Statistics and analyses

Capital markets in Italy

Mid-year update

Economic report

June

2026

CONSOB

Commissione Nazionale per le Società e la Borsa

This Report was prepared by
Paola Deriu (supervisor), Federico Picco and Valeria Caivano (coordinators), Francesco Fancello, Alberto Noè, Greta Quaresima.
The authors acknowledge the contributions of Giuseppe Creatore to the analyses.

Editorial secretary and graphic design
Eugenia Della Libera and Lucia Pierantoni.

For information and clarifications write to: studi_analisi@consob.it

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The Report provides a comparative overview of trends and risks affecting the Italian financial system, with particular attention to developments that may influence the fulfilment of CONSOB's institutional remit

EXECUTIVE SUMMARY

MACRO-FINANCIAL LANDSCAPE

In the first half of 2026 global financial markets were shaped by renewed geopolitical tensions which disrupted energy markets and altered the balance of risks for growth, inflation and financial conditions.

The outbreak of hostilities in the Gulf region and the ensuing disruption of maritime traffic through the Strait of Hormuz represented a major shock to global energy markets. The Strait remains one of the world's most critical energy chokepoints, accounting for roughly one quarter of global seaborne oil trade and close to one fifth of global Liquefied Natural Gas (LNG) trade. Despite visible signs of recovery in shipping activity following the easing of tensions in June, traffic levels remained significantly below their historical norms, highlighting the persistence of logistical, security and insurance-related constraints.

Energy markets reacted swiftly to the shock. Brent and WTI crude prices rose by around 41% and 32%, respectively, between 27 February and their intraday peaks on 9 March 2026. European natural gas prices reacted even more sharply, with Dutch TTF prices more than doubling over the same period (+64%), although they remained far below the peaks recorded during the 2022 energy crisis. Despite a substantial subsequent correction, Brent, WTI and TTF ended the first half of 2026 approximately 23%, 15% and 52% higher, respectively, than at the end of 2025.

The transmission of the energy shock to financial markets differed markedly from previous episodes. Historically, oil price volatility and broader market volatility tended to move together. However, during the first half of 2026, the sharp increase in oil market uncertainty was not accompanied by a comparable increase in equity market volatility.

The economic consequences of the shock are uneven across countries, depending on their energy mix. Coal-heavy economies, such as China and India, and net exporters of fossil fuels, such as the US, are likely to be less affected. European countries remain the most exposed because of their greater reliance on imported fossil fuels, with France representing a partial exception. Italy’s relatively high share of gas and oil, at 76% of total energy sources, suggests a comparatively higher sensitivity to energy price pressures among major EU economies, whereas countries with greater nuclear or renewable capacity face lower direct sensitivity to fossil-fuels price fluctuations.

Against this backdrop, global growth dynamics became increasingly heterogeneous. After a relatively strong performance in 2025, leading indicators of economic activity - forward-looking measures that anticipate changes in the economic cycle - began to diverge across countries during the first half of 2026. The US remained broadly resilient, supported by domestic demand and investments in technology-related sectors, while China experienced a more pronounced cyclical slowdown. Several major European economies, including Italy, Spain and the UK, exhibited signs of weakening momentum.

After the outbreak of the conflict in the Middle East, higher oil prices exerted visible upward pressure on headline inflation. In the US, annual inflation rate rose from 3.3% in March to a peak of 4.2% in May, before declining to 3.5% in June. A similar, though less pronounced, pattern emerged in the euro area, where inflation increased from 2.6% in March to 3.2% in May, before easing to 2.8% in June. In Italy, harmonised inflation accelerated more sharply, from 1.6% in March to 3.2% in May, before edging down to 3.1% in June. Despite the rapid transmission of higher energy costs, the inflationary impact has therefore remained substantially more contained than during the 2022 energy crisis. Against this backdrop, the ECB raised its key policy rates by 25 basis points in June, bringing the deposit facility rate to 2.25%, in response to renewed upside risks to inflation. The Federal Reserve, by contrast, maintained the federal funds target range at 3.50–3.75%, adopting a more cautious monetary policy stance.

Risk-free interest rates in both the euro area and the US remained below the highest levels reached during the last monetary tightening cycle in 2023. At the same time, futures markets continued to price a modest increase in interest rates during the second half of 2026, reflecting expectations that central banks will remain cautious in the face of renewed energy-driven inflationary pressures.

Public debt sustainability remains an important source of vulnerability over the medium-term. Several advanced economies are expected to maintain debt ratios above their historical averages, including the US (125.8% of GDP in 2026 versus a 10-year average of 117.2%), the UK (103.6% versus 95.1%) and France (118.4% versus 107.1%). By contrast, public debt ratios in Japan and Spain are projected to remain below their historical averages, while Italy’s ratio is broadly unchanged at around 138%. Fiscal balances also exhibit considerable cross-country heterogeneity: deficits remain particularly large in China (8.2% of GDP), the US (7.5%) and India (7.4%), while Germany’s deficit is expected to reach 3.8%, well above its 1.2% historical average. Conversely, Italy’s deficit is projected at 2.8%, significantly below its 10-year average of 4.9%.

Elevated debt burdens, combined with still relatively high interest rates, imply uneven fiscal buffers and varying capacity to respond to future economic shocks.

Gold prices reached new historical highs at the beginning of 2026, supported by strong investment demand and continued central-bank purchases. However, the subsequent rise in oil prices and interest-rate expectations triggered a partial correction in gold prices, amplified by profit-taking and ETF outflows after a prolonged rally.

Crypto-assets experienced an even sharper reversal. Bitcoin prices fell markedly in early 2026, recovered between April and mid-May, and then resumed their decline through June, ending the first half well below January levels. The latest downturn was amplified by Strategy (one of the market's most prominent structural buyers) shifting towards more active capital management and potential bitcoin monetisation. This episode underscores bitcoin's volatility and its sensitivity to changes in the behaviour of large market participants.

Since 2020, bitcoin has also maintained relatively high correlations with US equity indices, reaching around 50–60% in H1 2026, while its links with euro-area equities and gold have remained considerably weaker. This suggests that bitcoin continues to behave primarily as a risk-sensitive asset, limiting its effectiveness as a portfolio hedge or safe haven.

FINANCIAL MARKETS PERFORMANCES

During the first half of 2026, global equity markets proved remarkably resilient to geopolitical shocks and have continued their long-term rally After the correction triggered by the outbreak of the conflict in the Middle East in late February, most advanced-economy markets recovered quickly as geopolitical tensions eased after the April ceasefire. By mid-year, major equity indices had reached new highs, led by Japan, where the Nikkei gained 39.2%, followed by the United States, with the S&P500 rising by 9.6%.

Similar trends were observed across the major euro-area equity markets, which recovered strongly in the second quarter and reached record highs by the end of June. The Ftse Mib delivered the strongest H1 2026 performance, rising by 15% after a 1.4% decline in Q1 and a 16.6% rebound in Q2. It outpaced the Ibex35, which gained 12.5%, while Cac40 and Dax30 recorded more modest increases of 3.1% and 2.1%, respectively. The Ftse Mib also surpassed its March 2000 peak by around 5%, setting a new all-time high after more than 26 years.

While advanced-economy equity markets generally recorded positive returns, performance across the main emerging Asian markets was more mixed. South Korea and Taiwan strongly outperformed, supported by their sizeable exposure to the semiconductor and technology cycle. By contrast, mainland China and Hong Kong lagged amid subdued domestic demand, persistent weakness in the property sector and softer growth, while Indian stock index performance was constrained by limited exposure to semiconductors, AI hardware and digital infrastructure, and a less supportive macro-financial backdrop, characterised by capital outflows and rupee depreciation.

South Korea’s outperformance was particularly pronounced, with the KOSPI rising by 101%. The rally was driven mainly by semiconductors and telecommunications equipment reflecting the country's strategic role in AI hardware and memory-chip production. A similar pattern emerged in the US, where semiconductor stocks recorded the strongest gains within the S&P500, while telecommunications equipment also posted positive returns. Software-related segments, however, delivered more mixed results, with packaged software declining in both indices.

Compared with 2025, when software and digital-platform segments performed more strongly, this points to a shift in technology-sector leadership towards AI-related infrastructure, including chips, networking and telecommunications equipment. Whereas gains in 2025 were more broadly distributed across software- and hardware-related segments, in H1 2026 they became increasingly concentrated in the physical infrastructure underpinning the expansion of artificial intelligence.

More broadly, AI-related equities remained supported by strong structural growth prospects, although market momentum weakened. After substantial gains in the previous two years, the Indxx Global Robotics & Artificial Intelligence Thematic Index rose by only 4.6% in H1 2026, compared with 14.2% in 2025 and 39.3% in 2024. This moderation points to a more mature and selective phase for AI-related stocks, in which earnings delivery and valuation discipline are becoming increasingly important.

This sectoral pattern is also evident in the contribution of individual industries to benchmark-index performance across countries. Concentration was particularly pronounced in the United States, where communication services and technology accounted for more than 60% of the S&P500's overall performance.

In the EuroStoxx50, these sectors also made the largest contribution to gains in the first half of 2026. The Italian market displayed a more diversified pattern: financials remained the largest contributor to Ftse Mib performance, while technology-related stocks provided a meaningful boost despite their relatively limited index weight.

Taken together, these developments confirm that artificial intelligence remained the dominant equity market theme in the first half of 2026, although the beneficiaries varied across regions and along the AI value chain.

This concentration of returns also had implications for market valuations. The S&P500 continued to trade at elevated multiples, with its P/E ratio remaining above historical norms throughout most of 2025 and the first half of 2026, reflecting sustained investor confidence in long-term earnings growth, particularly in technology-related sectors. The Euro Stoxx50 and the Ftse Mib also recorded further multiple expansion during the first half of 2026, alongside the broad recovery in European equity prices.

Turning to market risk conditions, the geopolitical shock generated only a moderate increase in volatility. Volatility remained well below the levels observed during major episodes of market stress, including the Covid-19 pandemic, the Global Financial Crisis and the so called 'Liberation Day'.

In the Italian equity market, liquidity conditions initially worsened following the outbreak of the conflict. The turnover ratio and the Amihud illiquidity indicator increased simultaneously, indicating that stronger trading activity was accompanied by a larger price impact and weaker liquidity. From the end of May 2026 onwards, however, the two indicators resumed moving in opposite directions, consistent with the restoration of the more typical inverse relationship between trading activity and illiquidity as market conditions stabilised.

Turning from equity markets to fixed income, the geopolitical shock also generated a temporary but broad-based repricing across both corporate and sovereign bond markets. The Iran conflict triggered a sharp and largely synchronised increase in investment-grade corporate bond yields across major economies. As tensions eased, yields partially retraced, although they remained above their pre-conflict levels. European credit risk followed a similar pattern: the spread between investment-grade and high-yield CDS indices widened to almost 280 basis points at the height of the stress before returning close to its initial level by June.

Sovereign bond markets displayed a comparable, predominantly temporary reaction. Government bond yields rose across countries following the outbreak of the conflict, with only limited cross-country divergence, before easing as geopolitical tensions subsided. In Italy, the BTP–Bund spread widened only briefly and subsequently moved back close to pre-conflict levels. At the same time, stock–bond correlations turned positive in both Italy and the euro area, temporarily reducing the diversification benefits traditionally associated with government bonds.

CAPITAL MARKETS DEVELOPMENT

Equity market capitalisation relative to GDP increased in most major economies between 2017 and 2026, with the strongest gains recorded in the United States, Japan and India. Within the EU, developments were more uneven, with the largest increases observed in the Netherlands, Sweden, and Italy.

Significant cross-country disparities nevertheless persist, reflecting different levels of equity-market development and reliance on market-based financing. The United States remains the dominant global market, accounting for 45% of world equity capitalisation compared with 26% of global GDP. This disproportionate financial weight reflects not only the size of the economy, but also deeper capital markets, higher valuations and the prominence of large listed technology companies.

By contrast, the EU accounts for 18% of global 2025 GDP but only 9% of global market capitalisation in May 2026, with a market-cap-to-GDP ratio of 71%, pointing to persistent structural differences in listing activity, investor participation and capital-market development. China presents a different pattern: despite its large economic size, its share of global equity capitalisation has remained broadly stable, confirming that GDP scale does not automatically translate into deeper listed markets.

