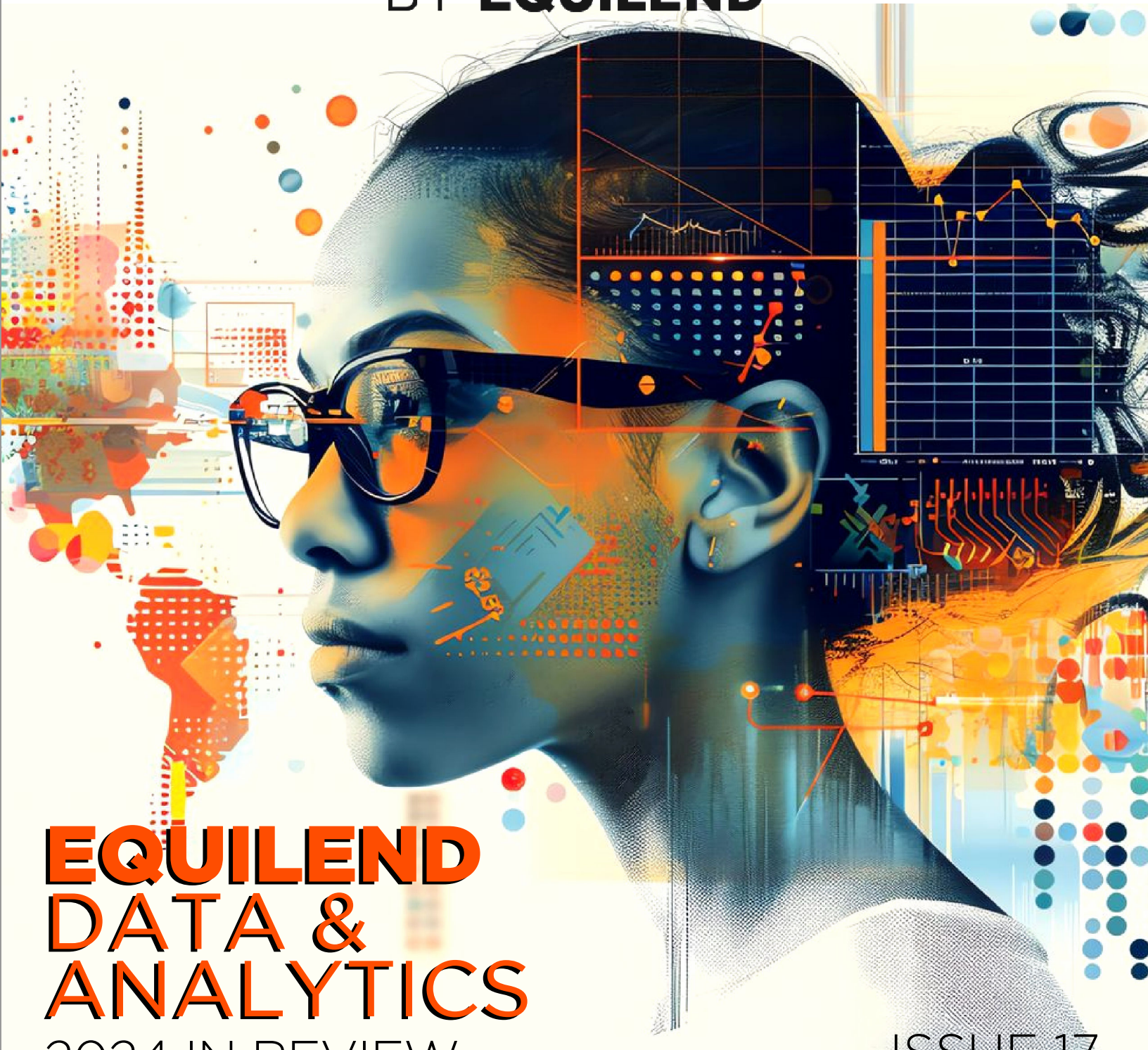


THE PURPLE

BY **EQUILEND**



EQUILEND
DATA &
ANALYTICS

2024 IN REVIEW

ISSUE 17

SECURITIES FINANCE 2024 REVENUE

GLOBAL

\$9,636,781,287

-10% YOY

AMERICAS

\$5,775,052,849

-11% YOY

EMEA

\$1,730,614,731

-18% YOY

ASIA PACIFIC

\$2,131,113,708

-2% YOY





Nancy Allen

Managing Director,
Head of Data & Analytics Solutions
nancy.allen@equilend.com

Another year under our belt and a new issue of The Purple to tell you everything you need to know about securities lending revenue and trends in 2024! Jump in to explore the impact of the U.S. presidential election and central bank actions on securities lending revenue, and take a deeper dive into activity in APAC and Taiwan's stellar performance.

2024 was one of the EquiLend Data & Analytics team's biggest years. We launched our data on the Bloomberg App Portal, which enables our clients to integrate with Bloomberg's workflows and data. Our new advanced visualization platform was released in the fall, bringing greater customization and flexibility to our customer base. And finally, we know our customers want more data delivered faster and in real-time. We responded. If you have not experienced our enhanced global real-time data with lifecycle events, please do so today!

As always, we thank you all for your ongoing support and feedback. We look forward to continuing to partner with you to bring more actionable insights to the financial markets in 2025.



