

## Italian Market Review 2016

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- 20 admissions, including 14 IPOs raised more than €1.4 billion
- Year-end total market capitalization of listed companies on Borsa Italiana is €524.9 billion
- Average daily value of traded shares reached €2.5 billion with 297,000 contracts (+6.1% compared to 2015)

### 2016 Market Highlights

*(Figures as of 23 December 2016)*

By the end of 2016 there were 387 companies on Borsa Italiana's markets.

244 companies on MTA (71 on the STAR segment), 66 on Global Equity Market and 77 on AIM Italia.

- There have been **20 new admissions in 2016** including 14 IPOs
  - o **IPOs:** 3 on MTA, 11 on AIM Italia
    - MTA:** Technogym, Coima RES and ENAV
    - MIV:** Space 2
    - AIM Italia:** Energica Motor Company, Siti – B&T Group, Abitare In, SMRE, Industrial Stars of Italy 2, Dominion Hosting Holding, Solution Capital Management, 4AIM Sicaf, Vetrya, Innova Italy 1, FOPE
  - o Beyond the 14 IPOs, the following companies were admitted to trading: Ferrari, Italgas, EXOR NV on MTA, TE WIND S.p.A. and the transition of Tecnoinvestimenti from AIM to MTA, on the STAR segment

There were 27 IPOs in 2015 and 26 in 2014.



- The STAR segment was the best performer on the Italian market: The FTSE Italia STAR increased +2,04% on an annual basis (annual high 26.625 on 23 December 2016). FTSE AIM Italia closed the year at 7,960.
- At 23 December, **FTSE Italia All Share** decreased -9.60% (annual high 22,770 on 05 January 2016; low 16,619 on 37 June 2016). **FTSE MIB** decreased -9.68% (annual high 20,983 on 05 January, 2016; low 15,104 on 27 June 2016).
- The total **market capitalization** of listed companies and new admissions is €524.9 billion, 31.8% of Italy's GDP.
- **Trading of shares** reached a daily average of €2.5 billion and 297,000 contracts (+6.1% compared to 2015). In total, over 74.9 million of contracts, and turnover of over €619.5 billion was traded. The highest daily turnover traded was on 24 June 2016, with €6.5 billion and 767,551 exchanged contracts.
- **Intesa San Paolo** was the most traded share by turnover, €78.0 billion and **Unicredit** the most traded by contracts with 5.8 million contracts
- In 2016, **total deposits** amounted to €6.1 billion by companies already listed or newly admitted. 14 capital increase operations collected over €4.6 billion. The 14 companies that were listed on Borsa Italiana through Initial Public Offering during the placement have collected more than €1.4 billion. 16 **OPA** in 2016, with a turnover of €2.5 billion



- **The turnover velocity**, comparing turnover and market capitalization, showing the rate of annual share turnover is equal to 114.6%

**ETFPlus** market continues to grow: On 23 December 2016 there are 1,164 listed instruments, 112 ETFs, 4 ETCs/ETNs and **36 Open End Funds** - a total of 152 new instruments.

Assets Under Management: ETFs reached €48.0 billion, ETCs/ETNs €5.1 billion and Open End Funds €104.8 million. ETFPlus markets reached a daily average of €422,9 million and more than 20,000 contracts. Overall exchange value is €106.6 billion, and over 5.0 million contracts traded

- **MOT**: with a total of 1,171 listed instruments (121 Government Bonds, 261 Bonds, and 789 Eurobonds and ABS) compared to 1,109 in 2015, MOT recorded a daily average of 14,407 contracts and €847.5 million
- At year end there were 1,060 listed instruments on **ExtraMOT**. The total amount of exchanged contracts is 52,370 with a turnover of €3.3 billion

On the professional segment **ExtraMot PRO**, 163 instruments have been listed, 134 bond raising around €30 million. As of 23 December, 66 instruments have been issued. The 52 issuers of the new listed instruments raised €3,2 million at admission, €272.5 million of instruments with a total nominal value lower than €30 million



- The number of listed instruments on **SeDex** is 6,681, more than the 5,609 of 2015. Covered warrant and certificates traded increased in terms of number of contracts and turnover. The daily average is around €91.5 million and more than 11,000 contracts
- **IDEM** sees a year of growth with 48.8 million standard contracts traded in 2016. Daily average for contracts is €193,765 billion (+10.9% over 2015 daily average), with average daily turnover of €5,2 billion. The breakdown into individual instruments shows significant growth in terms of standard contracts and daily average of FTSE MIB instruments compared to 2015 (+25.0% for **MIBO** and +11.1% for **FIB**), as well as single stock options (+12.9% for stock options and +15.3% for paneuropean stock futures)

During 2016 the following records have been reached:

- **Index Futures:** record of standard contract (third historical record), registered on 14 June 2016, with 140,347 standard contracts. Historical record for number of trades totaled 71,996, recorded on 10 March, 2016.
- **Index mini-Futures:** record for standard contracts and domestic turnover (third historical record), both recorded on 10 March, 2016, 53,868 contracts with a turnover of €998.6 million.
- **Options on the FTSE MIB:** record for standard contracts (third historical record), registered on 5 December 2016, with 85,286 standard contracts. Historical record for open interest amounted to 700,305, registered on 10 March, 2016.



