

IDEM: *the Italian derivatives market*

During 2001, despite the negative trend in share prices and in the level of indices, the IDEM exceeded its all-time high for the number of standard contracts concluded: 17.1 million standard contracts compared to the previous all-time high of 13.3 million contracts, achieved in 2000. The overall notional turnover - influenced by the decrease of share prices and indices - was more adversely affected by the performance of the underlying markets and dropped to a level of 1,181 billion euro (from 1,384 in 2000). The most liquid month in terms of standard contracts was May, with a daily average of 18,234, while in terms of turnover it was September with 5,827 million euro per day.

The instruments driving the performance of the IDEM were the options on single shares, which continued the strong growth pattern begun in 2000, and the miniFIB, introduced on 3 July 2000, which had an extremely positive reception from the market.

MIB30 INDEX FUTURES

The futures on the MIB30 index, recorded a growth in terms of standard contracts, reversing the downward trend begun in 1999 realising a total number of 4,634,329 contracts (+8.8% from 2000) and a daily average of 18,390 (+9.7%). On the other hand, the situation was different as regards notional turnover (chart 16), which was more affected by the trend in prices on the underlying market: after the slight improvement in 2000, the futures on the MIB30 index achieved an overall turnover of 829 billion euro (-15.7%), with a daily average of 3.29 billion euro (-15.1%).

MIB30 futures: while the number of standard contracts was up by 8.8%, the notional value, more sensitive to the trend in the underlying, fell by 15.7%

The open interest at the end of 2001 was below the 2000 level, dropping from 17,979 to 12,502 contracts.

The ratio between notional value and the activity of the underlying stock market, as a result of the fall off in the latter, was up from 117% in 2000 to 130% in 2001.

THE MINIFIB

With the miniFIB it is possible to acquire positions on the MIB30 index with a more limited economic commitment than with futures on the MIB30: as the value of the index point is equal to 1 euro, the size of contracts amounts to one fifth of that of the MIB30 futures. The market has shown a keen interest in this new financial derivative instrument which, during 2001, recorded strong growth rates, establishing daily records on more than one occasion (chart 17).



The daily average of standard contracts rose by 97%, from 2,822 to 5,556, while the daily average notional value was up by 48%, increasing from 132 to 196 million euro. The open interest at the end of 2001 amounted to 2,948 contracts.

On October 4th the all-time high in standard contracts was achieved, for a total 11,261

MIB30 INDEX OPTIONS

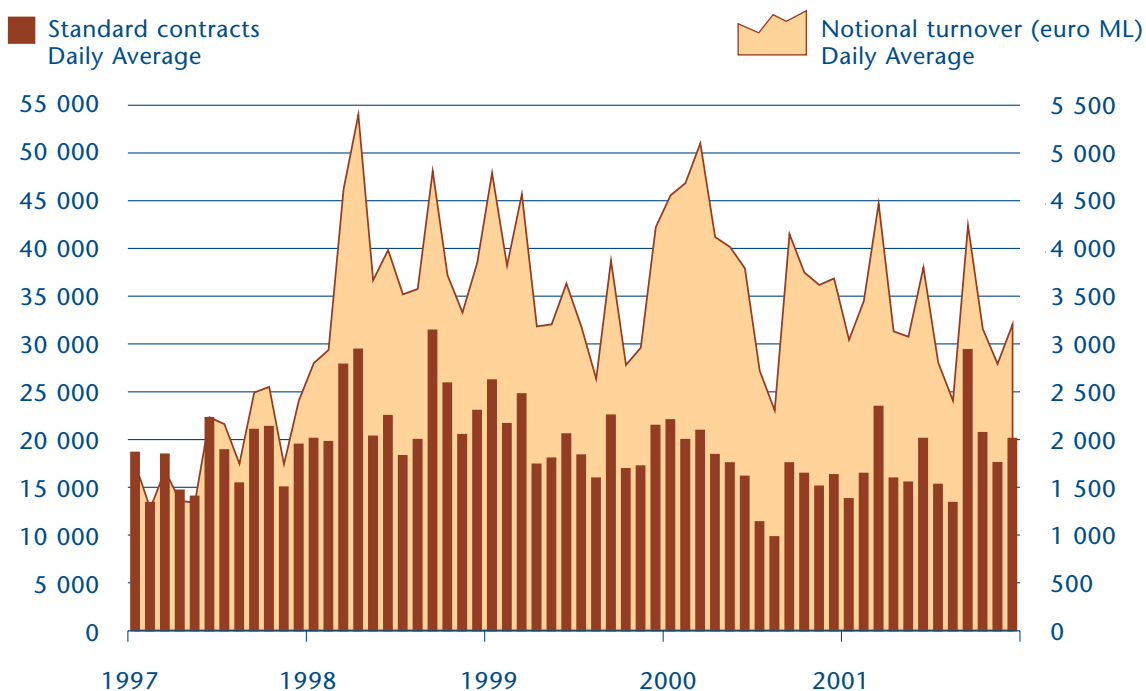
Throughout 2001, the number of standard option contracts traded on the MIB30 index was basically stable: the total number dropped to 2,716,271 (2,842,081 in 2000), with a daily average of 10,779 (11,189 in 2000). The decline was greater in terms of notional turnover, due to the trend in prices: the overall value amounted to 247 billion euro (323 in 2000), while the daily average figure was 978 million euro (1,272 in 2000). The ratio between the notional value and the value of trades carried out on the underlying assets remained stable at 39%. The open interest dropped from 180,186 to 111,067 outstanding contracts.

