

FOCUS

January was a positive month for share prices, with the Mib index growing at 23,414 points (+2.3% over end December 2004), thereby reaching the levels of April 2002 (the peak of the post-September 2001 recovery). Mibtel was up 2.4% for the month, S&P/MIB 1.4% and Midex 5.0%. The new indices for top-quality small and mid caps, which began trading in January, turned in a notable performance. All Stars, Star and TechStar showed growth of +6.4%, +7.3% and + 5.5%, respectively, following good performance in 2004. For the All Stars and Star indices, the month-end figure also represents a new historical high. The MEX index of the Expandi Market recorded excellent performance, with monthly growth (+8.5%) greater than that of all of 2004 (+7.2%). Volatility continued to remain at the moderate levels of the recent period, standing at 6.1% for the general index (Mib), 7.6% for S&P/MIB and 6.0% for Star.

Driven by the growth in share prices, capitalisation rose from 581 to 599 billion Euro, reaching its highest level since April 2002. Specifically, the Electronic Equity Market increased from 568.9 to 586.4 billion Euro, the Nuovo Mercato from 6.7 to 6.8 billion Euro and the Expandi Market from 5.3 to 5.8 billion Euro. The GDP ratio is 42.8%.

Share trading was up over December both in terms of contracts (167,000 per day, +17.7%) as well as turnover (daily average of 3.28 billion Euro, +6.6%). At the individual markets level, the Electronic Equity Market increased to an average of 151,000 contracts and 3.19 billion Euro per day, the Nuovo Mercato to 15,000 contract and 93 million Euro and the Expandi Market to 400 contracts and 2.7 million Euro per day. The average trading size declined from 23,400 to 21,300 Euro for the Electronic Equity Market (daytime phase) and from 6,900 to 6,300 Euro for those of the Nuovo Mercato (daytime phase).

Idem, the Derivatives Market of Borsa Italiana, showed a growth in volumes during the month, with an overall daily average of 78,300 standard contracts (+4.0% over December, +18.9% over January 2004). Stock options in particular rose to an average of 52,700 standard contracts a day (+23.7% over December and + 41.4% over January 2004), the second highest figure ever, after May 2001. Index futures trading amounted to 11,100 standard contracts a day, while those of mini index futures amounted to 4,500. Index options also grew to 8,100 standard contracts a day (+7.6% over December and +4.1% over January 2004). Single stock futures recorded an average of 2,000 standard contracts per day.

ETF trading remained at December levels, with a daily average of 900 contracts and 22 million Euro. The average size of contracts was also stable, going from 25,300 to 24,900 Euro.

Trading in Securitised Derivatives (covered warrants and certificates) continued to recover during the month of January, with the average daily number of contracts growing to 14,400 (+22.4% over December 2004) and turnover up significantly to 106.6 million Euro per day (+36.2% over December), the highest level since May 2002.

On Wednesday the 26th, trading on Government Securities reached a new historical high for trading in a single session, with a turnover of 1,351 million Euro. A daily average of 510.6 million Euro (+16.4% over December 2004) was recorded throughout the month. MOT bonds recorded an average of 41.7 million Euro (+17.6% over December 2004), while EuroMOT bonds recorded an average of 13.4 million Euro (-4.8% over December 2004).

After Hours trading was up too, with a daily average of 4,800 contracts (+15.7% over December 2004) and 40.7 million Euro (+18.0% over December 2004).

Mittel launched a capital increase in January, collecting 67.5 million Euro. The partial takeover bid by Telecom Italia on Tim ordinary and savings shares was successful, with an overall value of 13,804 million Euro.

A total of 278 companies were listed as of the end of January.

STOCK MARKET INDICES

	30 DEC 2003	30 DEC 2004	31 JAN 2005	Var. % MoM	Var. % on 2003 end	Volatility latest month	Volatility latest 3 months
Mib (base 2.1.1975 = 1.000)	19 483	22 886	23 414	2.3%	2.3%	6.8%	6.1%
last Mibtel (base 3.1.1994 = 10.000)	19 922	23 534	24 091	2.4%	2.4%	8.2%	7.1%
last S&P/MIB (base 31.12.1997 = 24.402)	26 887	30 903	31 334	1.4%	1.4%	8.1%	7.6%
last Mib30 (base 31.12.1992) 10.000)	26 715	31 220	31 689	1.5%	1.5%	8.1%	7.5%
last Midex (base 30.12.1994 = 10.000)	26 347	29 671	31 158	5.0%	5.0%	11.4%	8.2%
MibStar (base 29.12.2000 = 1.000)	9 096	10 538	11 213	6.4%	6.4%	7.5%	6.0%
Numex (base 17.06.1999 = 1.000)	10 707	12 769	13 700	7.3%	7.3%	8.2%	6.4%
last Numtel (base 17.06.1999 = 1.000)	6 710	6 996	7 380	5.5%	5.5%	8.9%	7.8%
MEX (base 3.1.1979 = 1.000)	7 317	7 841	8 511	8.5%	8.5%	7.9%	5.5%