However, greater market size has not necessarily been accompanied by broader diversification. In several major indices, capitalisation growth has become increasingly concentrated in a limited number of large constituents, narrowing the effective investment base and increasing the influence of mega-cap companies on aggregate market performance.

This trend can be captured by the Herfindahl–Hirschman Index (HHI), an indicator based on the market-capitalization weight of each constituent within an index. The HHI declines as market capitalization becomes more concentrated in a small number of stocks and can be interpreted as the effective number of stocks driving index performance. Between 2015 and 2026, the HHI points to a decline in the effective number of stocks across most major equity indices: in the S&P500, the measure fell by 65%, from 132 to 47, while in the KOSPI the decline reached approximately 90%. The SSE Index was the only exception, recording an increase in the effective number of stocks from 101 to 141.

Private markets showed mixed dynamics over 2025 and the first half of 2026. In private equity, fundraising conditions improved globally after the sharp contraction recorded in 2025, while investment and exit activity weakened significantly amid heightened uncertainty. Private credit proved more resilient in lending activity, particularly in Europe and Italy, although fundraising remained subdued.

In more detail, global private equity (PE) fundraising reached $262 bn in H1 2026, up 17% from $223 bn in H1 2025, suggesting a more favourable fundraising environment than in 2025, when fundraising had fallen 27% globally and 37% in Europe.

By contrast, PE investment activity slowed markedly. After strong expansion in 2024 and 2025, global deal value declined for two consecutive quarters in 2026, falling from about $544 bn in Q1 to $420 bn in Q2, a 23% quarter-on-quarter decrease and 35% below the peak recorded in Q4 2025. Weakness was particularly pronounced in the US, where deal activity in Q2 2026 was 43% below Q4 2025 levels, while Europe experienced a more moderate decline (-22%).

Exit activity followed a similar pattern. Global PE exits fell from $343 bn in Q1 2026 to $275 bn in Q2 2026, a decline of about 20%. While the global contraction was largely driven by the US market, European exit activity diverged from this trend, recording a strong rebound in Q2 2026 of around 29%.

In Italy, PE market activity weakened in 2025. Funds raised by Italian operators declined to approximately €3.6 bn, compared with about €6.7 bn in 2024 (-46%). Total investments fell from €14.9 bn to €11.6 bn (-22%), mainly reflecting a sharp contraction in infrastructure investments. Nevertheless, deal activity recovered during the second half of the year, with the annual number of transactions returning to 2022 levels. Sectoral developments were heterogeneous: infrastructure investments halved compared with 2024, buyout/expansion investments decreased more moderately (-8%, from about €7.8 bn to €7.2 bn), while venture capital expanded strongly, rising 46% to €1.3 bn. Exit activity also declined, with divestments falling to around €4.7 bn, compared with €5.7 bn in 2024 (-16%).

Financial markets are undergoing a structural transformation. Historically, private markets primarily financed the early stages of business development, while corporate expansion was largely funded through public capital markets. Today, private financing increasingly supports not only start-ups but also the growth and scaling of companies, particularly in technology-intensive sectors with a high share of intangible assets. This trend is especially pronounced in artificial intelligence.

Several indicators highlight this shift. A comparison of the largest public and private capital-raising transactions shows that venture capital deals exceed IPOs in both total proceeds and average deal size. Despite a recent record-breaking

U.S. IPO, the largest equity financing transaction on record was a private funding round completed in April 2026, when a leading AI company reportedly raised USD 122 billion. Moreover, while the ten largest IPOs span the period 1997–2026, all of the largest private-market transactions have occurred within the past two years.

Taken together, these developments indicate that the boundary between private and public markets has shifted markedly along the corporate life cycle. An increasing share of corporate financing and value creation now occurs before companies enter public markets.

Private credit presented a different picture. Global fundraising declined from $241 bn in 2024 to $234 bn in 2025 (-3%), the lowest level since 2021. In Italy, fundraising fell more sharply, from €1.4 bn to around €1 bn (-26%). Lending activity, however, remained comparatively robust. In the United States, direct lending totalled about $247 bn in 2025, down 11% year-on-year, before weakening further in 2026, with volumes estimated at $45 bn in the three months to 31 May, around 40% below Q1 2026 levels. Market volatility, geopolitical uncertainty, and outflows from technology-related and retail products were identified as key factors behind the downturn.

In Europe, direct lending reached €41.4 bn ($48.6 bn) in 2025 and €8.3 bn ($9.6 bn) in Q1 2026. Italy stood out for the continued expansion of private credit provision, with lending volumes increasing by 33% year-on-year to around €6.8 bn ($7.9 bn) in 2025. Activity was almost evenly divided between loans granted (50% of lending) and bonds underwritten (49%), highlighting the growing role of private credit as a source of financing for Italian companies.

PRIMARY MARKETS TRENDS

Over the past decade, global primary equity markets have followed increasingly differentiated trajectories, with China emerging as the leading jurisdiction in terms of IPO fundraising. Between 2015 and 2025, Chinese IPOs raised approximately $674 billion, surpassing the United States ($530 billion) and the European Union ($230 billion). More recent evidence confirms this ranking, with China maintaining a strong fundraising capacity throughout the last decade, while the US experienced a pronounced boom–bust–rebound cycle, moving from the record IPO activity observed in 2021, through the subsequent market correction, to the signs of recovery recorded in 2026. Europe, by contrast, has gradually lost relevance in global primary markets, recording structurally lower issuance volumes, a prolonged downward trend and no meaningful rebound in recent years. These developments suggest a growing concentration of global capital formation outside Europe and raise questions about the competitiveness of European public markets in attracting and retaining high-growth companies.

The differences among the three regions become even more evident when considering the size and characteristics of IPO transactions. In the European Union, approximately three quarters of all IPOs raised less than $100 million over the last decade, confirming the predominance of relatively small offerings. By contrast, both China and the US display a considerably more balanced distribution, with a significantly larger share of transactions raising between $100 million and $500 million and above $500 million. Extremely large IPOs remain almost exclusively a US phenomenon, with transactions exceeding $10 billion virtually absent in Europe and only exceptionally observed in China. The role played by private capital also differs substantially across jurisdictions. Private equity and venture capital-backed companies account for around one-fifth of IPOs in both China and the US, compared with only 8.4% in the EU. This evidence highlights the more limited capacity of European private markets to finance companies through advanced stages of growth and to prepare them for listing. As a result, European public markets appear constrained both by a weaker pipeline of mature growth companies and by a predominance of smaller-scale transactions.

At the same time, caution is warranted when interpreting these developments as evidence of a fully-fledged recovery in the IPO market. While the 40 IPOs completed in the US since the beginning of 2026 represent the highest figure recorded since 2021, activity remains below the long-term historical average of roughly 50 IPOs during the first half of the year. A similar pattern emerges at the global level. According to EY Global IPO Trends, the first quarter of 2026 recorded a decline in the number of IPOs across all major geographical areas compared with the corresponding period of 2025, despite the increase in aggregate proceeds. The current recovery therefore appears highly concentrated, with a limited number of exceptionally large transactions driving overall market volumes while the broader IPO ecosystem remains comparatively subdued.

Against this international backdrop, developments in Italy reflect many of the broader challenges facing European public markets. The Italian main market, Euronext Milan (EXM), has experienced a prolonged phase of weak primary market activity, characterized by limited new admissions and a persistent prevalence of market exits. In the first half of 2026, listing activity nearly disappeared, with only a single translisting recorded and no IPO flow. More broadly, since 2023, delistings have consistently outpaced new listings, driven primarily by mergers and acquisitions and voluntary delistings. As a consequence, the market has recorded a continuous sequence of negative net delistings, including a net loss of three listed companies in the first half of 2026 alone. These developments point to a gradual contraction of the listed universe and confirm the difficulties faced by the Italian regulated market in replenishing the stock of listed companies through new admissions.

The experience of Euronext Growth Milan (EGM) has been so far more favourable, although latest trends suggest that the market is moving towards a more mature phase of development. Throughout most of the period under review, EGM continued to attract new listings and served as the primary gateway to public equity financing for smaller and high-growth firms. However, listing activity has shown a clear downward trend since 2023, becoming increasingly uneven and weakening significantly during 2026, when recorded a net delisting of eight companies, as a result of three new listings and 11 exits Number of companies progressing from EGM to EXM has also declined markedly, with only two translistings recorded over the last two years. .The evidence suggests that EGM remains an essential component of the Italian capital market ecosystem, while simultaneously exhibiting some of the characteristics typically associated with a more mature market, including lower listing momentum and increasing turnover among listed companies.

Primary market dynamics keep on impacting – *coeteris paribus* – market capitalisation. Recently, however, the erosion of market value has slowed, partly because some of the largest delistings resulted from mergers between companies already listed on the market, thereby reducing the net loss of aggregate capitalisation. Nevertheless, delistings continue to exceed new listings in value terms, reflecting both the weakness of IPO activity and the departure of sizeable issuers.

EGM has historically displayed greater resilience, supported by a steadier flow of smaller transactions. However, even this market recorded a negative balance during the first half of 2026, with a net reduction of nearly €150 million in market capitalisation.

Overall, the evidence suggests that EXM and EGM continue to perform complementary functions within the Italian market: the former remains heavily influenced by a limited number of large transactions, while the latter continues to provide a more stable, although increasingly challenging, platform for equity financing and market access for smaller growth companies. In a European environment where both public listings and listed companies are becoming scarcer, strengthening the link between private capital, business growth and public market access remains a key policy challenge for Italy's capital market ecosystem.

Capital markets in Italy

Mid-year update 2026

Chart pack

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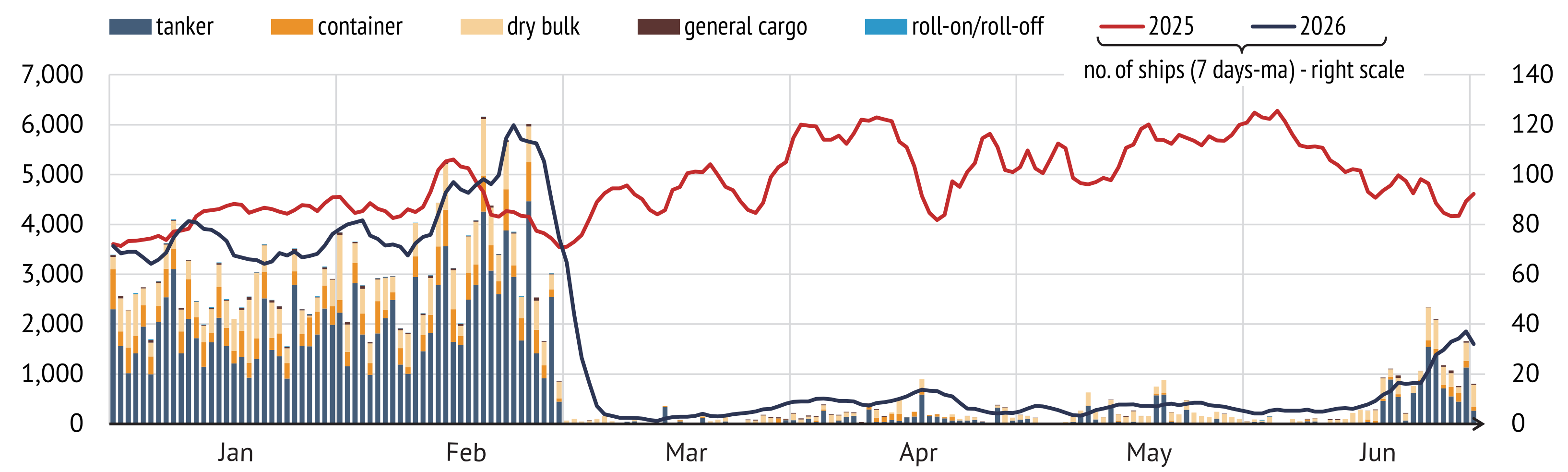
Outline

- Macro-financial landscape
- Financial markets performances
- Capital markets development
- Primary markets trends
- Methodological notes

Macro-financial landscape

Strait of Hormuz traffic remains fragile despite partial recovery

Trade volumes and ship transits through the Strait of Hormuz
(daily data; amounts in metric tons)



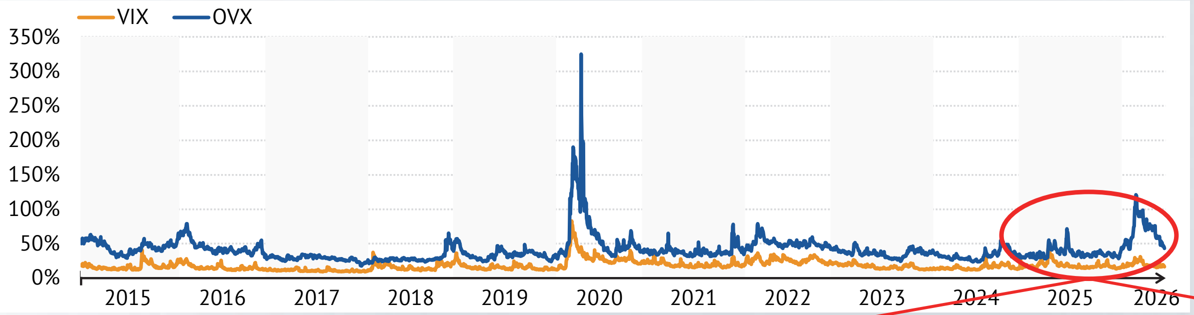
Source: calculations on IMF Portwatch data available at https://portwatch.imf.org.

