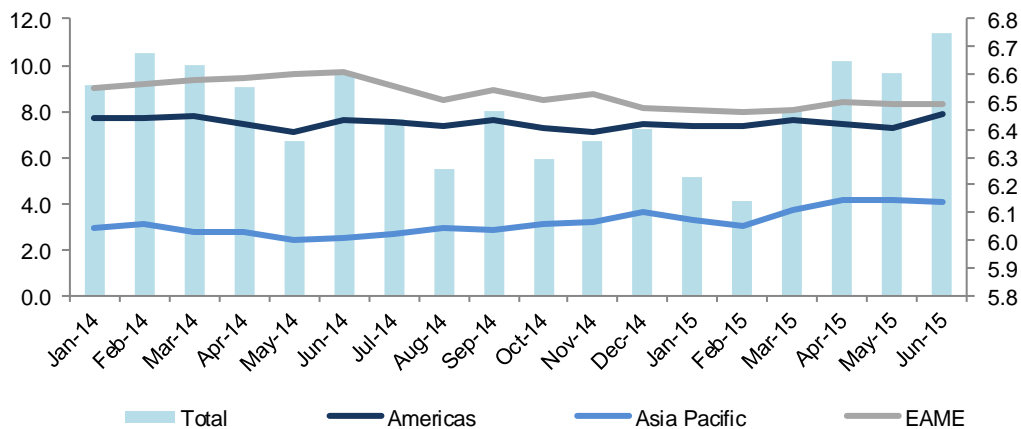
Electronic Order Book number of trades by time zones in USD trillion



Average value of trades (weighted by trading value)

Time zone	Semester 1	Semester 2	Semester 1	% change	% change
	2014	2014	2015	S1 2015 /	% change
	USD billion	USD billion	USD billion	S2 2014	Year on Year
Americas	7 573	7 383	7 499	2%	-1.0%
Asia-Pacific	2 742	3 115	3 859	24%	40.7%
Europe Africa Middle East	9 371	8 639	8 178	-5%	-12.7%
Total WFE	6 562	6 379	6 512	2%	-0.8%

Average value of trades



4. Bonds

Bond trading value (USD million)

Time zone	Semester 2 2014	Semester 1 2015	% change
Americas	474 592	378 387	-20.3%
Asia-Pacific	1 144 086	1 220 974	6.7%
Europe Africa Middle East	7 274 257	6 687 394	-8.1%
Total WFE	8 892 934	8 286 756	-6.8%

5. Securitized derivatives

Securitized derivatives trading value (USD million)

Time zone	Semester 2 2014	Semester 1 2015	% change
Americas	192	101	-47.3%
Asia-Pacific	274 459	470 051	71.3%
Europe Africa Middle East	89 419	106 850	19.5%
Total WFE	364 071	577 003	58.5%

6. ETFs

ETFs trading value (USD million)

Time zone	Semester 2 2014	Semester 1 2015	% change
Americas	6 288 391	6 295 934	0.1%
Asia-Pacific	519 146	944 787	82.0%
Europe Africa Middle East	431 476	495 643	14.9%
Total WFE	7 239 013	7 736 364	6.9%

8. Derivatives markets

Worldwide volumes of Exchange Traded Derivatives by product (millions of contracts)

Product	Semester 2 2014	Semester 1 2015	% change
Single stock options	1 973	1 780	-9.8%
Single stock futures	456	552	21.1%
Stock index options	1 934	2 074	7.2%
Stock index futures	1 286	1 356	5.4%
ETF options	790	709	-10.3%
Total equity derivatives	6 440	6 471	0.5%
Interest rate options	262	283	8%
Interest rate futures	1 348	1 366	1.3%
Total interest rate derivatives	1 609	1 649	2.5%
Commodity options	97	97	-0.5%
Commodity futures	1 950	2 192	12.4%
Total commodity derivatives	2 048	2 289	11.8%
Currency options	170	241	41.6%
Currency futures	906	910	0.4%
Total Currency derivatives	1 076	1 151	6.9%
GRAND TOTAL	11 173	11 560	3.5%