LISTED COMPANIES NUMBER AND CAPITALISATION

	NUMBER (end of month)			End of Month CAPITALISATION (domestic companies)				
	30 DEC 2003	30 DEC 2004	31 JAN 2005	30 DEC 2003 euro m	30 DEC 2004 euro m	31 JAN 2005 euro m	Var. % MoM	Var. % on 2003 end
Borsa	225	225	225	474 554	568 901	586 398	3.1%	23.6%
Nuovo Mercato	43	40	40	8 265	6 674	6 827	2.3%	-17.4%
Mercato Expandi	11	13	13	4 628	5 306	5 760	8.6%	24.5%
Total	279	278	278	487 446	580 881	598 986	3.1%	22.9%
<i>as % of GDP</i>				37.5%	43.1%	42.8%		

TRADING ACTIVITY

DAILY AVERAGES

	DECEMBER 2004		JANUARY 2005		Var. % MoM		Var. % on January 2004		JAN-DEC 2004	
	Trades no	euro m	Trades no	euro m	Trades no	euro m	Trades	Turnover	Trades no	euro m
Borsa shares ⁽¹⁾	128 771	2 993.4	151 259	3 188.4	17.5%	6.5%	-2.6%	11.9%	121 014	2 774.1
Nuovo Mercato shares ⁽¹⁾	12 490	84.6	15 009	92.6	20.2%	9.4%	-13.7%	-12.7%	11 786	74.7
Mercato Expandi shares	288	2.3	403	2.7	40.0%	14.7%	29.6%	52.9%	268	1.8
Shares Total ⁽¹⁾	141 548	3 080.4	166 670	3 283.7	17.7%	6.6%	-3.7%	11.0%	133 069	2 850.6
ETFs and Open-End Funds	846	21.4	870	21.7	2.8%	1.3%	72.2%	88.7%	518	12.6
Securitized Derivatives ⁽¹⁾	11 739	78.3	14 366	106.6	22.4%	36.2%	-18.9%	33.4%	14 587	64.1
After Hours ⁽²⁾	4 131	34.5	4 779	40.7	15.7%	18.0%	-27.5%	-1.9%	4 579	33.2
EQUITIES TOTAL ⁽³⁾	163 051	3 193.5	184 330	3 423.7	13.1%	7.2%	-4.7%	12.0%	153 404	2 935.3
MOT - Government Bonds	7 347	438.6	7 765	510.6	5.7%	16.4%	-33.6%	-28.9%	9 036	542.2
MOT - Bonds	2 302	35.4	2 693	41.7	17.0%	17.6%	18.9%	31.2%	1 922	28.5
EuroMOT - Bonds	546	14.1	502	13.4	-8.1%	-4.8%	-61.8%	-56.1%	554	13.9
FIXED INCOME TOTAL	10 195	488.1	10 960	565.7	7.5%	15.9%	-28.3%	-27.6%	11 512	584.5
Index Futures ⁽⁴⁾	12 803	1 943.5	11 076	1 723.3	-13.5%	-11.3%	-14.3%	-4.0%	12 964	1 817.6
Index miniFutures ⁽⁴⁾	3 968	120.4	4 451	138.5	12.2%	15.0%	-34.3%	-26.3%	5 779	161.5
Index Options ⁽⁴⁾	7 489	553.2	8 059	607.9	7.6%	9.9%	4.1%	16.7%	8 641	594.7
Stock Futures ⁽⁴⁾	8 401	31.4	1 966	9.4	-76.6%	-70.0%	74.4%	113.9%	6 748	30.4
Stock Options ⁽⁴⁾	42 591	201.4	52 704	243.5	23.7%	20.9%	41.4%	62.0%	36 967	142.9
EQUITY DERIVATIVES TOTAL ⁽⁴⁾	75 252	2 850.0	78 257	2 722.7	4.0%	-4.5%	18.9%	2.4%	71 099	2 747.1

(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.