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AMERICAS

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LENDABLE

\$27.92 Trillion **+21.7%**

ON LOAN

\$1.82 Trillion **+8.7%**

REVENUE

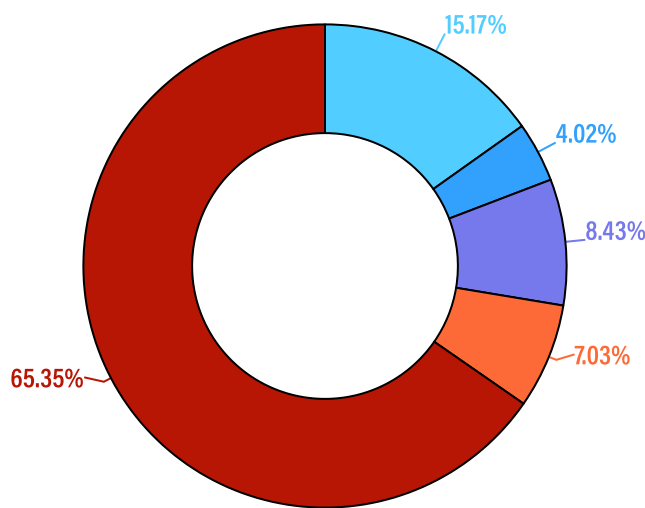
\$5.78 Billion **-10.7%**

FEE

29.96 bps **-20.4%**

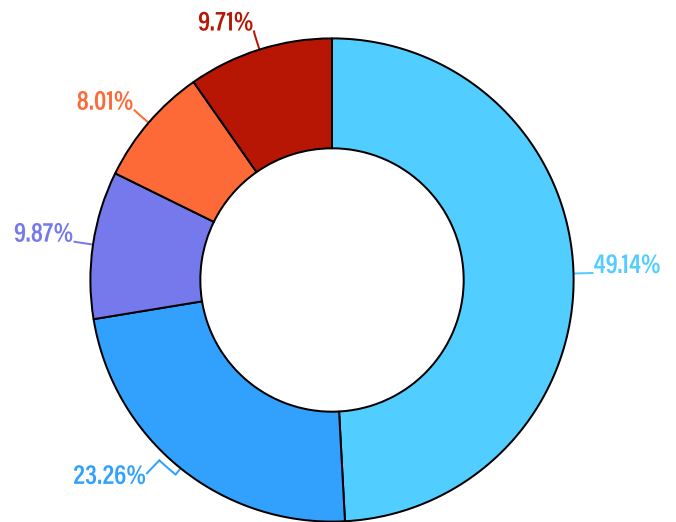
Equity Revenue By Fee Band

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



Fixed Income Revenue By Fee Band

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



Top Equity Earners

Security	Revenue (USD)
🇺🇸 SIRIUS XM HOLDINGS INC COM	244,607,897
🇺🇸 LUCID GROUP INC COM CL A	119,556,683
🇺🇸 BEYOND MEAT INC COM	107,970,430
🇺🇸 TEMPUS AI INC COM CL A	87,428,541
🇺🇸 TRUMP MEDIA & TECHNOLOGY GROUP	84,686,549
🇺🇸 CASSAVA SCIENCES INC COM	68,630,554
🇺🇸 IMMUNITYBIO INC COM	68,355,966
🇺🇸 VISA INC COM STK	57,949,119
🇺🇸 B RILEY FINANCIAL INC COM	53,337,552
🇺🇸 SOUNDHOUND AI INC COM CL A	44,158,018

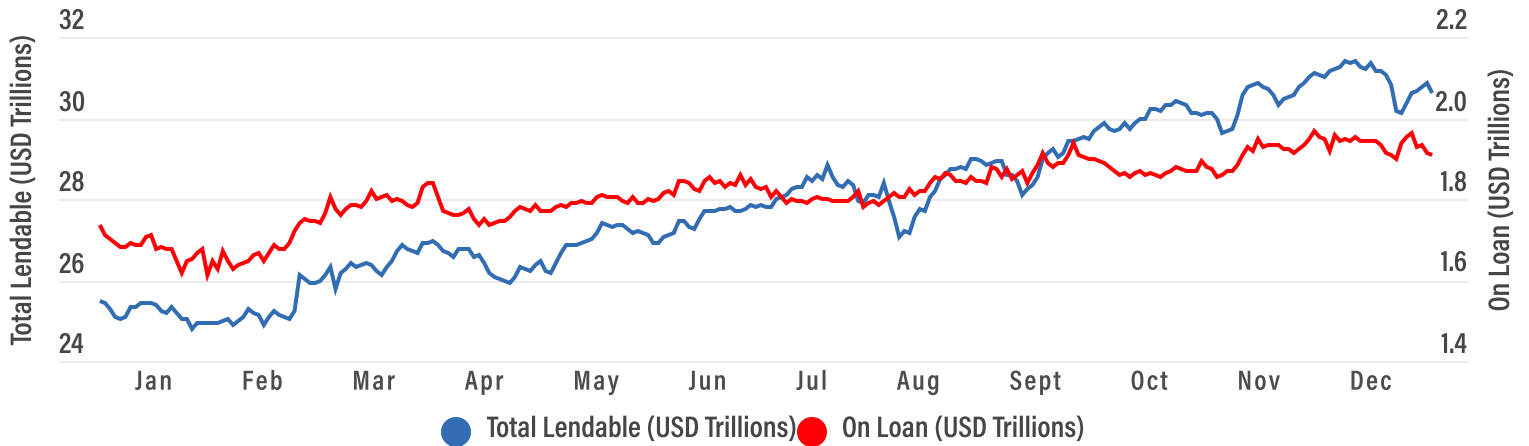
Top Corporate Debt Earners

Security	Revenue (USD)
🇺🇸 HANES 9% 15/02/31	9,393,626
🇺🇸 FLORI 1.258% 01/07/2025	6,509,258
🇺🇸 BIOMA 1.25% 15/05/27	5,871,701
🇺🇸 NEW F 8.75% 15/03/2029	5,812,706
🇺🇸 MPT O 5.25% 01/08/26	5,130,186
🇺🇸 NEW F 6.5% 30/09/2026	5,038,021
🇺🇸 HERTZ 5% 01/12/29	4,902,871
🇺🇸 MPT O 5% 15/10/27	4,537,554
🇺🇸 3M CO 4% 14/09/48	4,350,327
🇺🇸 FORD 5.291% 1% SNR 08/12/46	3,746,112

AMERICAS

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On Loan Vs Lendable



Top Sectors By Revenue

Health Care	Consumer Discretionary	Industrials	Financials	Communication Services	Information Technology
\$683.10M	\$513.46M	\$495.62M	\$466.51M	\$456.65M	\$403.72M
\$68.97B	\$88.93B	\$73.18B	\$122.52B	\$32.13B	\$96.11B
98.14 bps	56.94 bps	67.33 bps	39.09 bps	142.29 bps	41.09 bps
Revenue (USD)	Loan Value (USD)	Revenue (USD)	Loan Value (USD)	Revenue (USD)	Fees (bps)

Market Breakdown

EQUITY								
Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
UNITED STATES	\$21.05T	26.4%	\$660.04B	4.7%	55.47	-21.7%	\$3.71B	-16.6%
CANADA	\$767.80B	7.4%	\$49.87B	-14.6%	82.15	16.8%	\$388.84M	-2.2%
LATIN AMERICA	\$42.93B	-18.2%	\$2.49B	9.3%	145.95	15.4%	\$36.38M	27.5%

