

FOCUS

NEW S&P/MIB DERIVATIVES ROLL-OVER A RESOUNDING SUCCESS

September saw the roll-over of derivatives to the S&P/MIB index completed successfully, and the trading of contracts on the Mib30 finally ending. On 20 September, the first day the S&P/MIB was used as the Italian market's benchmark index, over 22,000 contracts, between futures, minifutures and options, changed hands.

In the wake of the success of the new index, volumes traded on the Idem (Borsa Italiana's derivatives market) in September reached new heights, with an overall daily average of 67,400 standard contracts (up 31.4% on August). Trading in index futures rose to a daily average of 14,700 standard contracts (up 37.4% on August), with trading in index minifutures scoring 5,300 contracts per day (up 7.1% on August). There were also strong gains from stock futures which over the month recorded a daily average of 2,800 standard contracts (up 247.3% on August and up 136.9% on September 2003). Stock options also turned in a good performance, climbing to 37,300 standard contracts per day (+38.3% on August), but trading in index options went back slightly to 7,400 standard contracts per day (-6.4%). On 20 September, trading started up on three new futures contracts on the stocks of Mediolanum, Telecom Italia Risparmio and Terna.

September was marked by growth of share prices which saw the Mib index closing the month at 20,574, a monthly change of +3.7%, the highest rise since last November. Overall growth since the end 2003 was +5.6% (+13.9% on September 2003). The peak for the month was 20,591 and was reached on Wednesday 29 September. The continuous indices grew at similar rates: the Mibtel +3.3% (+5.6% since end 2003), the S&P/MIB +3.3% (+3.4%) and the Midex +3.6% (+2.3%). The MibSTAR index closed the month on its new historical high of 1,074, +4.8% on end of August, representing 14.3% growth with respect to end 2003. The Nuovo Mercato also closed the month on a high, with the Numex up 4.5% (best monthly performance since last November). The Expandi market's MEX index (+4.7%) recorded its best monthly performance since April 2001, advancing by 6.0% on end 2003. Volatility returned to minimum levels, settling at 5.8% on the Stock Market and 12.7% on the Nuovo Mercato.

Capitalization rose from 503 to 523 billion Euros, reaching the highest level since June 2002. The details: the Stock Exchange went up from 492.3 to 511.1 billion Euros, the Nuovo Mercato from 6.0 to 6.3 billion Euros, the Expandi market from 5.0 to 5.2 billion Euros. The ratio to GDP climbed from 37.6% to 39.1% (37.4% at end 2003).

Trading in shares was up on August both in terms of contracts (124,000 a day, +37.6%) and turnover (daily average of 2.67 billion Euros, +51.5%). The Stock Exchange climbed to an average of 111,000 contracts and 2.55 billion Euros a day, the Nuovo Mercato (daily average 13,000 contracts and 120 million Euros) posted its best monthly turnover for the year and the Expandi market (300 contracts and 3.2 million Euros a day) recorded its highest turnover since October 2000. The average size of stock contracts was also up from 21,600 to 23,200 Euros for shares on the Stock Exchange (daytime trading) and from 5,200 to the new historical high of 9,300 Euros for the Nuovo Mercato.

Trading in ETFs returned a daily average of 10.5 million Euros. The average size of the contracts in September was 25,700 Euros.

After Hours trading also showed growth, with a daily average of 38.6 million Euros in turnover (+74.0% on August) and 3,900 contracts (+23.6% on August). A new record high for a single session was reached on Monday 13 September, with a turnover of 198.7 million Euros.

There was a recovery in securitized derivatives exchanged (covered warrant and certificates), with 13,300 daily contracts (+18.2% on August) and turnover of 54.5 million Euros a day (+37.4% on August).

Trades in fixed-income instruments all returned growth. Government securities rose to a daily average of 503.7 million Euros (+25.2% on August), MOT bonds to 28.7 million Euros (+59.9% on August) and EuroMOT bonds to 9.7 million Euros (+29.8%). On Thursday 30, trading started on the EuroMOT of the first three asset-backed securities listed on Borsa Italiana markets, issued for securitization of INPS credits.

STOCK MARKET INDICES

	30 DEC 2003	30 JUL 2004	31 AUG 2004	Var. % MoM	Var. % on 2003 end	Var. % on August 2003	Volatility latest month	Volatility latest 3 months
Mib (base 2.1.1975 = 1.000)	19 483	19 845	20 574	3.7%	5.6%	13.9%	5.8%	8.0%
last Mibtel (base 3.1.1994 = 10.000)	19 922	20 378	21 045	3.3%	5.6%	14.1%	7.4%	8.7%
last S&P/MIB (base 31.12.1997 = 24.402)	26 887	26 913	27 794	3.3%	3.4%	12.9%	8.5%	9.7%
last Mib30 (base 31.12.1992) 10.000)	26 715	27 073	27 957	3.3%	4.6%	12.9%	8.5%	9.6%
last Midex (base 30.12.1994 = 10.000)	26 347	26 025	26 951	3.6%	2.3%	12.9%	6.6%	8.5%
MibStar (base 29.12.2000 = 1.000)	940	1 025	1 074	4.8%	14.3%	17.8%	3.0%	5.4%
Numex (base 17.06.1999 = 1.000)	1 664	1 251	1 307	4.5%	-21.5%	-12.7%	12.7%	19.3%
last Numtel (base 17.06.1999 = 1.000)	1 582	1 190	1 230	3.4%	-22.3%	-13.6%	15.6%	19.2%
MEX (base 3.1.1979 = 1.000)	7 317	7 410	7 757	4.7%	6.0%	5.8%	7.2%	4.9%