The sharp decline in shipping flows through the Strait of Hormuz showed signs of recovery in June following the easing of geopolitical tensions.

However, traffic remains well below 2025 levels, pointing to a still cautious normalization of shipping routes through this critical energy chokepoint and leaving potential implications for global energy markets and inflation dynamics.

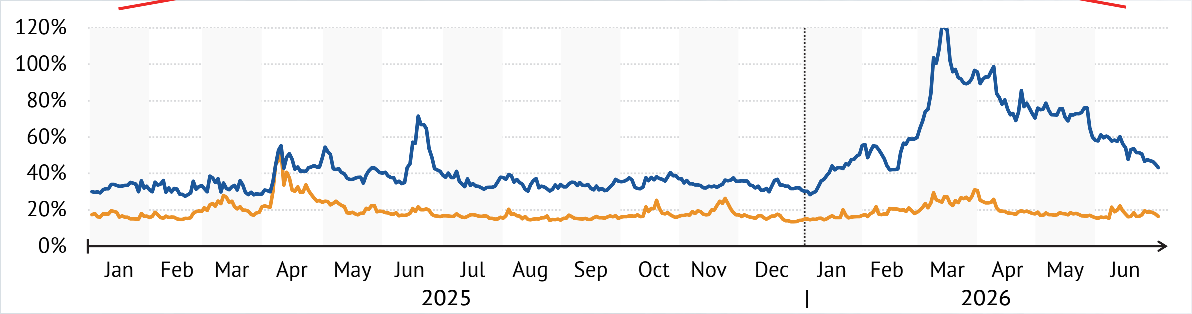
Oil market uncertainty rose, but equity volatility was contained

Uncertainty indicators on stock and crude oil markets



From 2015 to the end of 2025, OVX and VIX exhibited a similar pattern, indicating that stock market volatility tended to rise in response to increases in oil price volatility.

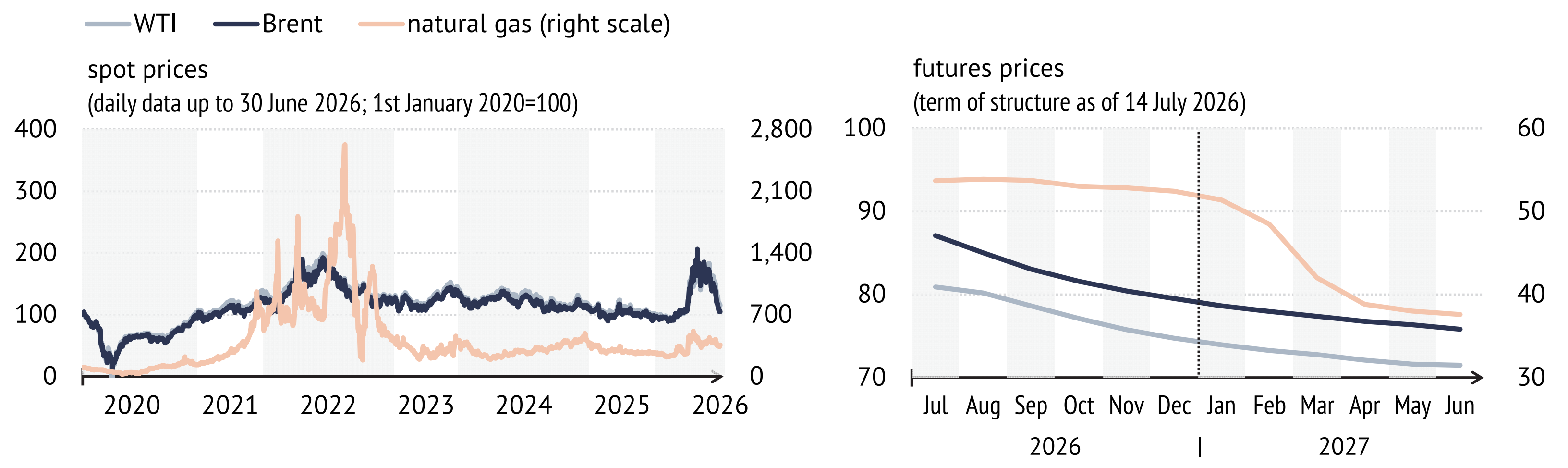
However, in H1 2026, the two indicators diverged, as the sharp increase in OVX triggered by the Third Gulf War was not accompanied by a corresponding rise in the VIX. This suggests that heightened uncertainty in oil markets has not translated into widespread risk aversion across financial markets.



Source: calculations on FactSet data. Data refers to VIX and OVX. The VIX, derived from S&P 500 option prices, measures investors' expectations of stock market uncertainty . The OVX. derived from options on the US Oil Fund, measures expected volatility in crude oil prices and reflects uncertainty in energy markets.

Despite recent spikes in prices, energy markets point to normalization

Energy commodities prices and expectations



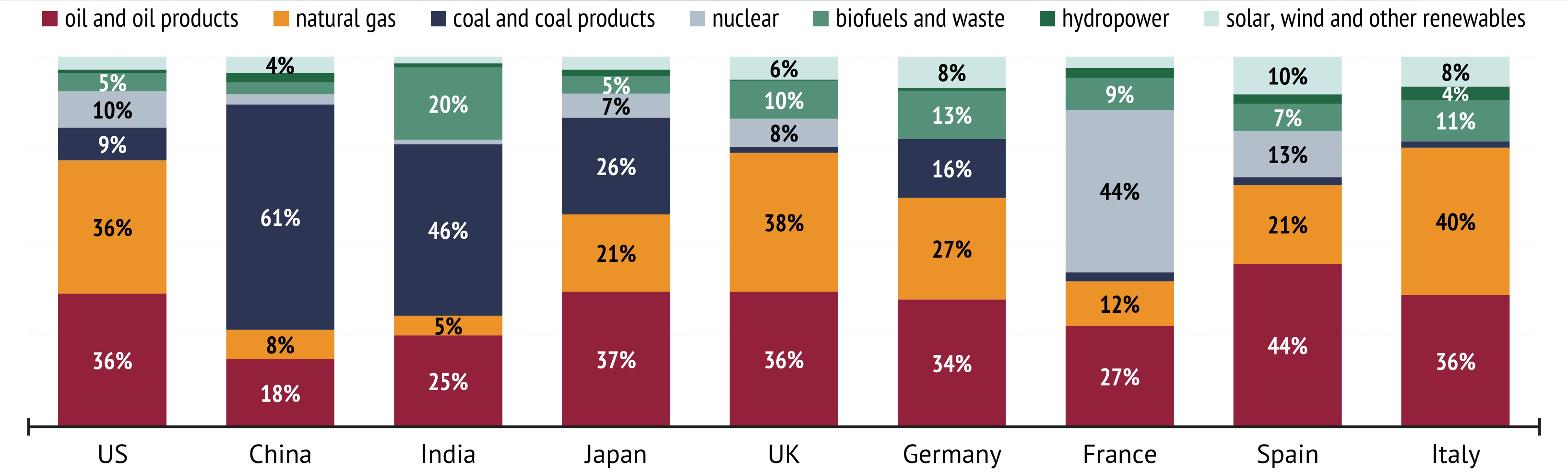
Source: calculations on FactSet data.

Brent and WTI recorded a sharp but short-lived surge in 2026, exceeding their 2022 peaks in indexed terms. Recent de-escalation caused a rapid retracement. Natural gas prices rose only moderately, remaining far below the 2022 levels.

The downward-sloping futures curves are consistent with lower prices at longer maturities, suggesting that markets view the recent pressures as largely temporary.

Exposure to energy price shocks remains uneven across major countries

Total energy supply composition in 2024 for selected countries



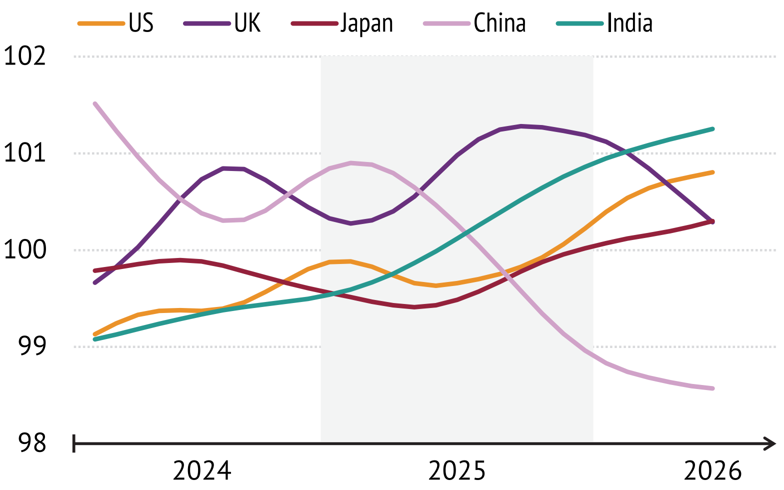
Source: calculations on IEA data available at https://www.iea.org/. Data for China and India refer to 2023.

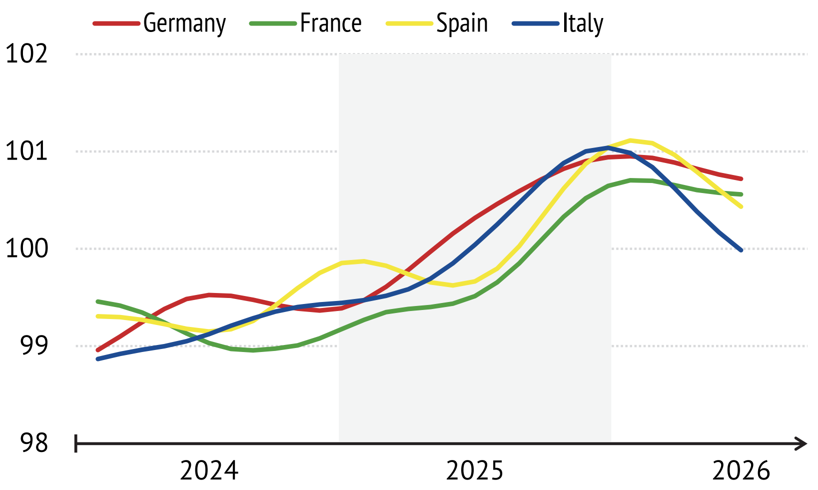
The ongoing energy crisis affects countries unevenly depending on their energy mix. While coal-heavy economies (China and India) and net exporters of fossil fuels (US) are likely to be less impacted, European countries remain the most exposed due to their higher reliance on imported fossil fuels (except for France).

Italy's relatively high share of gas and oil suggests a comparatively higher sensitivity to energy price pressures among major EU economies.