FIXED INCOME								
Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
UNITED STATES	\$5.00T	10.1%	\$968.16B	15.4%	11.87	-13.7%	\$1.46B	6.5%
CANADA	\$858.79B	6.6%	\$123.89B	-3.5%	11.34	-13.1%	\$142.16M	-15.3%
LATIN AMERICA	\$196.27B	12.6%	\$11.09B	-6.3%	37.98	-22.0%	\$43.00M	-25.5%

EMEA

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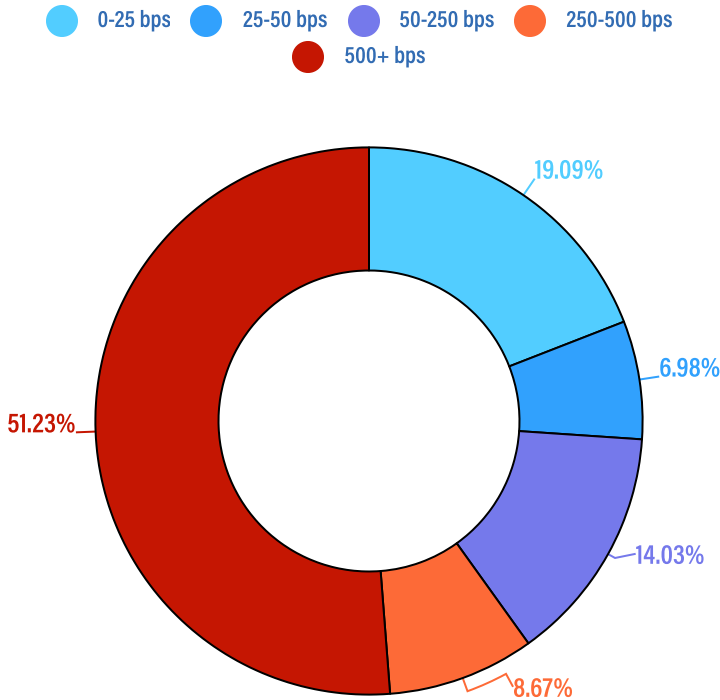
LENDABLE
\$5.43 Trillion **+7.0%**

ON LOAN
\$532.56 Billion **+1.3%**

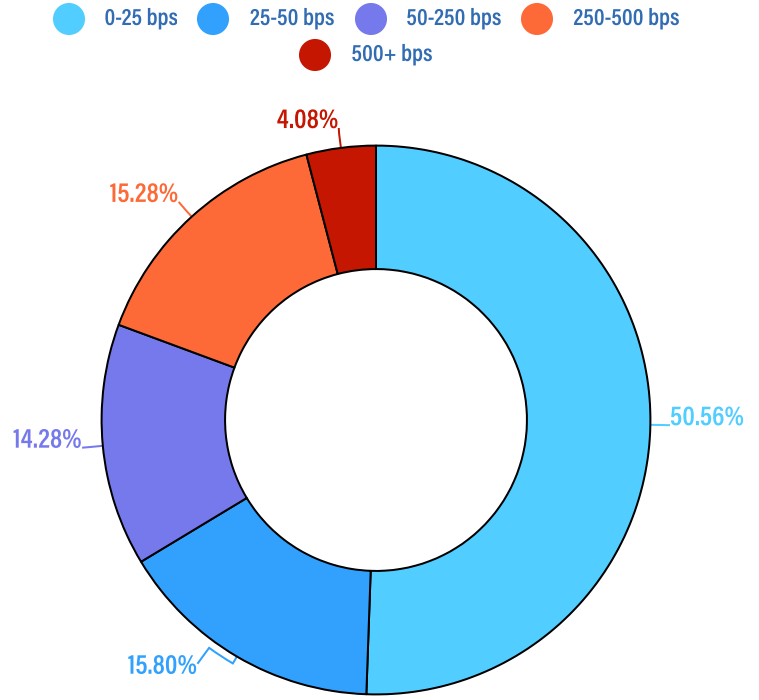
REVENUE
\$1.73 Million **-18.0%**

FEES
32.67 bps **-20.0%**

Equity Revenue By Fee Band



Fixed Income Revenue By Fee Band



Top Equity Earners

Security	Revenue (USD)
IDORSIA LTD	20,002,324
EUTELSAT COMMUNICATIONS	19,464,655
SVENSKA HANDELSBANKEN	14,213,358
SGS SA (REGD)	11,951,122
VOLVO (AB)	11,934,032
PETROFAC ORD	11,913,238
EQUINOR ASA	10,516,143
BNP PARIBAS	9,500,584
ATOS SE	9,309,774
ROCHE HOLDINGS AG	8,661,578

