

FOCUS

The MIB index closed the month of October at 21,146, a new annual high (the highest level since June 2002), +2.8% for the month. When compared to year-end 2003 the index posts a growth of +8.5% (+12.4% over the last 12 months). The continuous indices posted a similar performance: +3.2% for Mibtel (+9.0% since year-end 2003), +3.2% for S&P/Mib (+6.7%), +1.8% for Midex (+4.2%). The MibSTAR index closed the month at its new record high of 1,094, +1.9% from end of the September and an increase of 16.4% compared to year-end 2003 (+15.2% over October 2003). Even the New Market closed the month with a net recovery, with the Numex standing at +2.9%. The MEX index of the Expandi Market grew 0.9% during the month, resulting in an improvement of 7.0% over year-end 2003. Volatility increased from the minimum levels of September, reaching 8.6% for the Stock Exchange and 14.7% for the New Market.

Spurred by the rise in share prices, capitalisation increased from 523 to 537 billion Euro, reaching its highest level since May 2002. Specifically, the Exchange increased from 511.1 to 525.1 billion Euro, the New Market from 6.3 to 6.6 billion Euro and the Expandi Market from 5.2 to 5.3 billion Euro. The GDP ratio increased from 39.1% to 40.2%.

Idem (the Derivatives Market of the Italian Stock Exchange) showed a growth in volumes during the month, exceeding even those of October 2003, with an overall daily average of 71,200 standard contracts (+5.7% over September levels - a month that also handled the quarterly expiry of index futures - and +15.2% over October 2003). Of particular interest is the strong growth in stock futures, which increased to a daily average of 8,700 standard contracts (third highest month in the history of Idem, +214% over September and +609.2% over October 2003) and index options, which reached 8,700 standard contracts a day (+17.4% over September 2004). Trading on index futures was at an average of 12,600 standard contracts per day, index mini-futures at 5,100 and stock options at 36,000 standard contracts per day.

Trading volumes were up from September, both in terms of contracts (129,000 per day, +3.9%) as well as turnover (daily average of 2.95 billion Euro, +6.7%). Specifically, the Stock Exchange recorded an average of 118,000 contracts and 2.77 billion Euro per day, the New Market a daily average of 11,000 contracts and 87 billion Euro and the Expandi Market 300 contracts and 2.0 million Euro. The average size of the contracts was essentially stable at 23,700 Euro for Stock Exchange shares (daytime phase) and 8,100 Euro for New Market shares.

Substantial growth in ETF trading, reaching new historical highs in terms of both the number of contracts (daily average 604) and turnover (daily average 16.2 million Euro). The average contract size was up slightly, from 25,700 to 26,900 Euro. A new record high for trading in a single session was established on Thursday the 28, with a turnover of 61,5 million Euro.

The revival in securitised derivatives (covered warrant and certificates) trading continued during the month, with the daily average number of contracts growing to 15,400 (+15.6% over September) and turnover on the rise at 72.0 million Euro per day (+32.1% over September).

Trading of fixed income instruments is on the rise for bonds and steady for Government securities. Securities on the Electronic Bond and Government Securities Market (MOT) recorded a daily average of 36.1 million Euro (+25.8% on September), EuroMOT bonds an average of 12.2 million Euro (+26.5% on September) and Government securities 499.8 million Euro (-0.8% on September).

After Hours trading was stable at September levels, with a daily average of 4,400 contracts and 36.9 million Euro changing hands.

The primary market handled placement of the third tranche of Enel shares during the month (the second through public offer), which involved the participation of 630,000 retail and 486 institutional investors, with deposits totalling 7.64 billion Euro (the third largest placement in Italian history, after Enel1 and Telecom). Total deposits during the first 10 months of the year rose to 12.97 billion Euro, of which 2.19 destined directly to corporate financing, and 10.78 billion Euro from shares sold by shareholders (9.34 billion Euro from privatisation). The total number of companies listed at the end of October was 276.

STOCK MARKET INDICES

	30 DEC 2003	30 SEP 2004	29 OCT 2004	Var. % MoM	Var. % on 2003 end	Var. % on October 2003	Volatility latest month	Volatility latest 3 months
Mib (base 2.1.1975 = 1.000)	19 483	20 574	21 146	2.8%	8.5%	12.4%	8.6%	8.2%
last Mibtel (base 3.1.1994 = 10.000)	19 922	21 045	21 715	3.2%	9.0%	12.2%	9.2%	9.0%
last S&P/MIB (base 31.12.1997 = 24.402)	26 887	27 794	28 681	3.2%	6.7%	10.4%	10.7%	10.1%
last Mib30 (base 31.12.1992) 10.000)	26 715	27 957	28 884	3.3%	8.1%	11.2%	10.1%	9.9%
last Midex (base 30.12.1994 = 10.000)	26 347	26 951	27 449	1.8%	4.2%	8.5%	9.2%	8.8%
MibStar (base 29.12.2000 = 1.000)	940	1 074	1 094	1.9%	16.4%	15.2%	4.9%	5.1%
Numex (base 17.06.1999 = 1.000)	1 664	1 307	1 345	2.9%	-19.2%	-15.4%	14.7%	17.1%
last Numtel (base 17.06.1999 = 1.000)	1 582	1 230	1 277	3.8%	-19.3%	-15.8%	13.3%	17.3%
MEX (base 3.1.1979 = 1.000)	7 317	7 757	7 826	0.9%	7.0%	7.1%	2.6%	4.7%

