

Strong Rebound of Equity Trading Volumes (+10%) in the first half of 2014

The World Federation of Exchanges Ltd. published its first-half Statistics Market Highlights report. The main trends for this first six months of the years were:

- The **value of share trading** rose 10% worldwide to 29.7 trillion USD from the second-half of 2013 (+6.8% year on year).
- The **number of trades** rose 10% from the second-half of 2013 (+12% year on year); the average value of trades decreased.
- A continuing strong performance of equity markets, **Global Market Capitalization** rose 6% to 68,7 trillion USD from the second-half of 2013 (+21% year on year.)
- Good performance of **IPO markets and investment flows**. The number of IPOs fell 11% compared to the second half of 2013 but increased 42% year on year. Total investment flows in USD increased 17% compared to the second-half of 2013(+11% year on year.)
- **Exchange Traded Derivatives (ETD)** volumes were stable. The total number of contracts traded decreased 0.2% from the second-half of 2013 (-13% year on year.)

“The numbers are interesting. After several years of decline we are witnessing signs of a recovery in exchange volumes in the recent period” said Grégoire Naacke, Senior Analyst at the WFE. “The IPO numbers mirror this trend. The number of companies coming to market has surged. The question now is will it last. As regulatory mandates begin to take effect will there be a greater shift from OTC to exchange.”

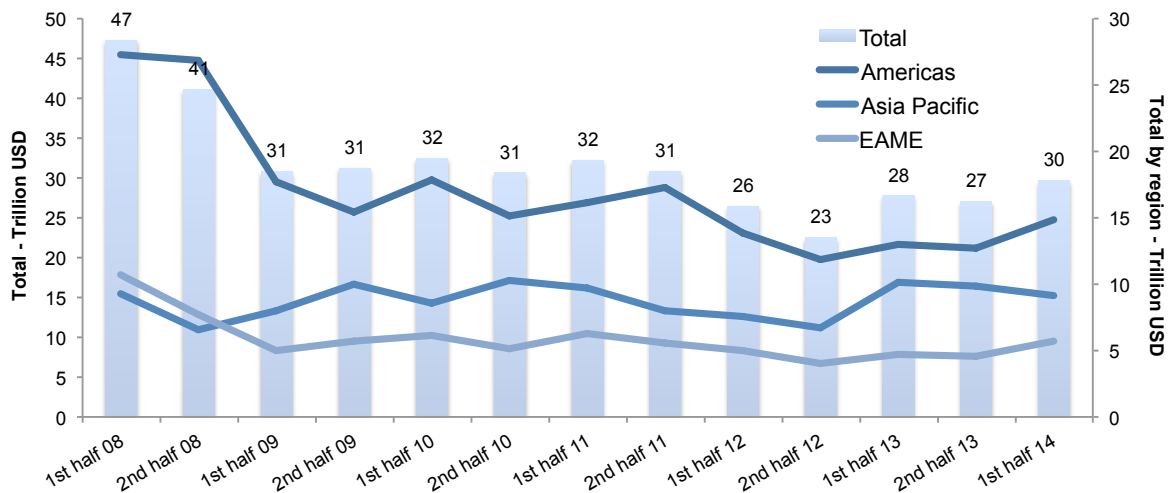
“Exchanges serve the real economy every day,” said Hüseyin Erkan, CEO of WFE. “As volumes recover and companies seek capital to fund themselves, market operators will play an even greater role. The recent concerns have focused investor interest in markets that are transparent and regulated.”

Other highlights of the WFE semi-annual report:

Value of share trading and Market Capitalization: In the first half of 2014, the value of share trading increased by 10% worldwide to 29.7 trillion USD.

There was a regional difference in trend between the three time zones. The EMEA and Americas regions saw a sharp increase in value of share trading, 24% and 16% respectively, whilst Asia Pacific decreased 6%.