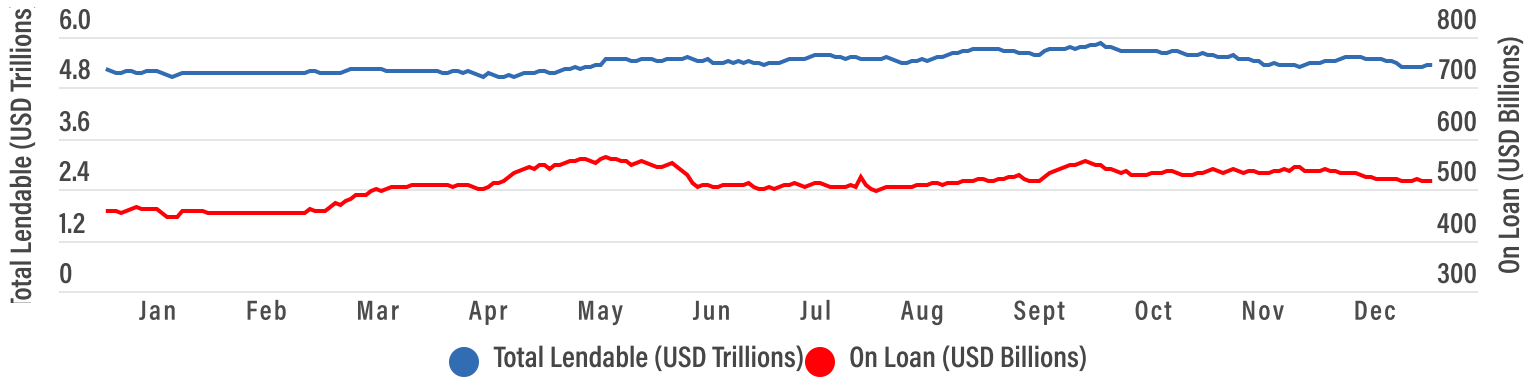
Top Corporate Debt Earners

Security	Revenue (USD)
GRIFO 4.75% 15/10/2028	3,199,587
VISTA 7.875% 5% SNR 01/05/27	3,129,686
WORLD 4.125% 12/09/2028	2,842,773
NEXI 2.125% 30/04/2029	2,118,139
VISTA 6.375% 5% SNR 01/02/30	1,846,192
ENGIN 5.875% 30/09/26	1,798,357
ARDAG 5.25% 15/08/27	1,766,875
TEVA 5.125% 09/05/29	1,688,062
VICTO 3.625% 24/08/2026	1,589,268
ARDAG 4.125% 15/08/2026	1,512,954

EMEA

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On Loan Vs Lendable



Top Sectors By Revenue

Financials	Industrials	Health Care	Consumer Discretionary	Communication Services	Information Technology
\$175.77M	\$173.50M	\$102.17M	\$81.60M	\$78.73M	\$72.36M
\$28.92B	\$28.17B	\$14.32B	\$17.60B	\$11.56B	\$8.58B
63.25 bps	63.42 bps	72.70 bps	46.27 bps	69.57 bps	84.31 bps
Revenue (USD)	Loan Value (USD)	Fees (bps)			

EQUITY		Market Breakdown						
Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
France	\$568.30B	2.0%	\$24.80B	-33.9%	63.85	-6.4%	\$152.44M	-35.8%
Sweden	\$169.91B	9.6%	\$15.21B	-5.8%	91.21	-15.2%	\$137.14M	-18.9%
United Kingdom	\$911.13B	5.8%	\$29.81B	23.3%	37.25	-29.9%	\$114.21M	-12.7%
Switzerland	\$416.20B	3.4%	\$17.46B	-17.9%	66.73	-4.1%	\$110.21M	-22.5%
Germany	\$365.91B	7.1%	\$19.20B	-35.7%	54.26	-7.9%	\$106.25M	-40.0%
FIXED INCOME								
Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
France	\$344.54B	9.2%	\$89.43B	17.9%	23.91	-11.1%	\$216.10M	5.4%
United Kingdom	\$492.96B	12.1%	\$84.19B	14.5%	17.17	-23.7%	\$145.54M	-14.0%
Germany	\$249.59B	4.2%	\$64.71B	-11.2%	19.55	-2.3%	\$128.00M	-12.9%
Luxembourg	\$101.23B	21.9%	\$23.77B	72.0%	19.08	5.2%	\$45.85M	80.6%
Italy	\$126.60B	7.5%	\$24.82B	8.7%	18.22	-15.9%	\$45.11M	-9.4%

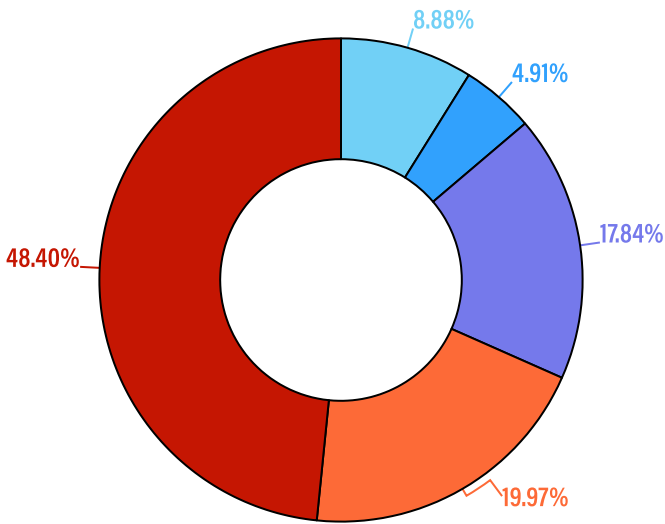
ASIA PACIFIC

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LENDABLE \$3.17 Trillion +7.5%	ON LOAN \$254.51 Billion +0.8%	REVENUE \$2.13 Billion -1.8%	FEES 83.04 bps -3.0%
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Equity Revenue By Fee Band

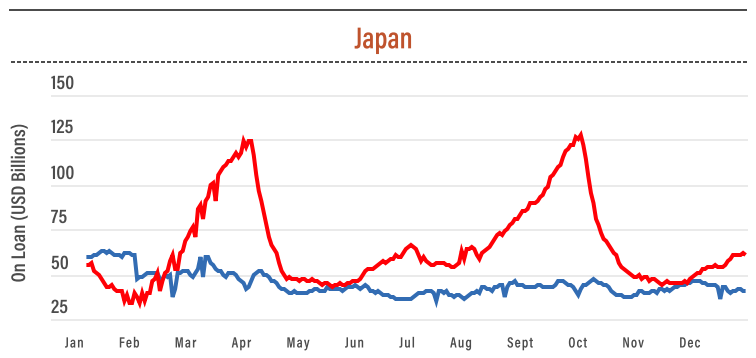
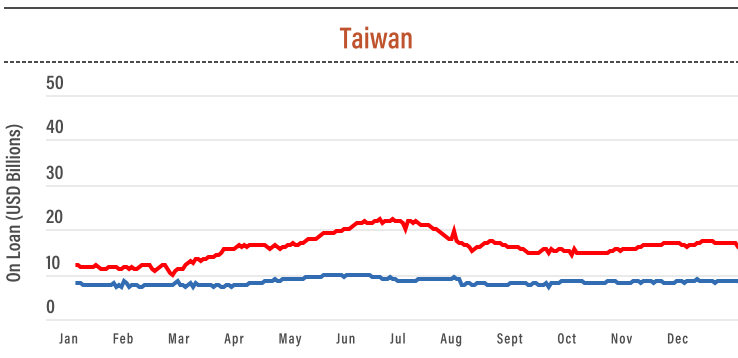
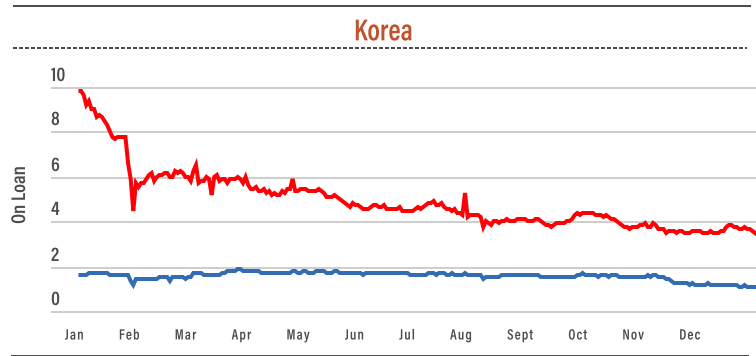
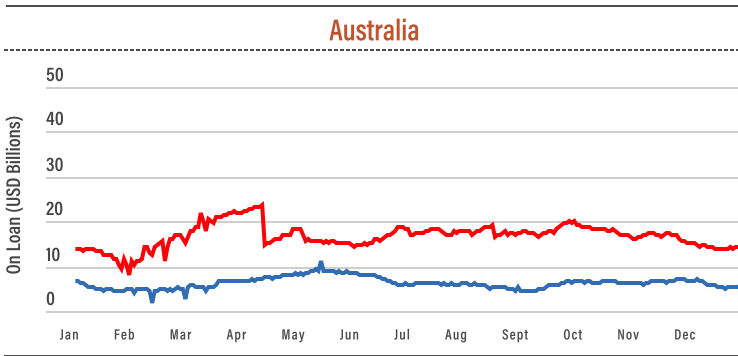
● 0-25 bps
 ● 25-50 bps
 ● 50-250 bps
 ● 250-500 bps
 ● 500+ bps