Growth softens across Europe, while the US remain resilient

Leading indicators of economic activity
(monthly data up to June 2026)



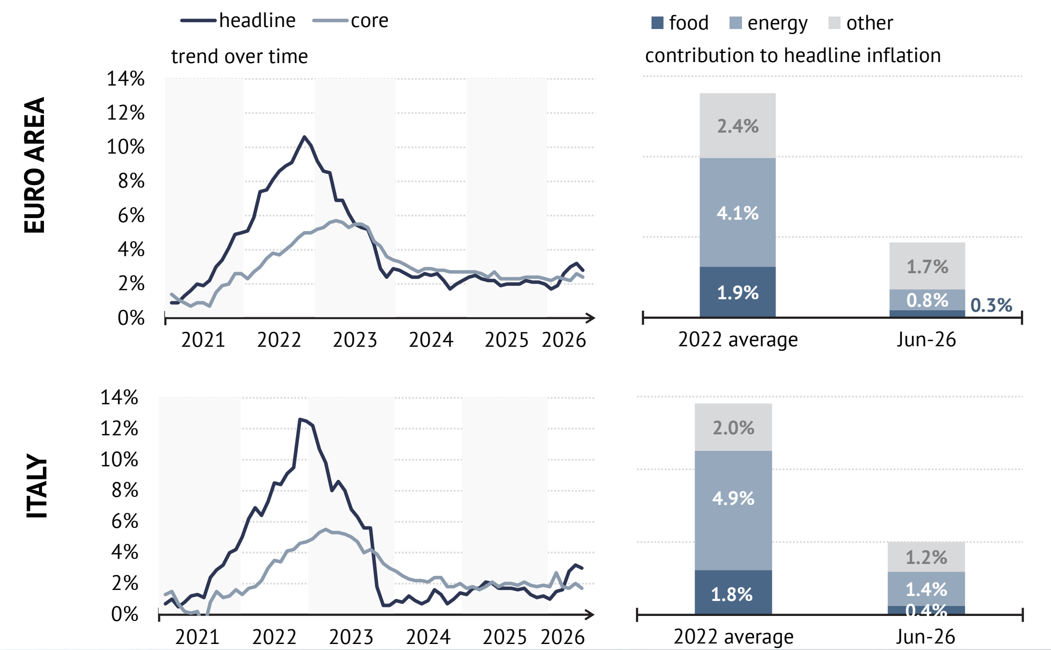


Source: OECD data explorer accessed on 14 July 2026.

Real growth strengthened across most advanced economies during 2025, but economic conditions became more uneven in the first half of 2026. Italy, France, Spain and the UK show signs of deceleration, the US remain broadly resilient as well as India, while China stands out for a persistent and marked weakening in cyclical momentum.

Energy-driven inflation is back, but its impact is still contained

HICP annual rate of change in the euro area and in Italy
(monthly data up to June 2026)



Source: calculations on Eurostat data. Core inflation does not include energy, food, alcohol and tobacco.

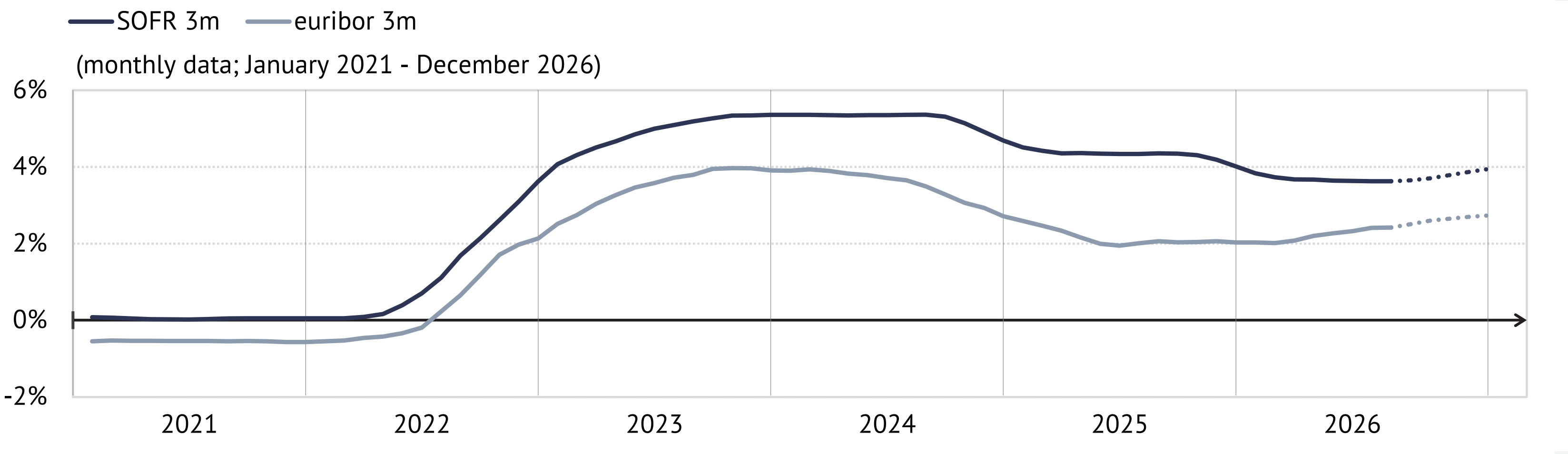
The current oil price shock is re-igniting energy-driven inflation in the short term.

Unlike the 2022 gas crisis, however, this shock appears less pervasive and less persistent.

As a result, despite the recent uptick in energy inflation in early 2026, headline inflation remains well below the levels observed in 2022, and energy contributions have not yet translated into a similarly broad-based inflationary surge.

Market expectations point to a slight increase in interest rates

Interest rates dynamics and expectations in the US and in the euro area
(monthly data)



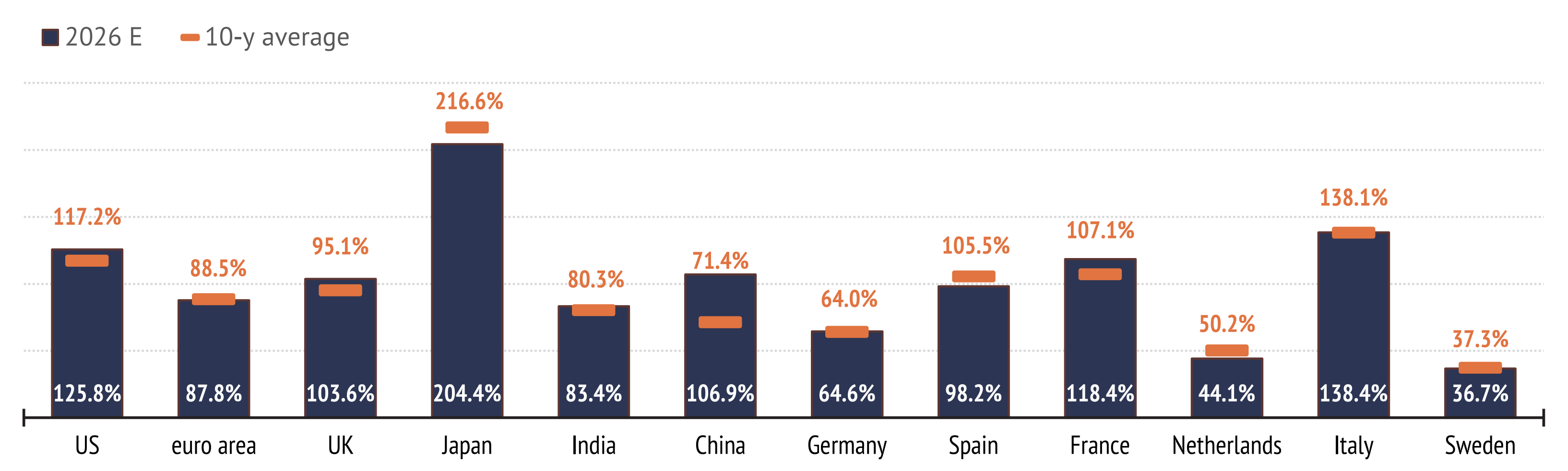
Source: calculations on FactSet and FRED data. SOFR 3m refers to 90-days average secured overnight financing rate. Dotted lines refer to rates implied by prices of futures contracts at each maturity through December 2026.

In 2026, risk-free interest rates remain well below their recent peaks in the US and in the euro area.

Futures prices point to a moderate increase in both rates from July to December 2026, suggesting that markets expect monetary conditions to remain relatively restrictive.

High debt levels persist, limiting fiscal room to absorb future shocks

Gross public debt as percentage of GDP in selected countries



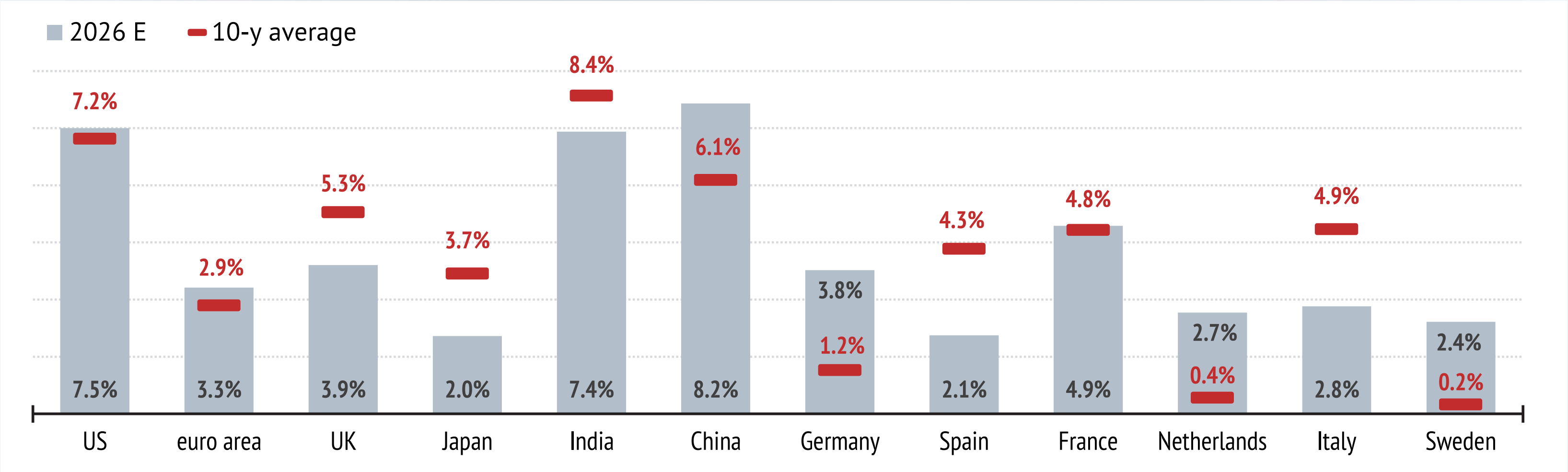
Source: calculations on IMF data.

Several countries are projected to maintain public debt-to-GDP ratios above their 10-year averages in 2026.

While reflecting the legacy of past crises, these elevated debt burdens may increase fiscal vulnerabilities and reduce the room for discretionary fiscal support should growth weaken or new shocks materialize.