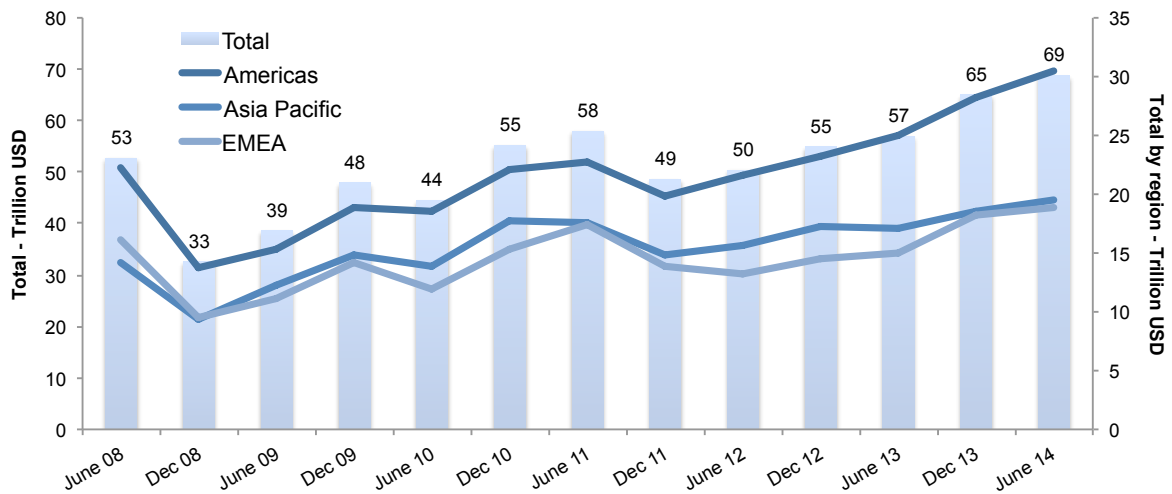
Value of Electronic Order Book (EOB) share trading in trillion USD



Source: WFE database including “non-members”

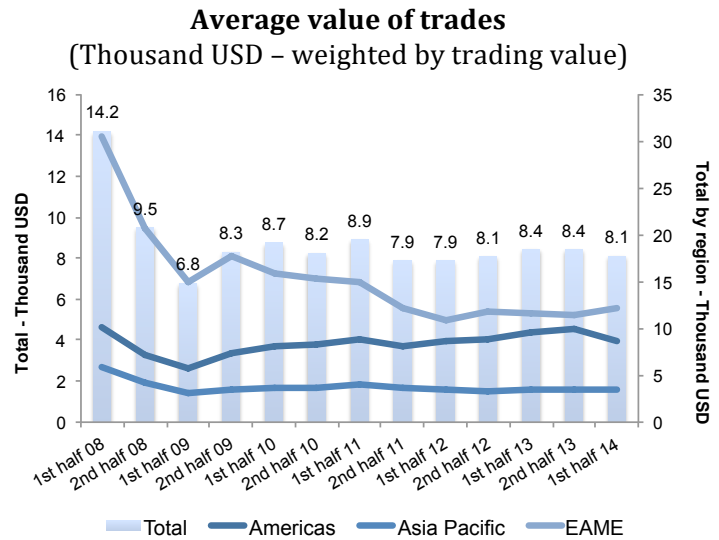
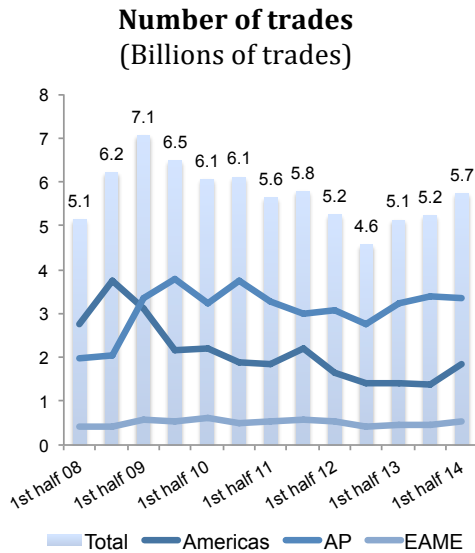
One of the main drivers for the recovery of share trading volumes is likely the continued strong performance of stock markets. Global market capitalization increased 6% in the first half of 2014, with all regions contributing to the increase. The Americas led the way with an increase of 8%, followed by Asia Pacific and EMEA which increased 5% and 3% respectively. On 24 July 2014, the S&P 500 and Dow Jones Industrial Average reached their historical highest level since the launching of the indices in 1957 and 1984.