Top Equity Earners

	Security	Revenue (USD)
	GIGA-BYTE TECHNOLOGY CO	24,223,526
	VANGUARD INTERNATIONAL	24,204,974
	EAST BUY HOLDING LIMITED	23,658,252
	NOVATEK MICROELECTRONICS	17,586,143
	JINAN ACETATE CHEMICAL CO.	16,670,861
	AOZORA BANK NPV	14,670,011
	SAKURA INTERNET INC NPV	13,367,370
	CHINA VANKE CO	12,963,871
	KASUMIGASEKI CAPITAL CO	12,153,302
	HOKUETSU CORPORATION NPV	11,489,602

Offshore Vs Onshore Loan Balance

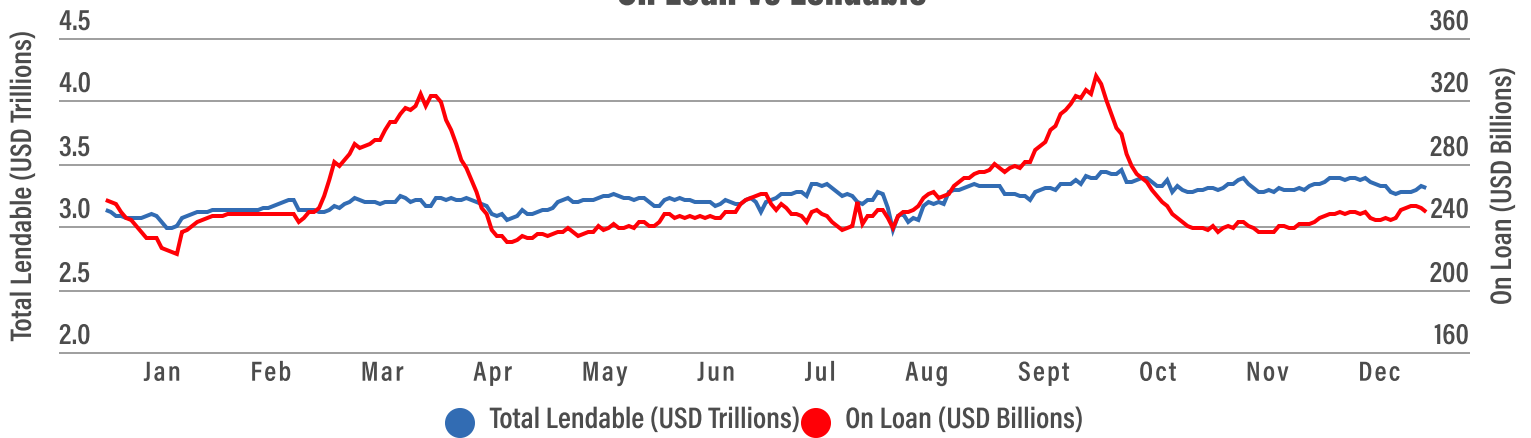


● Onshore ● Offshore

ASIA PACIFIC

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On Loan Vs Lendable



Top Sectors By Revenue

Information Technology



Industrials



Consumer Discretionary



Materials



Health Care



Financials



Sector	Revenue (USD)	Loan Value (USD)	Fees (bps)
Information Technology	\$661.49M	\$34.25B	192.66 bps
Industrials	\$317.02M	\$36.74B	86.18 bps
Consumer Discretionary	\$221.12M	\$31.32B	70.37 bps
Materials	\$167.30M	\$18.67B	88.90 bps
Health Care	\$153.12M	\$11.93B	127.70 bps
Financials	\$120.92M	\$10.47B	115.75 bps

Market Breakdown

Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
Taiwan	\$205.33B	46.0%	\$24.17B	32.5%	299.25	6.2%	\$725.96M	41.1%
Japan	\$1.35T	12.7%	\$112.16B	-7.5%	57.98	13.3%	\$649.59M	4.9%
Hong Kong	\$461.41B	-12.7%	\$23.26B	-9.4%	146.84	6.2%	\$341.69M	-3.4%
Australia	\$506.65B	14.6%	\$23.67B	32.8%	43.70	-28.4%	\$107.82M	-1.1%
Korea, Republic of	\$150.19B	-11.3%	\$6.47B	-59.3%	115.24	-44.7%	\$74.71M	-77.4%
Thailand	\$24.92B	-17.7%	\$2.13B	38.9%	295.52	-17.8%	\$63.23M	14.6%
Malaysia	\$11.74B	18.3%	\$739.21M	66.5%	469.15	4.5%	\$34.81M	74.5%
Singapore	\$58.16B	0.6%	\$2.55B	19.1%	60.99	-12.4%	\$15.51M	4.4%

The Initial Impact of the **2024 U.S. Election** on Securities Lending

With two months now elapsed since the 2024 U.S. presidential election, policy shifts planned by the incoming administration have begun to come into focus, and broader financial markets have reacted in kind. While the implications of a potentially dramatic shift are only beginning to be realized, there are key signals and themes which can already be observed within the securities finance market.