Fiscal adjustment remains highly uneven across major economies

Gross public deficit as percentage of GDP in selected countries

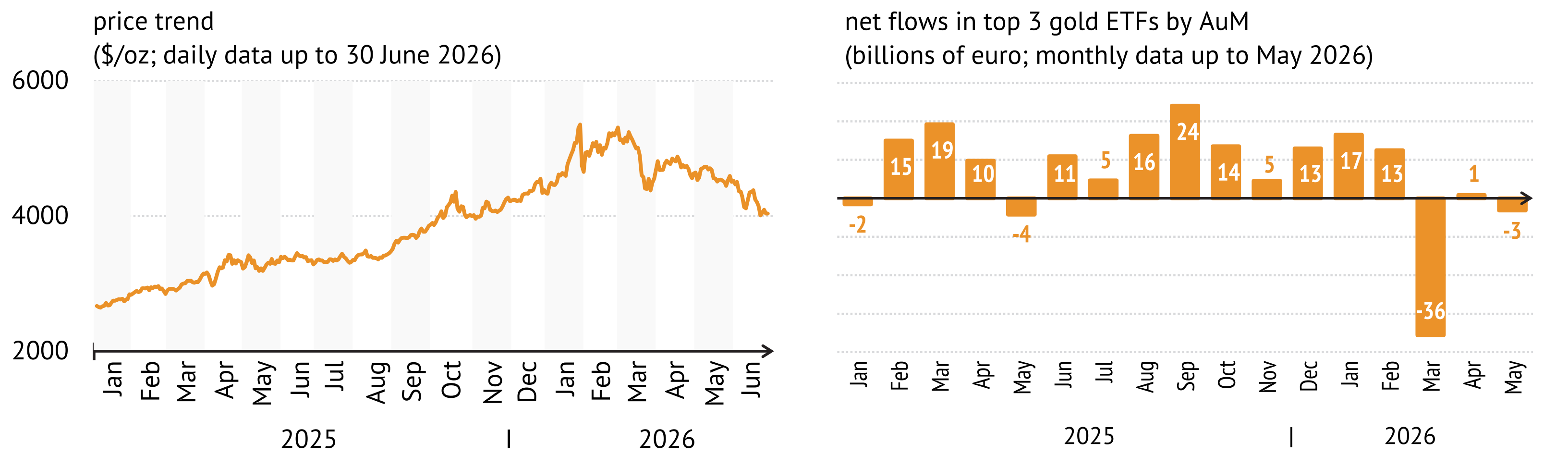


Source: calculations on IMF data.

Fiscal balances show marked cross-country divergence. Deficits remain large and above recent historical averages in several major economies, while other countries have achieved varying degrees of fiscal adjustment. With high levels of public debt and increasing interest rates, these differences translate into uneven fiscal buffers and resilience to future shocks.

Gold rally loses momentum amid shifting market conditions

Gold spot price trend and net flows into gold ETFs
(daily data up to 30 June 2026)



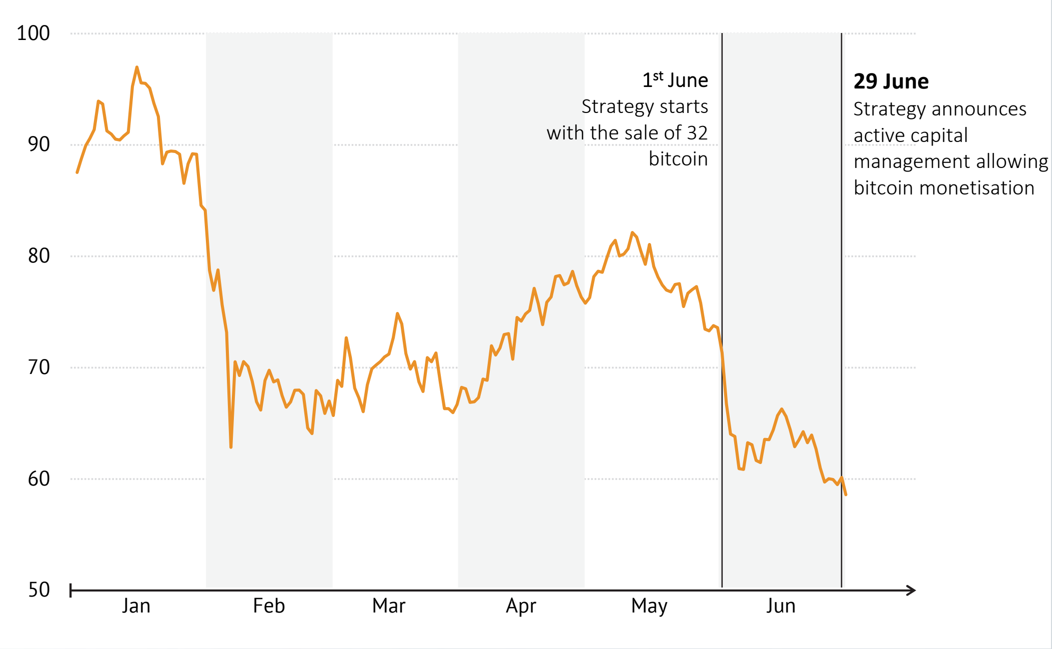
Source: calculations on FactSet and Morningstar Direct data.

Gold reached a record high in January 2026, supported by strong investment demand and central bank purchases. The subsequent rise in energy prices following the Middle East conflict fuelled inflation concerns and expectations of higher-for-longer interest rates, triggering a correction.

At the same time, gold ETF flows turned negative, signalling reduced investor exposure after the rally.

Bitcoin prices decline markedly in the first half of 2026 …

Bitcoin price trend in the first half of 2026
(daily data up to 30 June 2026; thousands of US dollars)



Source: calculations on Coingeko data.

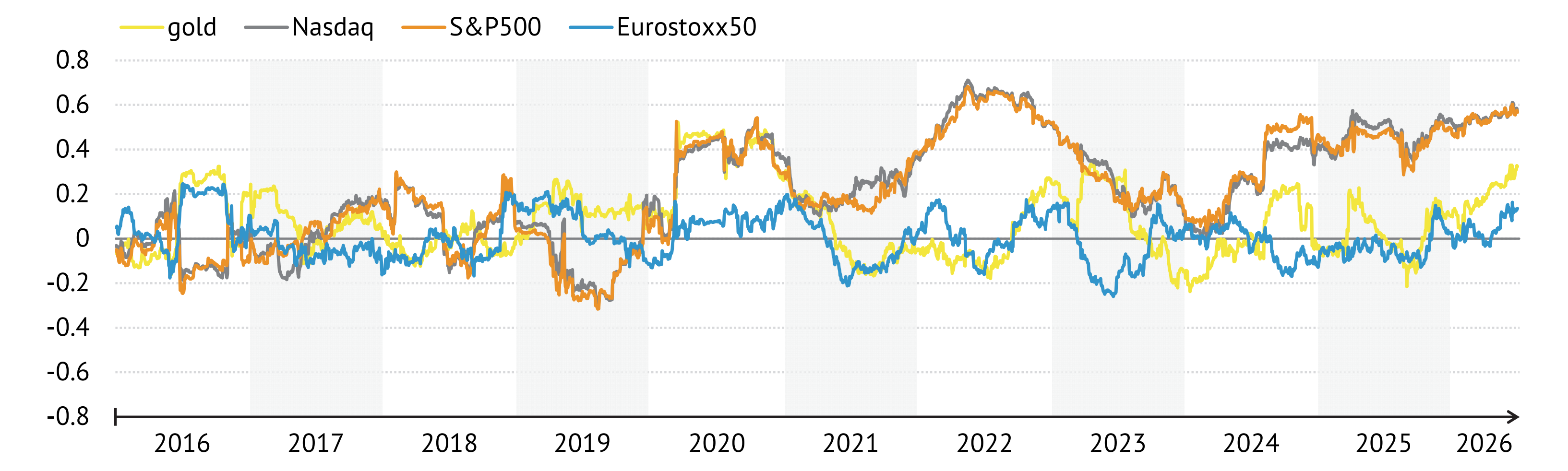
Bitcoin prices declined sharply in early 2026, rebounded between April and mid-May, and then entered a renewed downward trend through June, ending the first half well below January levels.

The recent decline was exacerbated by Strategy's shift towards active capital management and bitcoin monetisation, raising concerns about a reduced role for one of the market's most prominent structural buyers.

The episode confirms bitcoin's highly volatile and risky nature, highlighting its sensitivity to changes in the behaviour of large market participants.

… and remained closely tied to US equity market performance

Pairwise correlation of bitcoin with main equity indexes and gold
(daily data up to 30 June 2026)



Source: calculations on FactSet data. 90-days rolling correlation based on log returns.

Since 2020, bitcoin has exhibited persistently high correlations with US equity indices, reaching about 50–60% in H1 2026, while maintaining much weaker links with both Eurozone equities and gold.

This evidence suggests that bitcoin remains primarily driven by global risk sentiment, limiting its effectiveness as a portfolio hedge or safe-haven asset.

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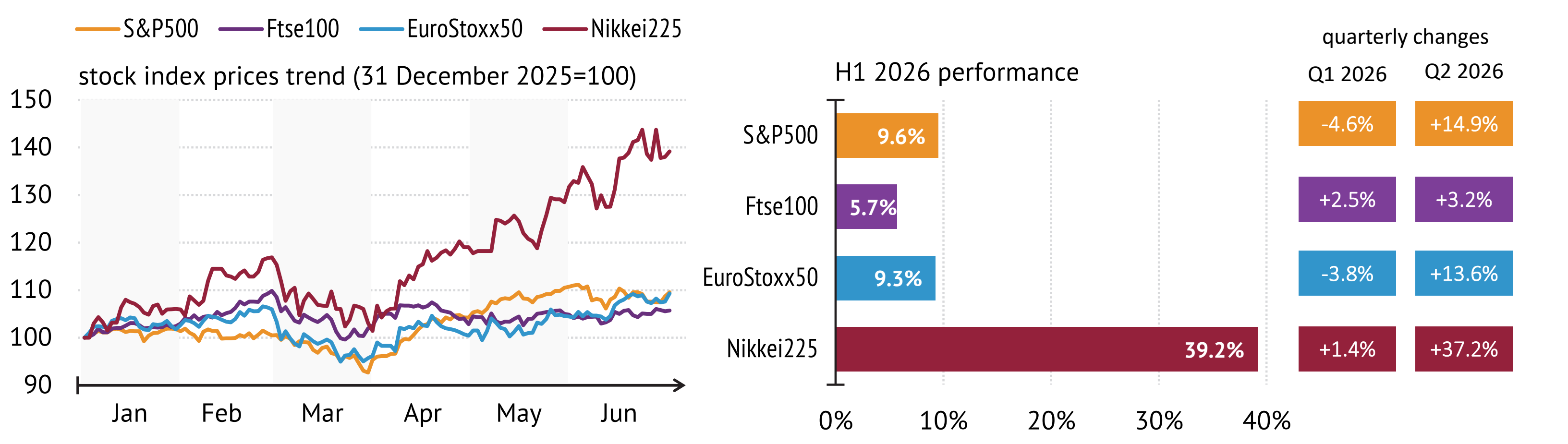
Financial markets performances

Advanced equity markets posted broad gains in H1 2026 despite the March sell-off

Stock market performances in the advanced countries
(daily data up to 30 June 2026)



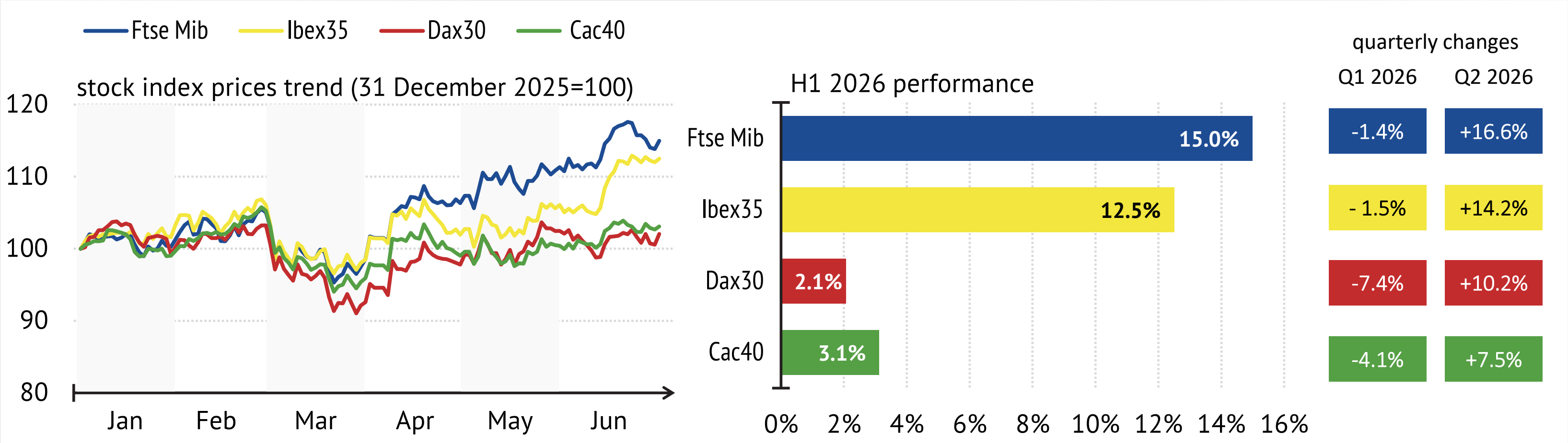
Source: calculations on FactSet data.