Domestic Equity Market Capitalization in trillion USD



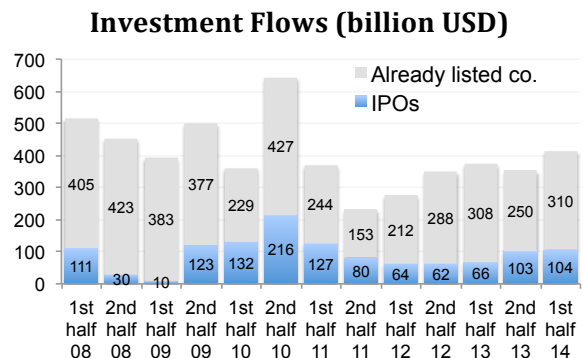
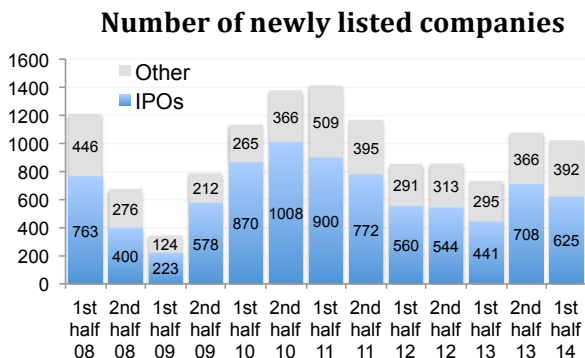
Source: WFE database including “non-members”

Number of trades and average value of trades: In line with the value of share trading, the number of trades also increased by 10% globally. The United States experienced the highest increase (39%), partly due to the fact that trades smaller than 100 shares became part of the official trade count starting in December 2013. Following this, the average transaction size (weighted by value of share trading) decreased in the United States. The average transaction size in Asia Pacific remains below the global average indicating a very active retail market.



Source: WFE database including “non-members”

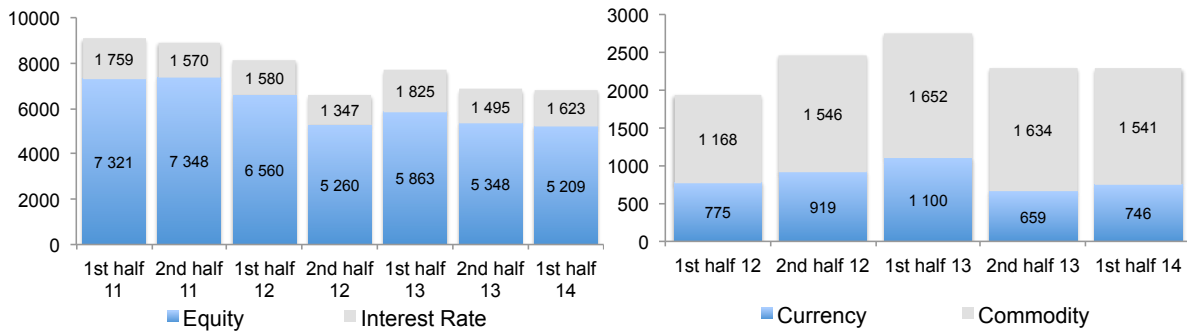
Newly listed companies and investment flows: Despite the decrease of the number of IPOs in the first half of 2014 compared to the second half of 2013 (-11%), this number remains much higher than the year before (+42% compared to first half of 2013). The total amount of investment flows through IPOs and secondary offers in USD increased by 17%.



Source: WFE database including “non-members”

Exchange Trades Derivatives (ETD): Derivative markets on exchanges remained relatively stable in the first half of 2014 compared to the second half of 2013. Regarding the Equity and IR segment, the slight decrease of equity derivatives volumes (-2.6%) was counterbalanced by the increase of Interest Rate derivatives (+8.6%). Interest Rate derivatives activity seems to have benefited from the expectation of Interest Rate rises in the US and UK. For equity derivatives, the low levels of volatility diminished the hedging needs of investors. Between the end of 2013 and June 2014, the S&P 500 Volatility (VIX) decreased by 16% to 11.57, the EURO STOXX 50 Volatility decreased -12% to 15.27 and the Nikkei Stock Average Volatility Index decreased -24% to 17.34. As far as currency and commodity derivatives are concerned, the good performance of currency derivatives (+13.3%) was offset by the decrease of commodity derivatives (-5.7%).