Election Results Supercharge Bitcoin

Perhaps the biggest winners of the post-election “honeymoon” phase were investors in cryptocurrency. With the incoming administration being viewed as largely bullish on crypto, Bitcoin surged to an all-time high, peaking at a value over \$100,000. President-elect Trump is reportedly considering creating a “strategic reserve” of the currency, a purchase that would mark a watershed vote of confidence in the crypto industry.

The Bitcoin rally spilled over into equity markets with firms engaged in Bitcoin infrastructure or with large holdings of the currency acting as a popular proxy investment. One such firm was MicroStrategy (MSTR US), the largest corporate holder of Bitcoin. In the weeks following the election, the firm’s stock price more than doubled with the value of their Bitcoin holdings exceeding \$40 billion. The lending market responded with a 26% decline in the shares on-loan for MSTR in the 10-day period following the election, an indication that short sellers’ interest was waning.





However, with its share price tied so closely to a potentially volatile asset, MSTR has seen a rebound in short interest with a 49% increase in shares on loan over the final two weeks of 2024.

Shorts Cool on DJT

It's not difficult to argue that the security with the most direct ties to president-elect Trump's victory at the polls is the stock that bears his name. Shares of Trump Media and Technology (DJT) were an active hard-to-borrow throughout 2024, generating the fifth most revenue of any single security for lenders. A combination of tight lendable supply, as a large portion of DJT is not institutionally held, and uncertainty about how Trump would fare in the election generated significant fees for DJT.

As Trump secured his political future with a victory in November, DJT has seen a relative cooling in securities finance market. In the month leading up to the election, DJT averaged a 93% utilization rate with average spot fees above 1,000 basis points.

As of this writing, DJT had cooled to a 77% utilization rate with a more pedestrian spot rate of 139 basis points.

Treasuries in the Spotlight as Fiscal Policy Looks Set to Change

Fiscal policy will of course be front and center for the new administration, with one of Trump's marquee campaign promises being aggressive and wide-ranging tariffs on foreign goods. The threat of tariffs poses a question mark in the efforts to tame inflation that ran rampant in 2023 and early 2024. Fed chair Jerome Powell, a Trump appointee, has previously faced public criticism from the president-elect, creating further uncertainty around monetary decision making and contributing to increased Treasury yields following the election.

In the lending market, Treasuries saw an uptick in activity with the November 20-year bond (US912810UF39) representing the third-highest revenue-generating security for lenders in the month of December.



Impact of Rate Cuts on Securities Lending

After aggressively hiking interest rates to a 10-year high of 5.5%, the U.S. Federal Reserve started 2024 in a holding-pattern of sorts. Inflation measures were cooling, but the American consumer was still feeling the pain of high prices. The Fed would hold rates steady until their September meeting, when it would institute a 50-basis point cut, the first cut since Covid. Two more 25-basis point rate cuts would follow in November and December, with analysts forecasting additional cuts, albeit at a slower cadence, in 2025.

Like most financial markets, the Fed funds rate plays an important role in the securities finance industry. Beyond pricing mechanics, the shift to a rate-cutting environment has both short-term and long-term implications for securities lending activity and revenue.

In the Q3 2024 edition of The Purple, we analyzed the impact of rate cuts on short-term cash reinvestment revenue. In summation, when looking at securities lending transactions holistically, lenders have the opportunity to benefit from previously reinvested collateral in longer-dated instruments.

In contrast, the loan leg of a transaction is open as trades are rerated daily, and new loans are executed relative to the updated federal funds rate immediately.

Sovereign Debt Picks Up Steam

Regulatory regimes such as Basel III require that large financial institutions maintain a certain percentage of high-quality liquid assets (HQLAs) as part of their balance sheets, so along with various funding mechanisms, regulatory requirements can drive demand for instruments like U.S. Treasuries in the securities finance market.

Our data shows that sovereign debt was the only asset class to outperform (+8%) in 2024 vs. 2023. In the U.S., loan balances for Treasuries grew by 14% year-over-year to an average balance of \$821 billion. This meant the asset class represented 32% of the industry-wide loan balance, up from 29% in 2023.



Outside of the U.S., Canadian sovereign debt was the next most borrowed, with a balance of \$104 billion. French debt rounded out the top three with \$77 billion in sovereign bonds on-loan.

Corporate bonds, on the other hand, saw significant cooling in 2024 as a 29% decline in fees across both investment-grade and high-yield issuances led to a 21% decrease in revenue for securities lenders.

The decline in demand was predominantly a result of the declining interest rate environment. During the rate cuts of 2023, corporate bonds benefited from directional trades. In addition, the U.S. corporate bond market saw a 30% year-over-year increase in total issuance value as the falling interest rates made debt a more attractive corporate financing tool.

As the calendar has flipped to 2025, bond yields have climbed nearly 50 basis points in a month as economic policy changes, and the potential for inflationary tariffs, loom large as part of the incoming Trump administration. We will continue to monitor securities lending activity closely as falling rates and rising yields will create an interesting dynamic for the bond market.



Revenue Review: Top Securities Lending Earners in 2024

North American Equities

As U.S. equity markets rallied in 2024, securities lending revenue for U.S. equities faced significant challenges, with Q4 revenue down 7% year-over-year (YoY), contributing to a total annual decline of 17%. A 22% drop in fees drove the decrease and offset a 5% increase in balances, which was driven by increased valuations.

In 2024, Sirius XM (SIRI US) and Lucid (LCID US) were the top two earners globally, generating \$245 million and \$120 million, respectively, in securities lending revenue for lenders. However, revenue in both names tailed off significantly in Q4. Sirius XM's decline followed the completion of the Liberty merger in September. The majority of Lucid's securities lending returns were accrued earlier in the year as the company missed earnings for multiple quarters. Lucid began cooling late in the year after announcing better-than-expected deliveries of their vehicles.

The Canadian equity market also experienced a 2024 rally, but the securities lending market showed a bit more resilience, with a smaller revenue decline of 2% YoY. Unlike the U.S., fees in Canada rose by 17%, partially offsetting a 15% drop in balances.