Main stock market indices in advanced economies declined in Q1 2026 following the outbreak of the Third Gulf War (28 February 2026) but rebounded in Q2 after the ceasefire (7 April 2026) and the subsequent easing of geopolitical tensions.

Overall, H1 2026 recorded positive performance across advanced economies, with strong gains in the UK, the US and the euro area. Japan outperformed, as the Nikkei225 rose by 39.2%, likely supported by investor enthusiasm for AI. By the end of H1 2026, major equity indices had reached new highs.

European equities followed the broader recovery, with Italy outperforming its peers

Stock market performances in the main euro area countries
(daily data up to 30 June 2026)



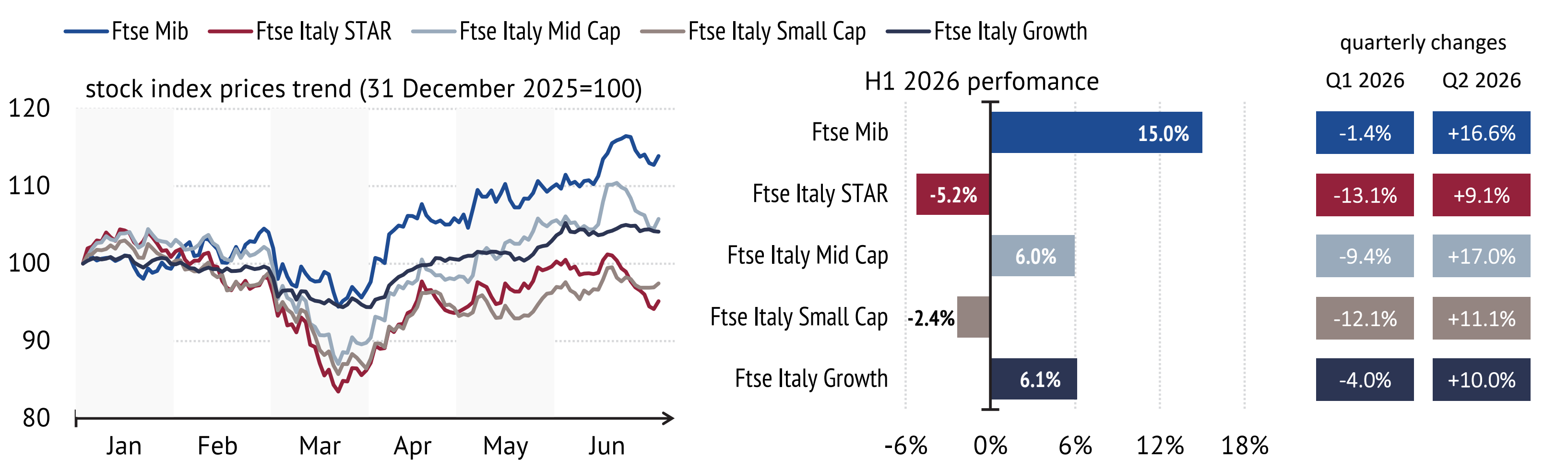
Source: calculations on FactSet data.

In Q1 2026 were recorded downward trend across the main European stock market indices, although the Ftse Mib proved relatively resilient. In Q2 2026, equity indices recovered the losses experienced in the first quarter.

Overall, H1 2026 performance showed a positive trend across major European markets, reaching record highs. The Ftse Mib exhibited the strongest performance (+15%), surpassing its March 2000 peak by about 5% and setting a new all-time high after more than 26 years.

Italy’s gains were mainly concentrated in large caps

Stock market performances in Italy
(daily data up to 30 June 2026)



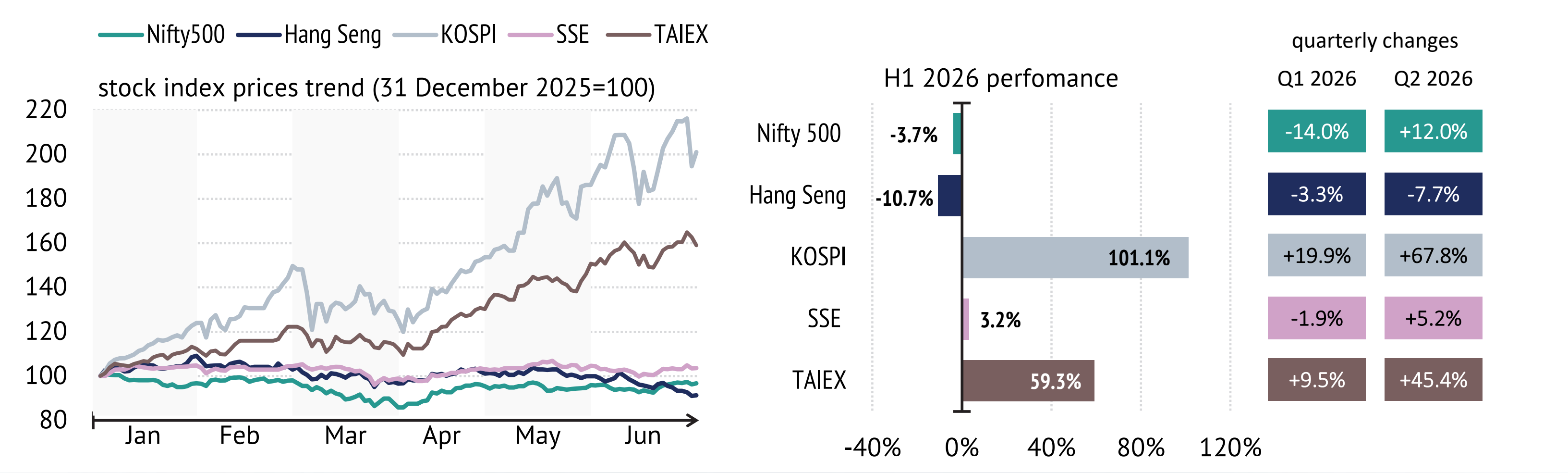
Source: calculations on FactSet and Bloomberg data.

On the Italian market, Italian equity indices performance showed divergent trends in the first half of 2026.

The Ftse Mib recorded the strongest performance, followed by the Ftse Italy Mid Cap and Ftse Italy Growth which rose by about 6%. In contrast, the Ftse Italy STAR (-5.2%) and the Ftse Italy Small Cap (-2.4%) posted negative returns.

Emerging Asia showed sharper divergence, with Korea and Taiwan strongly outperforming

Stock market performances in the emerging Asian countries
(daily data up to 30 June 2026)

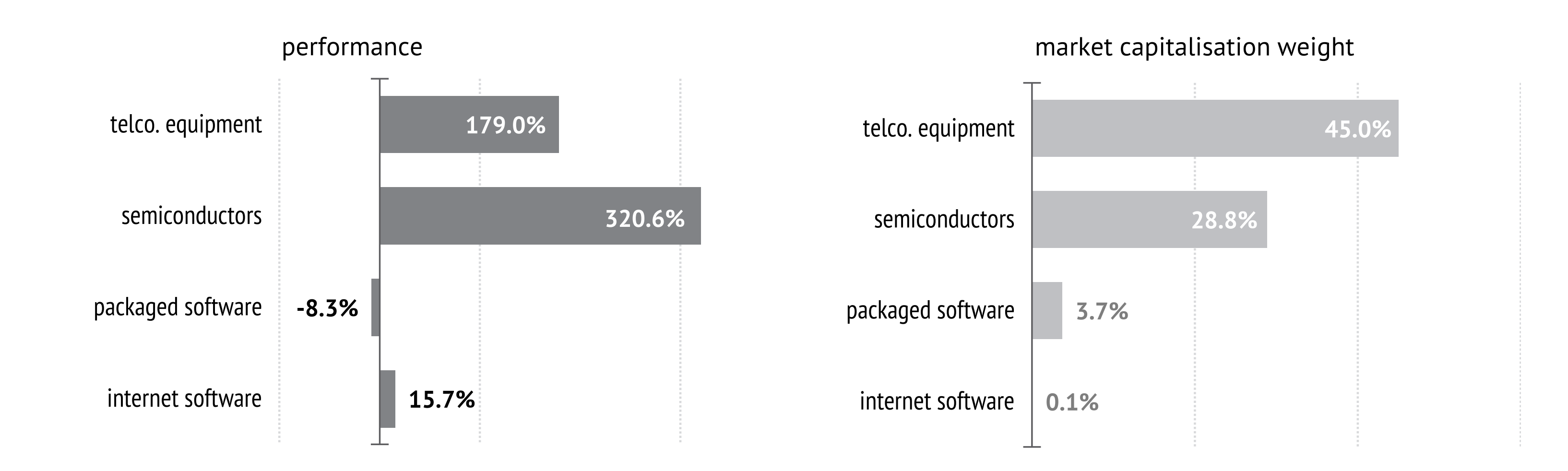


Source: calculations on FactSet data. Nifty500 (India), Hang Seng (Hong Kong), KOSPI (South Korea), SSE (Mainland China), TAIEX (Taiwan).

Asian equity markets diverged sharply in H1 2026. South Korea and Taiwan strongly outperformed, supported by their sizeable exposure to the semiconductor and technology cycle. Mainland China and Hong Kong lagged amid subdued domestic demand, persistent property-sector weakness and softer Chinese growth, while India was held back by limited AI exposure, capital outflows, rupee weakness, higher oil prices and elevated valuations.

The Korean chip boom: how AI sparked a semiconductor rally

Performances of selected technology subsectors of the South Korean stock market in the first half of 2026



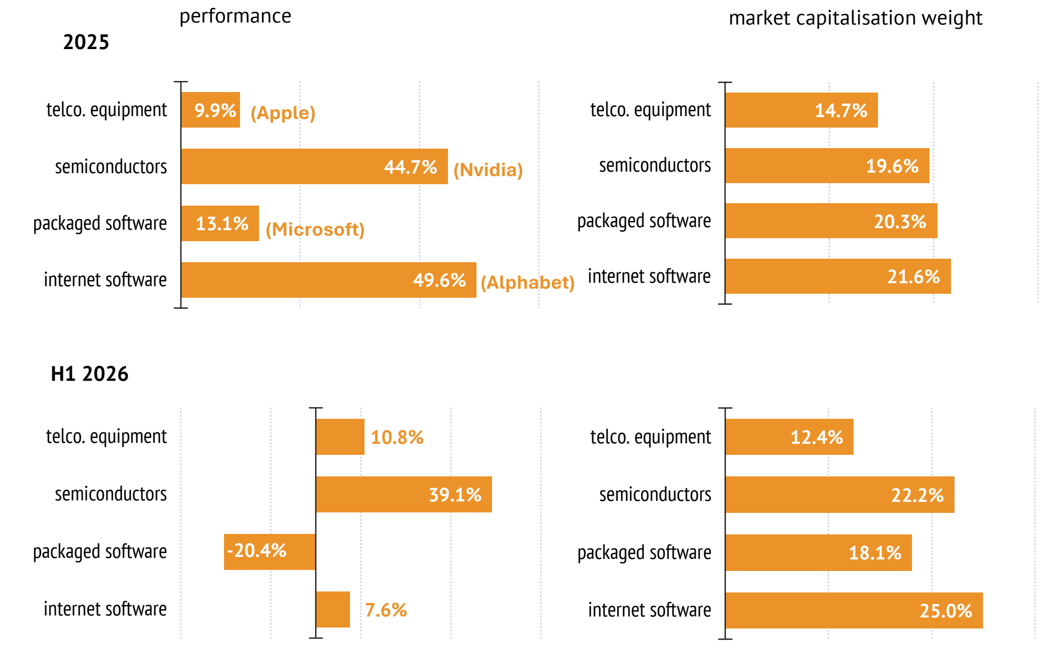
Source: calculations on FactSet data. Subsectors classification is based on FactSet technology related sectors.