Number of equity ETD traded worldwide (million contracts)



Source: WFE database excluding "non-members"

Other products: The value of bond trading recovered for the first six months of 2014 (+12% compared to second half of 2013) after the 16% decline observed in the second half of 2013. ETFs also saw a 7% increase on the turnover in the first six months of 2014, after a 7% decrease observed in the second half of 2013. The increase was mainly due to the United States' performance, which represent 87% of the total turnover. European ETFs are mostly traded off-exchanges. Volumes for securitized derivatives, increasing by 3.7% compared to the second half of 2013 but decreased by 13% compared to the first semester of 2013. Asia Pacific region accounts for 68% of the total turnover.

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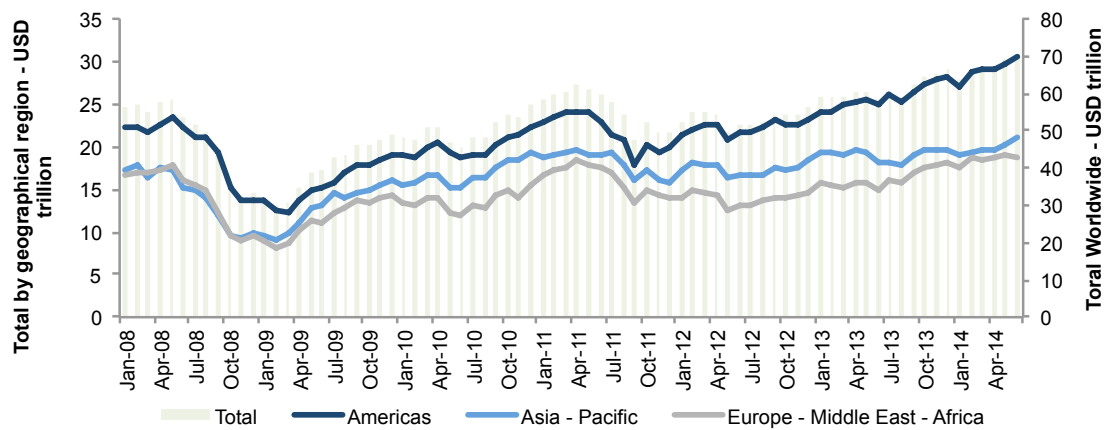
1. Domestic equity market capitalization

Regional and global domestic equity market capitalization performances (USD billion)

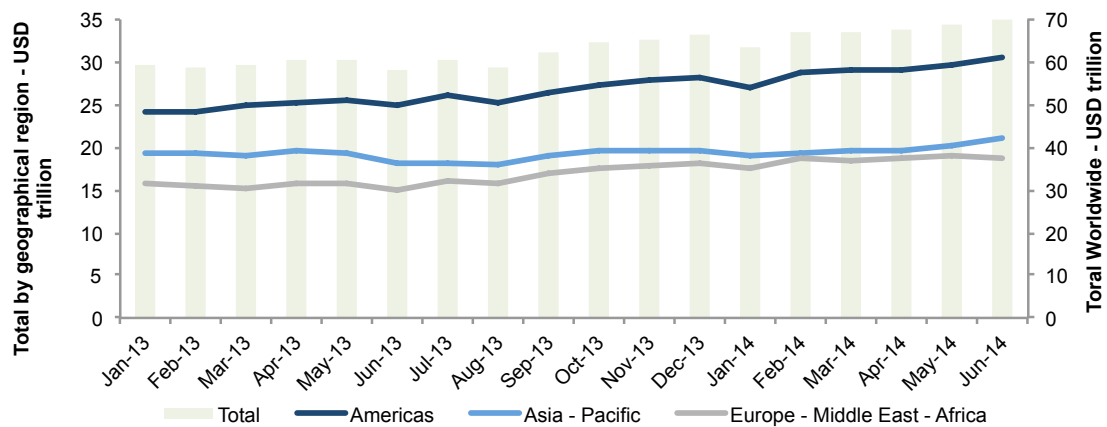
Time zone	1st Half	% change	% change
	2014	Prev. Semester	Year on Year
Americas	30 425	7.5%	22.1%
Asia-Pacific	19 462	5.1%	14.0%
Europe - Middle East - Africa	18 858	3.5%	25.8%
Total	68 746	5.7%	20.7%