LISTED COMPANIES NUMBER AND CAPITALISATION

	NUMBER (end of month)			End of Month CAPITALISATION (domestic companies)					
	30 DEC 2003	30 SEP 2004	29 OCT 2004	30 DEC 2003 euro m	30 SEP 2004 euro m	29 OCT euro m	Var. % MoM	Var. % on 2003 end	Var. % on October 2003
Borsa	225	223	223	474 554	511 141	525 109	2.7%	10.7%	15.2%
Nuovo Mercato	43	41	41	8 265	6 300	6 632	5.3%	-19.8%	-14.4%
Mercato Expandi	11	12	12	4 628	5 213	5 265	1.0%	13.8%	14.0%
Total	279	276	276	487 446	522 655	537 005	2.7%	10.2%	14.7%
<i>as % of GDP</i>				37.4%	39.1%	40.2%			

TRADING ACTIVITY

DAILY AVERAGES

	SEPTEMBER 2004		OCTOBER 2004		Var. % MoM		Var. % on October 2003		JAN-OCT 2004	
	Trades no	euro m	Trades no	euro m	Trades no	euro m	Trades	Turnover	Trades no	euro m
Borsa shares ⁽¹⁾	110 918	2 551.6	117 946	2 765.0	6.3%	8.4%	-13.8%	7.5%	118 735	2 697.7
Nuovo Mercato shares ⁽¹⁾	13 134	119.8	10 871	87.1	-17.2%	-27.3%	2.6%	85.0%	11 664	73.8
Mercato Expandi shares	298	3.2	324	2.0	8.4%	-37.4%	1.3%	15.1%	262	1.7
Shares Total ⁽¹⁾	124 350	2 674.6	129 141	2 854.1	3.9%	6.7%	-12.6%	8.9%	130 661	2 773.2
ETFs and Open-End Funds	407	10.5	604	16.2	48.4%	55.2%	135.2%	123.8%	451	11.2
Securitized Derivatives ⁽¹⁾	13 349	54.5	15 433	72.0	15.6%	32.1%	-14.4%	16.9%	14 937	60.1
After Hours ⁽²⁾	3 904	38.6	4 440	36.9	13.7%	-4.2%	-9.1%	4.1%	4 611	32.4
EQUITIES TOTAL ⁽³⁾	140 619	2 746.8	167 140	2 952.7	18.9%	7.5%	-0.2%	9.5%	150 927	2 851.5
MOT - Government Bonds	8 604	503.7	8 634	499.8	0.4%	-0.8%	-19.8%	-25.2%	9 305	557.0
MOT - Bonds	1 886	28.7	2 258	36.1	19.7%	25.8%	5.3%	10.5%	1 836	27.1
EuroMOT - Bonds	363	9.7	492	12.2	35.6%	26.5%	-13.0%	-13.2%	564	14.1
FIXED INCOME TOTAL	10 853	542.1	11 384	548.2	4.9%	1.1%	-15.5%	-23.3%	11 705	598.2
Index Futures ⁽⁴⁾	14 682	2 045.6	12 642	1 804.5	-13.9%	-11.8%	-13.7%	-4.0%	13 125	1 816.3
Index miniFutures ⁽⁴⁾	5 256	146.5	5 139	146.7	-2.2%	0.1%	-40.0%	-33.3%	6 080	168.2
Index Options ⁽⁴⁾	7 423	504.0	8 714	604.9	17.4%	20.0%	1.9%	10.7%	8 650	587.9
Stock Futures ⁽⁴⁾	2 767	9.6	8 688	32.7	214.0%	240.4%	609.2%	779.7%	4 804	24.6
Stock Options ⁽⁴⁾	37 281	137.3	36 064	127.7	-3.3%	-7.0%	25.0%	23.4%	36 236	135.9
EQUITY DERIVATIVES TOTAL ⁽⁴⁾	67 409	2 843.0	71 248	2 716.4	5.7%	-4.5%	15.2%	-1.3%	68 894	2 733.0

(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.