The KOSPI’s strong outperformance among emerging Asian markets was largely driven by semiconductors and telecommunications equipment.

Together, these segments represented approximately three quarters of the technology sector’s market capitalisation, amplifying their contribution to both the sector and the broader index.

AI-related hardware also led US technology performance in H1 2026

Performances of selected technology subsectors of the US stock market



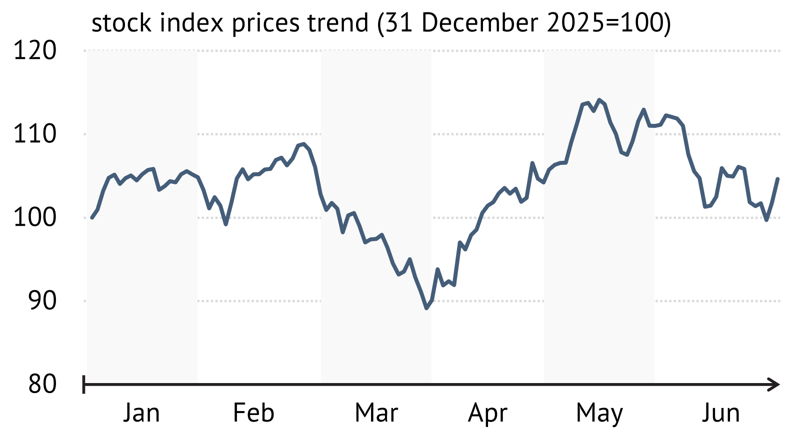
Source: calculations on FactSet data. Subsectors classification is based on FactSet technology related sectors. Performances are weighted based on company market capitalisation at the beginning of the period. In brackets the first company by market capitalisation belonging to the subsector.

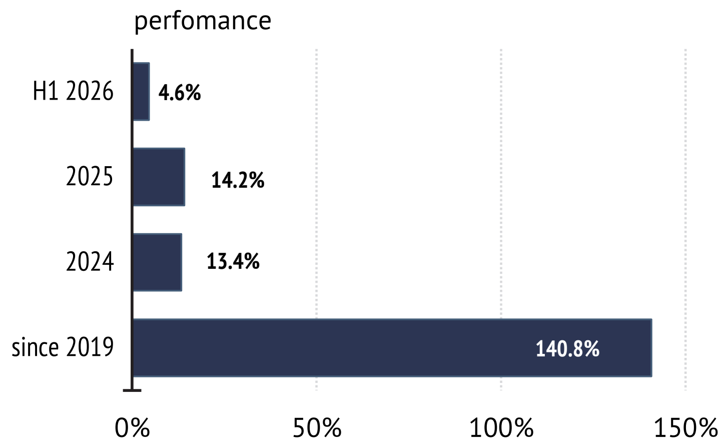
As in the South Korean market, semiconductor and telecommunications equipment stocks performed strongly in the US, underscoring the central role of AI-related investment and digital infrastructure in supporting technology-sector returns.

However, in 2025, gains were more broadly distributed across both software and hardware-related segments. By contrast, H1 2026 saw a clear leadership shift toward AI-related infrastructure, with semiconductors posting the strongest gains and telecommunications equipment also outperforming, while software-related segments delivered more mixed results.

Over a longer horizon, AI-related equities show strong gains but moderating momentum

Global robotics and AI benchmark index trend in the first half of 2026 and long run performance



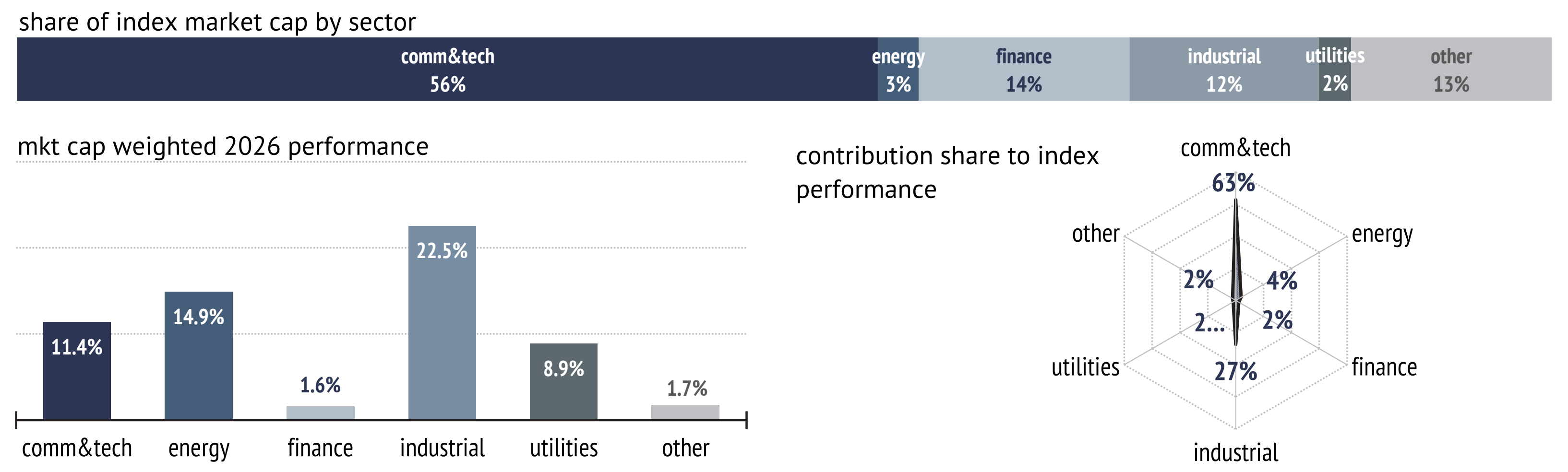


Source: calculations on FactSet data. Figures refer to the Indxx Global Robotics & Artificial Intelligence Thematic Index.

AI-related equities remain supported by strong structural growth, but market momentum has weakened. After substantial gains in 2024 and 2025, the index rose by only 4.6% in H1 2026, pointing to a more mature and selective phase in which earnings and valuations play a greater role.

S&P500 performance was led by technology sector

Sectoral contributions to S&P500 performance in 2026



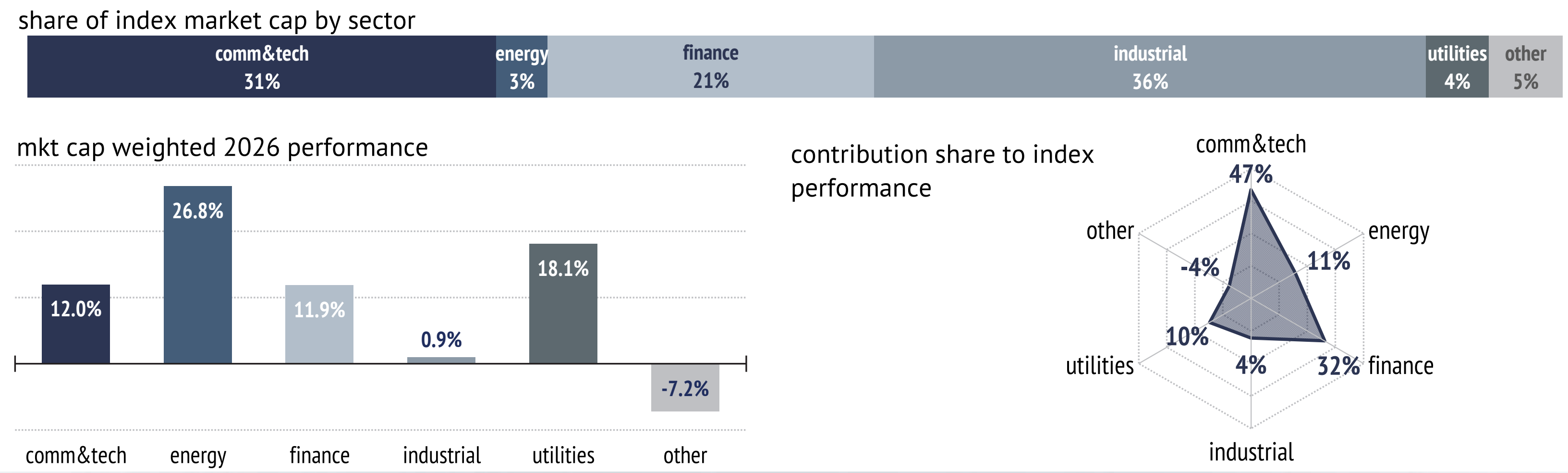
Source: calculations on S&P500 constituents data retrieved from FactSet. See Methodological notes for additional details.

In the first half of 2026, S&P 500 performance was largely driven by the communications and technology sector, primarily as a result of its index weighting (56%) rather than relative outperformance (positive, but not outstanding).

Compared with Italian and euro area equity markets, indeed, the US equity market exhibits a higher degree of concentration, with communications and technology playing a much more dominant role.

EuroStoxx50 performance was supported by a broader sector mix

Sectoral contributions to EuroStoxx50 performance in 2026

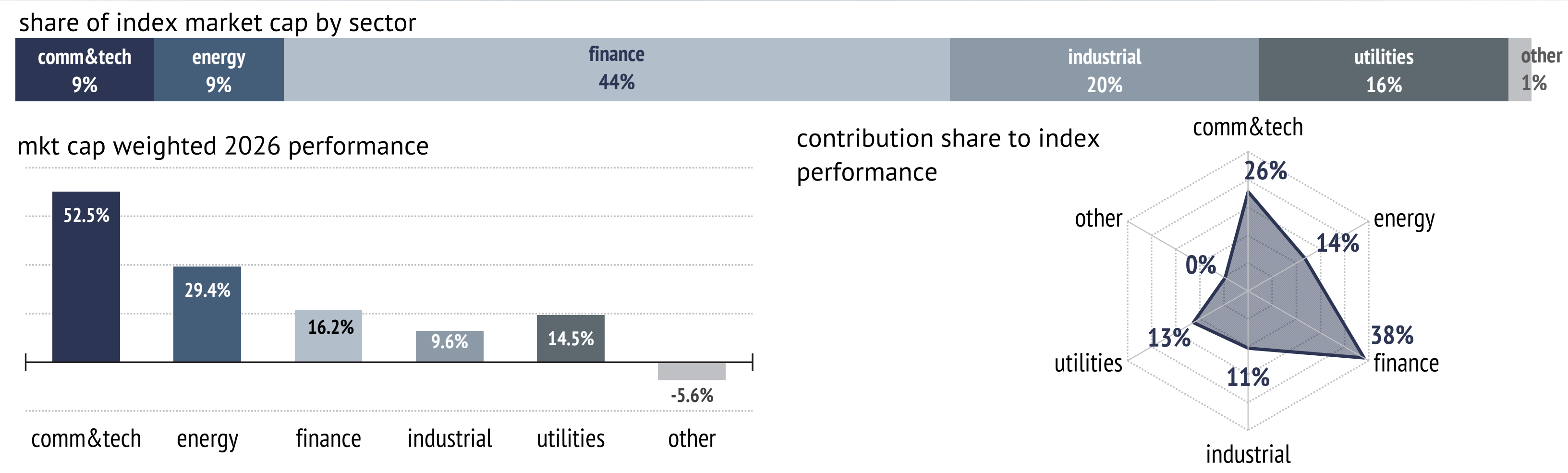


Source: calculations on EuroStoxx50 constituents data retrieved from FactSet. See Methodological notes for additional details.

The communications and technology sector was the largest contributor to EuroStoxx50 performance in the first half of 2026, followed by the financial sector. Although the energy and raw materials sector delivered the strongest returns, its overall contribution was more limited due to the relatively small weight in the index's market capitalization.