Source: WFE database - including "non-members"

Recent evolution of domestic equity market capitalization by time zones in USD trillion



Zoom on 2013 and 2014 - Monthly evolution of domestic equity market capitalization by time zones



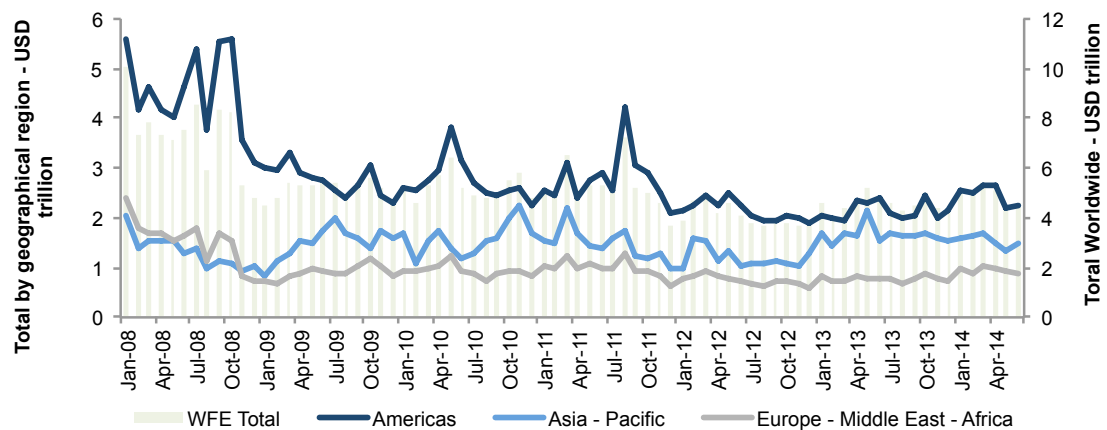
2. Share trading value

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

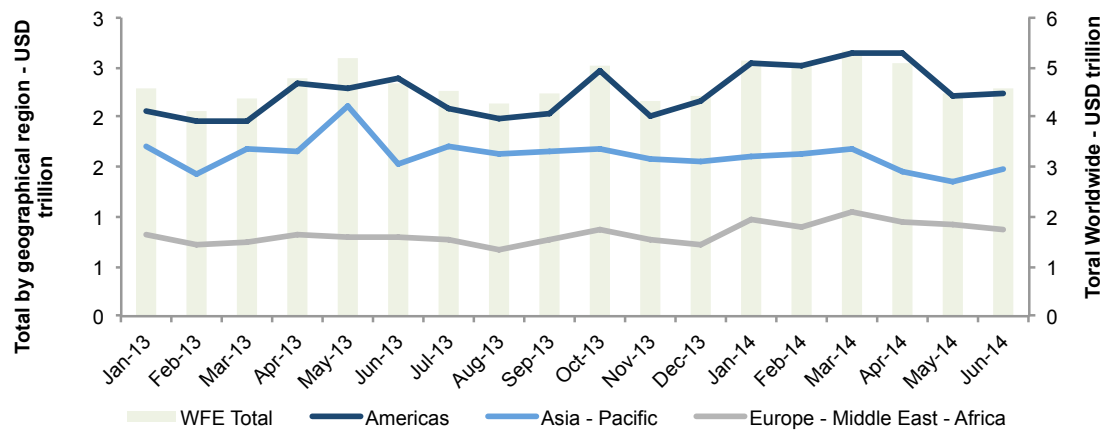
Time zone	1st Half	% change	% change
	2014	Prev. Semester	Year on Year
Americas	14 814	16.4%	14.0%
Asia-Pacific	9 185	-6.3%	-9.1%
Europe - Middle East - Africa	5 672	24.5%	21.4%
Total	29 671	9.5%	6.8%

Source: WFE database - including "non-members"

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



Zoom on 2013 and 2014 - Monthly evolution of EOB share trading value by time zone in USD trillion