With regard to the distribution of trades between call and put contracts, there was a uniform distribution of the notional turnover and the number of standard contracts: the call contracts accounted for 54.4% in terms of notional turnover and 52.2% in terms of standard contracts.

STOCK OPTIONS

During 2001, the options on single shares continued the growth trend which began the previous year. With the admission of the options on the Mediolanum and Banca Nazionale del Lavoro shares and the delisting of the option on Banca Commerciale Italiana (following

CHART 16 - IDEM: MIB30 FUTURES



The options on single shares, representing 49% of total standard contracts negotiated, proved to be the most active instrument on the IDEM

absorption by Banca Intesa simultaneously renamed IntesaBCI), 2001 closed with 33 options on single shares.

The number of contracts traded increased, while there was a limited reduction in terms of value (chart 18). The total number of contracts rose by 41.9% (from 5,870,743 to 8,329,533) and the daily average by 43.0% (from 23,113 to 33,054). Notional turnover reflected the negative trend in share prices, limiting the decline to 5.7% for the overall figure (59 to 56 billion euro) and to 5.1% for the daily average figure (from 234 to 222 million euro). April and May were the most liquid months, with the all-time high in trading during a single session achieved on May 22nd, with 222,151 standard contracts and 1,234 million euro in notional value.

CHART 17 - IDEM: MINIFIB

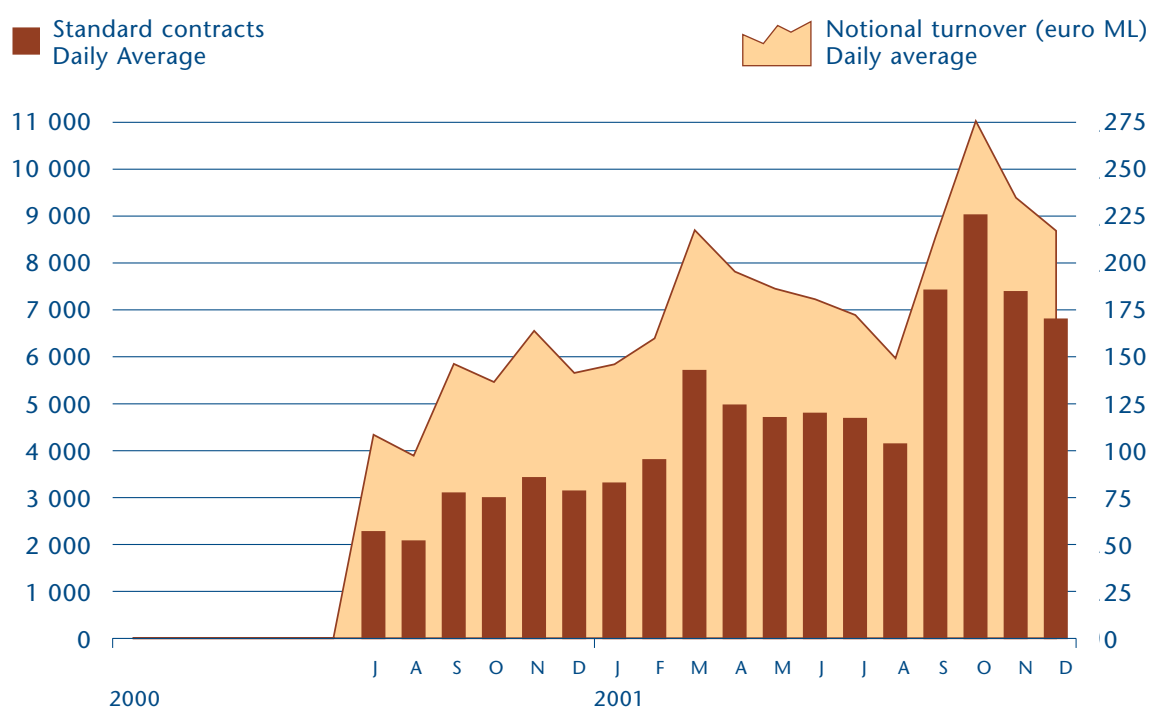


CHART 18 - IDEM: STOCK OPTIONS