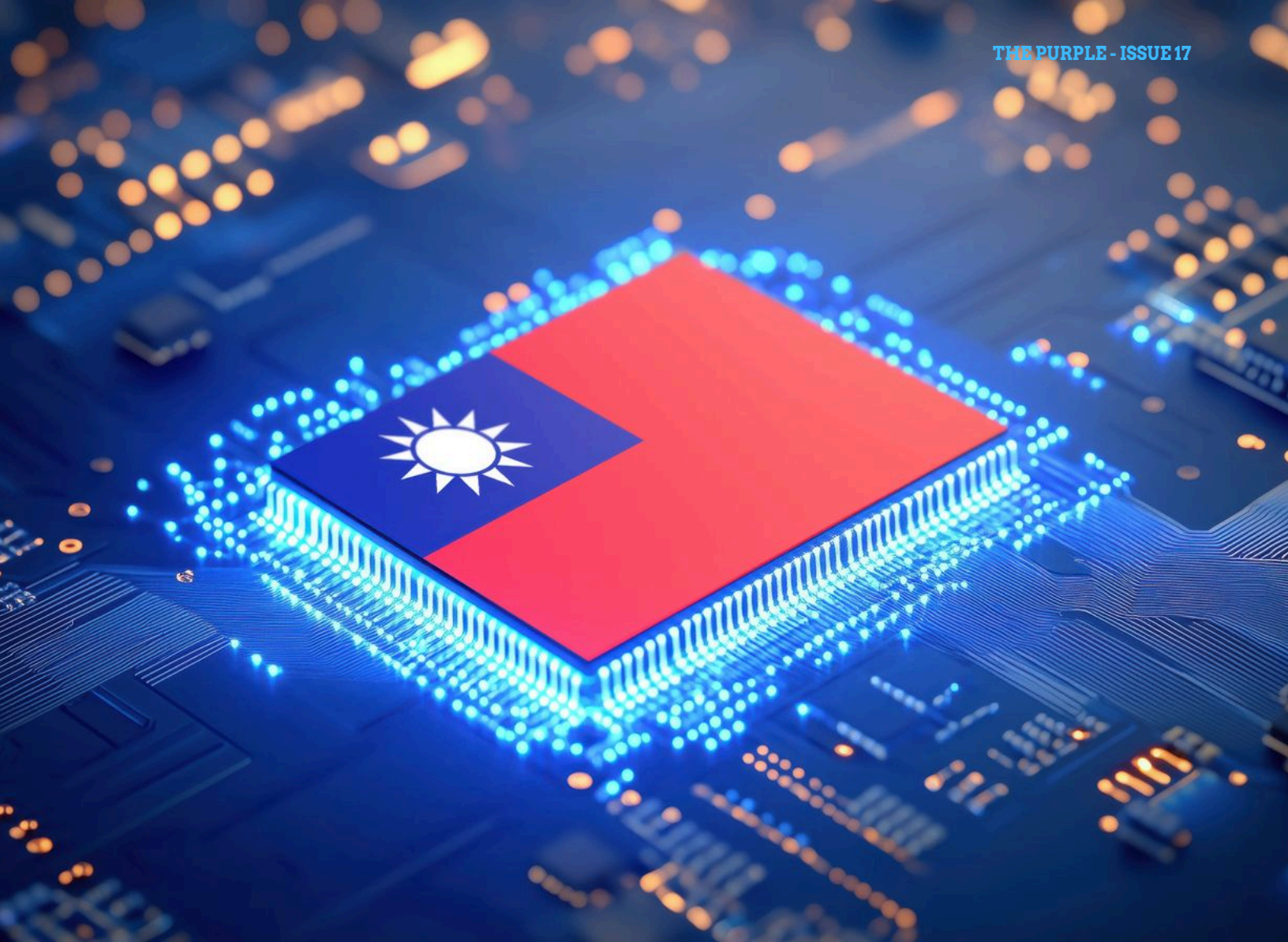
Cannabis stocks were back in focus, specifically Canopy Growth (WEED CN), which saw a rise in stock price. This increase in valuation led to increased shorting activity with an average fee of nearly 10,000 basis points, resulting in \$37 million generated for securities lenders. Looking ahead to 2025, several stocks are emerging as the top "specials" in the North American market, including Tempus AI, Spirit Airlines and Endeavor Group.

EMEA Equities

EMEA equities faced a challenging year, with securities lending revenue down 24% in 2024. Both fees and balances declined across the region, and the top five markets (France, Sweden, United Kingdom, Switzerland and Germany) all reported double-digit percentage declines in revenue. Notably, Communication Services was the sole sector to show improvement over 2023.

Swiss pharmaceutical researcher Idorsia LTD (IDIA SE) and French satellite operator Eutelsat Communications (ETL FP) were the top revenue earners in EMEA for the year, the latter of which was responsible for the sector's improvement in the lending market. Despite the broader decline, Q4 provided a glimmer of hope, with revenue increasing 8% YoY, driven by a 2% rise in fees and a 6% uptick in balances. France and the UK spearheaded the Q4 rebound, with revenue surging by 80% and 26%, respectively. France's gains were bolstered by a remarkable 103% increase in fees, while the UK benefited from a 31% increase in balances.





APAC Equities

APAC equities wrapped 2024 on a relatively stable note, with revenue remaining flat as a slight increase in fees balanced out a minor dip in balances. Taiwan emerged as a standout performer, with a 41% revenue increase over 2023. Leading contributors from Taiwan included IT companies such as Vanguard International, Giga-Byte Technology, Novatek and Jinan Acetate Chemical, which represented four of the top five earners in APAC.

Japanese equities also showed modest growth in 2024, with a 5% revenue increase YoY, driven by a 13% increase in fees. If Q4, however, is any indicator of performance for 2025, Japanese equities may see suppressed lending activity as revenue dropped 5% in Q4 when compared to Q4 2023 due to decreased loan balances.

While Hong Kong and Australia saw decreases in revenue for the full year, both saw double-digit increases in revenue in Q4 due to 25% jumps in loan balances in both markets. The Republic of Korea's decision to lift its short-selling ban in March is expected to boost market activity in 2025, setting the stage for a potentially strong Q1 for the region.