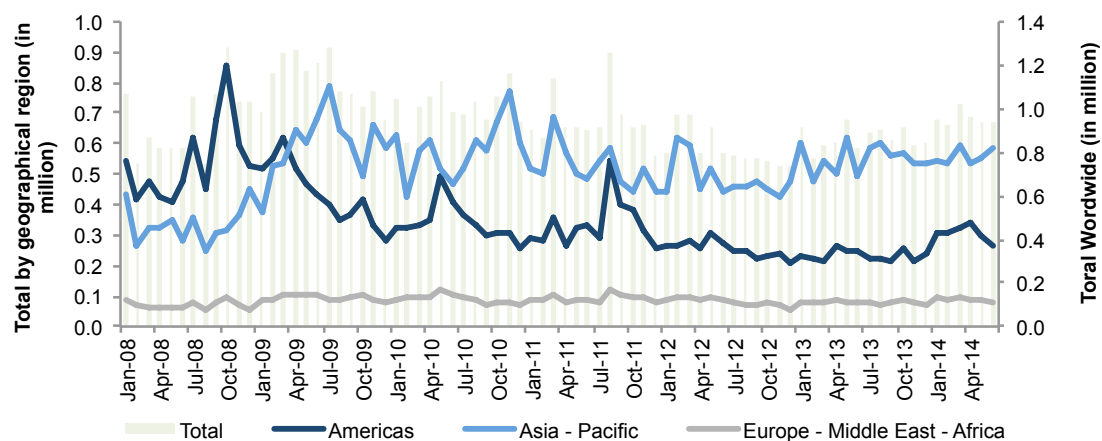
3. Number of trades in equity shares & average value of trades

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

Time zone	1st Half	% change	% change
	2014	Prev. Semester	Year on Year
Americas	1 839 312	33.3%	29.1%
Asia-Pacific	3 355 418	-1.0%	4.0%
Europe - Middle East - Africa	540 632	16.4%	13.4%
Total	5 735 362	9.6%	11.9%

Source: WFE database - including "non-members"

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



Average value of trades (weighted by trading value)

Time zone	2nd Half	1st Half	% change
	2013	2014	
Americas	9 963	8 616	-14%
Asia-Pacific	3 425	3 404	-1%
Europe Africa Middle East	11 498	12 104	5%
Total WFE	8 411	8 093	-4%

4. Bonds

Bond trading value (USD million)

Time zone	1st Half	% change	% change
	2014	Prev. Semester	Year on Year
Americas	482 798	-23.3%	-13.1%
Asia-Pacific	938 674	5.3%	-5.8%
Europe Africa Middle East	10 056 069	15.4%	-5.2%
Total WFE	11 477 542	12.2%	-5.6%

5. Securitized derivatives

Securitized derivatives trading value (USD million)

Time zone	1st Half	% change	% change
	2014	Prev. Semester	Year on Year
Americas	202	-12.5%	-8.3%
Asia-Pacific	202 079	1.5%	-18.8%
Europe Africa Middle East	95 906	8.6%	0.3%
Total WFE	298 187	3.7%	-13.5%

6. ETFs

ETFs trading value (USD million)

Time zone	1st Half	% change	% change
	2014	Prev. Semester	Year on Year
Americas	733 268	7.0%	0.0%
Asia-Pacific	53 991	-7.5%	-5.8%
Europe Africa Middle East	57 524	25.5%	3.5%
Total WFE	844 784	7.2%	-0.1%

7. Derivatives markets

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

Product	1st Half	% change	% change
	2014	Prev. Semester	Year on Year
Single stock options	1 658	-6.6%	-9.4%
Single stock futures	502	21.4%	-7.0%
Stock index options (1)	1 386	-5.2%	-5.5%
Stock index futures	1 044	-1.0%	-13.5%
ETF options	618	-3.5%	-24.4%
Total equity derivatives	5 209	-2.6%	-11.1%
Interest rate options	292	13.6%	-5.0%
Interest rate futures	1 331	7.5%	-12.3%
Total interest rate derivatives	1 623	8.6%	-11.1%
Commodity options	78	-4.1%	-11.1%
Commodity futures	1 463	-5.7%	-6.5%
Total commodity derivatives	1 541	-5.7%	-6.7%
Currency options	69	-10.4%	-69.4%
Commodity futures	678	16.4%	-22.6%
Total Currency derivatives	746	13.3%	-32.2%

(1) In March 2012, the size of Kospi 200 options contracts newly listed on Korea Exchange was multiplied by 5