- **Stock Options:** historical record for standard contracts on 18 November, 2016 with 390,168 standard contracts, and open interest on December 15, 2016 with 7,078,268.
- The **European stock options** launched on 31 October, to provide additional investment opportunities, recorded total trades for 7,343 standard contracts with a turnover value of 28.3 million euro.
- On **I dex**, the future market for electricity derivatives, 2,871 standard contracts have been traded, for a total of 6.7 million of MWh
- Trading of hard wheat futures on **Agrex** registered a total of 719 standard contracts, and 35,950 tons

## 2016 Main Activities and Projects

### Primary Markets

Borsa Italiana's Capital Markets conferences have taken place in Tokyo, Hong Kong, Singapore, London, New York and Milan. Over 4,000 meetings between 600 investors and over 200 listed companies were organized.

- Borsa Italiana's **Italian Equity Roadshow conferences in Asia and North America** included more than 20 listed companies, 180 investors and resulted in over 300 meetings



- **The STAR Conference** in Milan and London, together with the **Small Cap Conferences** recorded almost 3,000 meetings between 150 companies and over 300 investors
- **The Italian Infrastructure and Luxury Day & Finance conferences** recorded 1,000 meetings with the participation of 180 international institutional investors

## ELITE

**ELITE S.p.A** was created in 2016 Today ELITE offers fast growing businesses around the world a number of services including ELITE Growth, ELITE Connect and ELITE Club Deal.

- **ELITE Growth** 2016 saw 160 new companies join the programme which now has more than 460 firms from 25 countries and 30 sectors on board. The 460 firms generate over €39 billion in total turnover, and employ more than 170,000 people. In the second half of the year ELITE launched its first European Roadshow that took place in Stockholm, Madrid, Warsaw and Monaco. It will be in Paris in January 2017
- Also in 2016 ELITE consolidated its Lounge model with the banking sector and signed its first partnership with another stock exchange in Continental Europe, in Hungary



- The agreement signed with the Casablanca Stock Exchange in 2015 has led, in 2016, to the first two ELITE Moroccan cohorts joining the programme
- **ELITE Connect**, the online platform for investor relations activity, has expanded its network to 2,000, supporting 40 webcasts and webinars throughout 2016. An event management tool was launched in 2016 which was used at the STAR Conference in London
- **ELITE Club Deal** is the online private placement platform for ELITE companies and professional investors. The goal of ELITE Club Deal is to bridge a funding gap by bringing together professional investors with high growth companies in a secure and efficient environment through an online platform

## Fixed Income

- A Request for Quote functionality was introduced on MOT and ETFPlus to offer intermediaries a fast and efficient way to negotiate large-value trades, intercepting flows that are traditionally exchanged **OTC**
- In 2016 **ExtraMOT PRO** introduced for issuers of the professional segment a scoring called "Classis SMEs ZI-Score" specifically for the Italian market and processed by Classis Capital SIM S.p.A. on the model provided by Edward I. Altman, Max L. Heine Professor of Finance at the Stern School of Business at New York University. Additionally, from October, ExtraMOT,



issuers were able to directly distribute bonds and commercial paper through the ExtraMOT PRO technology platform

- In May a new functionality was launched on **SeDex** for structured products in order to increase retail investor protection. From June, new issuer Bank Vontobel has listed more than 100 fixed lever certificates, doubling the range of instruments in the segment. In September, the first fixed lever certificates x2 were launched on Italian shares and starting from October certificates in a number of international currencies were allowed to be listed on SeDex

## Secondary Market

- In 2016, Borsa Italiana launched the **Equity MTF** market which includes the new segment **Global Equity Market** and **After Hours** segment. The new segment is dedicated to the trading of shares of foreign issuers traded on European Union regulated markets and the **OCSE**
- **IDEM** launched a new tool, allowing sellers to exercise options only at maturity. . The dual winding method provides further trading opportunities and supports market risk management





## Post Trade

- Monte Titoli celebrated 30 years as the **first CSD** of all Italian financial instruments (law no. 289, 19 June 1986) with the publication of the book "**Il futuro è adesso**" looking at the future challenges of the evolving market. In December 2016, Bank of New York-Mellon became a direct participant in Monte Titoli through the connection to Target 2 Securities (T2S)
- Improvements in X-COM platform during the year have enabled the launch of triparty repo in the Italian market. The amount of collateral management reached over 2.5 billion, with 6 participants

## Corporate

**Finance for Fine Arts:** Borsa Italiana, always focused on Italian excellence, has created within Palazzo Mezzanotte a new exhibition space to showcase the works restored thanks to the project "Rivelazioni – Finance for Fine Arts".

## Other Events

- **14th Trading Online Expo:** On Thursday 27 and Friday, 28 October the regular meeting dedicated to the world of online trading and investment took place. The 2016 edition was dedicated to innovation and economic and



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# Press Release

30 December 2016

financial education, with more than 70 seminars and meetings attended by over 3,000 people

- **Conversations on Borsa:** In 2016 the successful "**Meetings with the protagonists**" cycle at the headquarters of Borsa Italiana continued with Senator Mario Monti
- **Bookcity Milan:** Borsa Italiana hosted its annual public event BOOKCITY MILAN opening the doors of its historic headquarters. This year Borsa Italiana organized a series of meetings "**Investire in Titoli**" and hosted conferences and insights of "**Economia e Lavoro**"

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