LISTED COMPANIES NUMBER AND CAPITALISATION

	NUMBER (end of month)			End of Month CAPITALISATION (domestic companies)					
	30 DEC 2003	30 JUL 2004	31 AUG 2004	30 DEC 2003 euro m	30 JUL 2004 euro m	31 AUG 2004 euro m	Var. % MoM	Var. % on 2003 end	Var. % on August 2003
Borsa	225	223	223	474 554	492 329	511 141	3.8%	7.7%	16.6%
Nuovo Mercato	43	41	41	8 265	5 991	6 300	5.2%	-23.8%	-12.4%
Mercato Expandi	11	12	12	4 628	4 990	5 213	4.5%	12.7%	7.6%
Total	279	276	276	487 446	503 309	522 655	3.8%	7.2%	12.7%
<i>as % of GDP</i>				37.4%	37.6%	39.1%			

TRADING ACTIVITY

DAILY AVERAGES

	JULY 2004		AUGUST 2004		Var. % MoM		Var. % on August 2003		JAN-AUG 2004	
	Trades no	euro m	Trades no	euro m	Trades no	euro m	Trades	Turnover	Trades no	euro m
Borsa shares ⁽¹⁾	79 566	1 710.4	110 918	2 551.6	39.4%	49.2%	-28.6%	-11.3%	118 821	2 690.4
Nuovo Mercato shares ⁽¹⁾	10 595	53.7	13 134	119.8	24.0%	123.3%	-18.6%	88.9%	11 751	72.3
Mercato Expandi shares	187	1.0	298	3.2	59.9%	221.7%	4.9%	82.7%	255	1.6
Shares Total ⁽¹⁾	90 347	1 765.1	124 350	2 674.6	37.6%	51.5%	-27.6%	-9.1%	130 826	2 764.4
ETFs and Open-End Funds	390	12.0	407	10.5	4.3%	-12.5%	41.1%	54.9%	435	10.7
Securitized Derivatives ⁽¹⁾	11 295	39.7	13 349	54.5	18.2%	37.4%	-22.5%	-3.2%	14 884	58.8
<i>After Hours ⁽²⁾</i>	3 160	22.2	3 904	38.6	23.6%	74.0%	-36.4%	5.5%	4 629	31.9
EQUITIES TOTAL ⁽³⁾	103 274	1 820.6	140 619	2 746.8	36.2%	50.9%	-27.1%	-8.9%	149 163	2 840.5
MOT - Government Bonds	7 175	402.4	8 604	503.7	19.9%	25.2%	-4.6%	-7.4%	9 378	563.2
MOT - Bonds	1 226	18.0	1 886	28.7	53.9%	59.9%	-6.6%	-8.7%	1 790	26.1
EuroMOT - Bonds	280	7.4	363	9.7	29.4%	29.8%	-33.2%	-30.5%	572	14.3
FIXED INCOME TOTAL	8 681	427.8	10 853	542.1	25.0%	26.7%	-6.3%	-8.0%	11 740	603.6
Index Futures ⁽⁴⁾	10 687	1 437.6	14 682	2 045.6	37.4%	42.3%	-22.1%	-15.8%	13 178	1 817.6
Index miniFutures ⁽⁴⁾	4 908	131.9	5 256	146.5	7.1%	11.1%	-49.2%	-45.0%	6 182	170.5
Index Options ⁽⁴⁾	7 932	523.8	7 423	504.0	-6.4%	-3.8%	-18.5%	-13.7%	8 643	586.1
Stock Futures ⁽⁴⁾	797	2.8	2 767	9.6	247.3%	242.2%	136.9%	157.6%	4 381	23.7
Stock Options ⁽⁴⁾	26 964	93.8	37 281	137.3	38.3%	46.3%	-3.2%	1.2%	36 254	136.8
EQUITY DERIVATIVES TOTAL ⁽⁴⁾	51 288	2 190.0	67 409	2 843.0	31.4%	29.8%	-13.5%	-16.9%	68 638	2 734.8

(1) Daily and After Hours sessions

(2) Figures already included in those of Borsa and NM shares and securitized derivatives

(3) It includes also trading of warrant, convertible bonds, right issues and closed-end funds. It doesn't include figures of participation to takeover sent through the electronic trading system.

(4) For equity derivatives number of standard contracts and notional turnover are reported.