Fixed Income

Fixed income securities delivered mixed results in 2024. Government-issued bonds experienced an 8% revenue increase YoY, led by U.S. Treasurys. Balances for U.S. Treasurys grew by 14%, while the Federal Reserve's interest rate cuts resulted in a 5% decrease in borrowing costs. With further rate cuts anticipated in 2025, the impact on securities lending remains a focal point.

Conversely, corporate bond lending revenue fell by 21%, primarily due to a 29% decline in fees. High-yield corporate bonds saw a 14% revenue drop, while investment-grade debt suffered a steeper 28% decline. However, Q4 showed signs of recovery for high-yield bonds, with balances up by 26%, driving a 29% YoY revenue increase.

Securities lending revenue in 2024 painted a diverse picture across regions and asset classes. While North America and EMEA equities grappled with declines, APAC equities displayed resilience, and fixed income markets revealed opportunities amid shifting monetary policies. As 2025 begins, evolving market dynamics, including policy changes and sectoral shifts, will play a critical role in shaping securities lending performance.





APAC 2024 Performance

While global securities lending revenue faced headwinds in 2024, the Asia-Pacific (APAC) region showed resilience, experiencing a comparatively modest 1.8% year-over-year (YoY) decline to \$2.1 billion. The majority of revenue was generated by equities, contributing \$2 billion, representing a 0.3% YoY decline. A 3.3% increase in fees was offset by a 3.8% decrease in on-loan balances. The Information Technology (IT) sector was the primary driver of growth in the region, fuelled by the surging demand for AI-related applications and semiconductor manufacturing. Lending activity within the IT sector produced \$661 million in revenue. While the APAC region was relatively flat as a whole, regional market performance can be categorized into three groups: the good, represented by Taiwan's stellar performance; the bad, marked by Korea's short-selling ban and Hong Kong's underwhelming results; and the steady, exemplified by Japan's consistent and reliable returns.

Asia-Pacific securities lending revenue declined 1.8% year-over-year to \$2.1 billion

Revenue from Taiwanese equities reached \$726 million in 2024

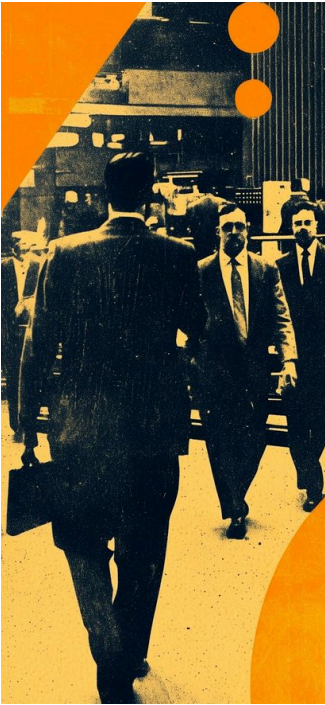
The Good: Taiwan's Stellar Performance

Taiwan stood out among APAC markets in 2024, bucking regional trends to earn its position as the top securities lending market in the region. Revenue from Taiwanese equities reached \$726 million, representing YoY growth of 41%, fuelled by a 32.5% increase in on-loan balances and a 6.2% rise in fees.

Taiwan's strong growth has become a focal point for securities lending market participants due to factors including its ranking as a top semiconductor manufacturing hub, as concerns swell over an AI-driven bubble, combined with fears of yet another trade war and rising tensions across the Taiwan Strait.

The top two highest-revenue-generating securities in APAC for 2024 both originated from Taiwan, and both within the IT industry. Leading the way in Taiwanese equity lending was Giga-Byte Technology Co (2376 TT), generating \$24.22 million in 2024, up 110% YoY. Vanguard International Semiconductors (5347 TT) followed as a close second, having generated \$24.2 million, a 369% increase, for lenders.

Leading the way in Taiwanese equity lending was Giga-Byte Technology Co



Hong Kong lending revenue declined 3.5% in 2024 to \$342 million

The Bad: Hong Kong and Korean Performance

Within the backdrop of China's prolonged real estate crisis, Hong Kong experienced a YoY decline of 3.5% in 2024, with lending activity earning \$342 million. Although fees increased by a modest 6.2% compared to 2023, on-loan balances were down 9.4% YoY, while on-loan quantities remained flat throughout 2024. Arguably, the real estate securities driving revenue for Hong Kong in 2023 have been exhausted. Despite a flurry of activity following China's stimulus announcement in October, the fiscal measures did little to boost investor sentiment, with broader geopolitical and economic uncertainty continuing. An exception would be East Buy Holdings (1797 HK), which was the third highest earning security in APAC in 2024, earning \$23.7 million, primarily driven by a 72% increase in fees over the course of 2024.

The Korean market experienced a sharp decline in revenue

With the introduction of the short-selling ban in November 2023 and subsequent extension until Q1 2025, it is unsurprising that the Korean market experienced a sharp decline in securities lending revenue. Lending activity generated \$75 million in revenue in 2024, down 77%, with fees and on-loan balances down 45% and 59% YoY, respectively. As we look toward the planned lifting of restrictions at the end of Q1 2025, some market participants may be cautious to re-enter from a regulatory risk perspective. However, looking back to the second half of 2021 when COVID-induced short selling restrictions were lifted, we saw a 161% increase in revenue. With all exchange securities being eligible for shorting post-restrictions, we may potentially see a similar resurgence in Korean activity this year.

The Steady: Japan's Consistent Performance

While dropping one place to being the second-best performing securities lending market in the region, Japan's performance has remained steady from an earning perspective. Japan generated \$650 million in lending revenue in 2024, up 4.9% YoY. The increase was driven by a 13% rise in fees offset by a 7.5% decrease in loan balances. With the Bank of Japan raising interest rates at the beginning of the year, Japanese fixed income revenue was down 9.9% compared to 2023, generating \$23 million amidst a 13% decrease in fees. This fits the broader APAC fixed income trends, where revenue from lending activity generated \$116 million, down 23% YoY.

Despite a subdued global securities lending market in 2024, with declining revenue across all 3 major regions, Taiwan emerged as a standout within APAC. Strong activity in the Information Technology and Semiconductor sectors drove its performance, supported by growing demand for AI-related applications and semiconductor production. These factors helped solidify Taiwan as the best performing market in APAC for 2024. As we look to 2025, geopolitical and macroeconomic concerns persist, the AI wave remains strong, and Taiwan will no doubt continue to play a pivotal role in the region's securities lending landscape.

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