On the Ftse Mib, technology and energy posted the strongest returns, while financials made the largest contribution

Sectoral contributions to Ftse Mib performance in 2026



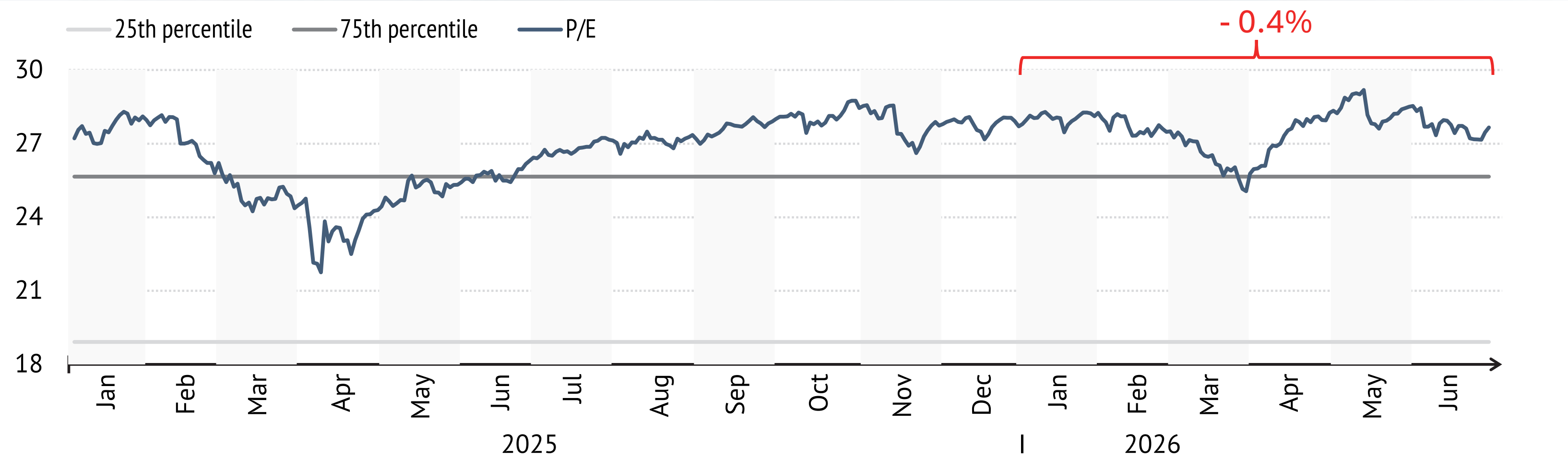
Source: calculations on FtseMib constituents retrieved from Borsa Italiana and FactSet data. See Methodological notes for additional details.

In the first half of 2026, the largest contributor to Ftse Mib performance was the financial sector, despite recording a modest sectoral return.

The communications and technology sector, together with the energy and raw materials sector, also emerged as important drivers of overall index performance, notwithstanding their relatively small share of total market capitalisation. The strong performance of the communications and technology sector was also supported by the performance of a single company operating in the semiconductor business.

US valuations remained elevated but broadly stable in H1 2026

Price-to-earnings ratio (P/E) in the US



Source: calculations on FactSet data. 25th and 75th percentiles are calculated on the historical distribution of P/E since 2015.

S&P500 P/E ratio remained mostly above the 75th historical percentile during 2025 and the first half of 2026, indicating elevated valuations. Temporary declines were observed following the April 2025 ‘Liberation Day’ correction and again in March 2026 amid escalating tensions related to the Third Gulf War, although valuations remained broadly above historical norms.

In the first half of 2026, the S&P 500 P/E ratio remained broadly stable, indicating robust growth in expected earnings that kept pace with the rise in equity prices.

Euro area valuations increased above historical norms

Greta

Price-to-earnings ratio (P/E) in euro area

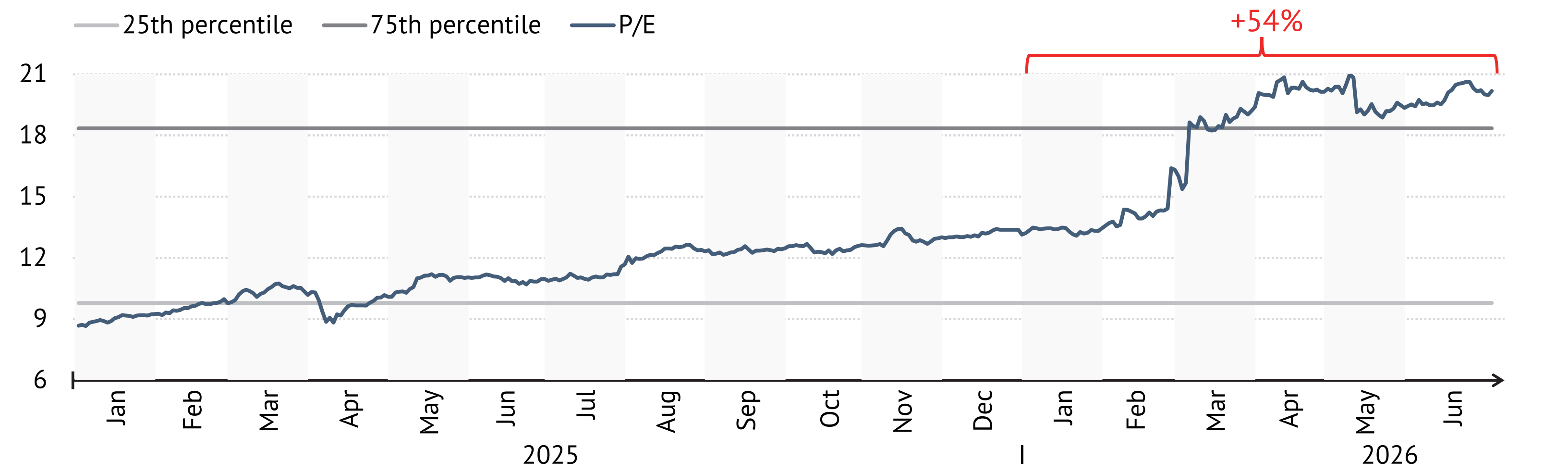
Source: calculations on FactSet data. 25th and 75th percentiles are calculated on the historical distribution of P/E since 2015.

EuroStoxx50 P/E remained above its historical average in H1 2026, despite temporary declines during periods of geopolitical and market stress. Valuations stayed below US levels, while the narrower interquartile range suggests lower historical volatility and more stable valuation dynamics.

In the first half of 2026, EuroStoxx50 recorded a 5% increase in its P/E ratio, suggesting a generally more supportive valuation environment.

Italian valuations rose sharply, mainly reflecting declining earnings

Price-to-earnings ratio (P/E) in Italy

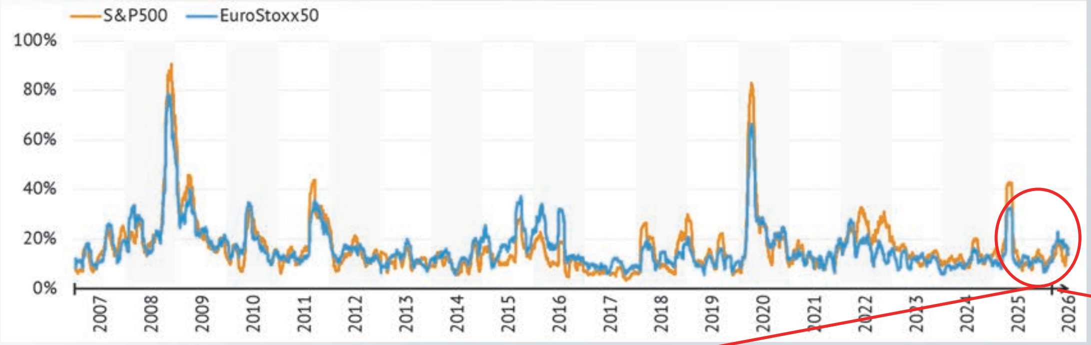


Source: calculations on Bloomberg data. 25th and 75th percentiles are calculated on the historical distribution of P/E since 2015.

Ftse Mib P/E ratio rose steadily throughout 2025 and the first half of 2026, moving from within the historical interquartile range to well above the 75th percentile in early 2026. Valuations displayed limited sensitivity to the April 2025 ‘Liberation Day’ correction and the March 2026 geopolitical tensions, remaining on a strong upward trajectory and reaching historically elevated levels.

In the first half of 2026, Ftse Mib recorded a significant increase in its P/E ratio due to good price performance combined with declining earnings.

Volatility rose after the March shock but remained moderate by historical standards



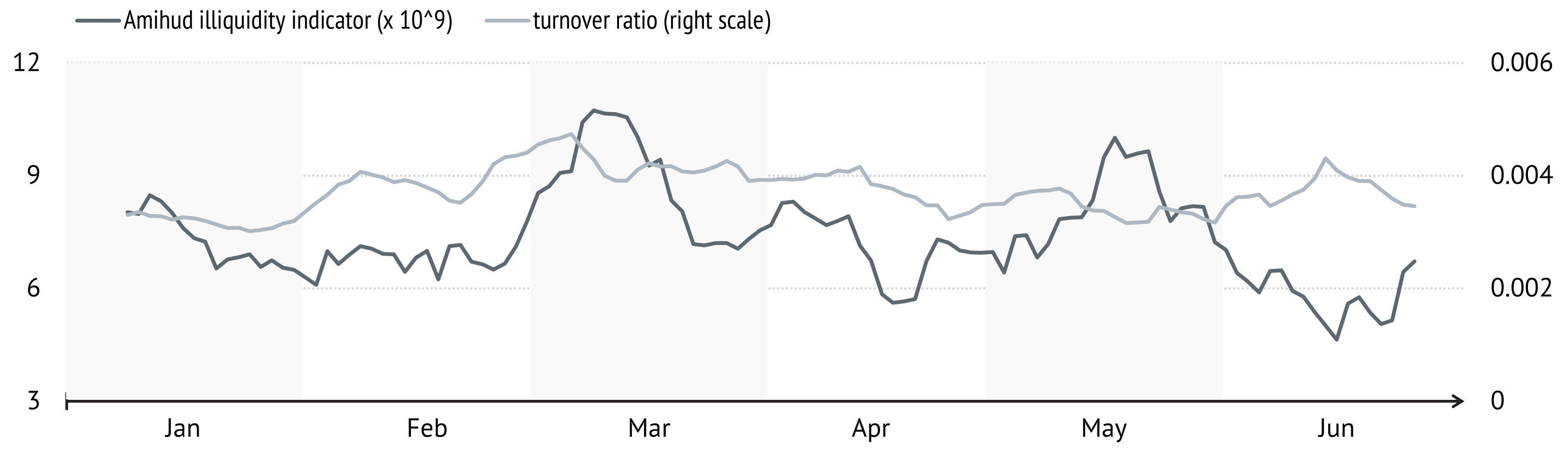
Volatility experienced a moderate increase between March and April 2026 following the outbreak of the Third Gulf War.

However, this peak remained well below the levels observed in 2025 (Liberation Day), in 2020 (the Covid-19 pandemic), and during both the global financial crisis (2008–2009) and the sovereign debt crisis (2010–2011).

Source: calculations on FactSet data. Data refers to the historical volatility on options on futures.

Liquidity conditions deteriorated after the March shock before normalising from late May

Liquidity indicators on the Italian Stock Exchange



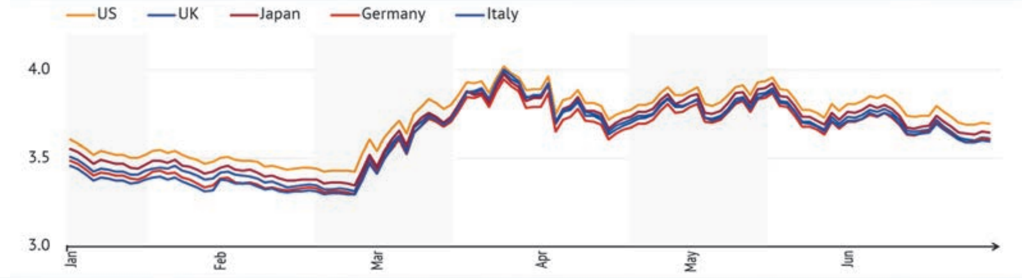
Source: calculations on FactSet and Consob data. 10-days moving averages of Amihud illiquidity and turnover ratio for companies listed on EXM in 2026. See Methodological notes for additional details.

Following the outbreak of the Third Gulf War, both the turnover ratio and the Amihud Illiquidity Indicator increased simultaneously, suggesting that heightened trading activity coincided with a larger price impact.

From the end of May 2026 onwards, the two indicators moved in opposite directions, consistent with a return to the more typical inverse relationship between trading activity and market illiquidity.

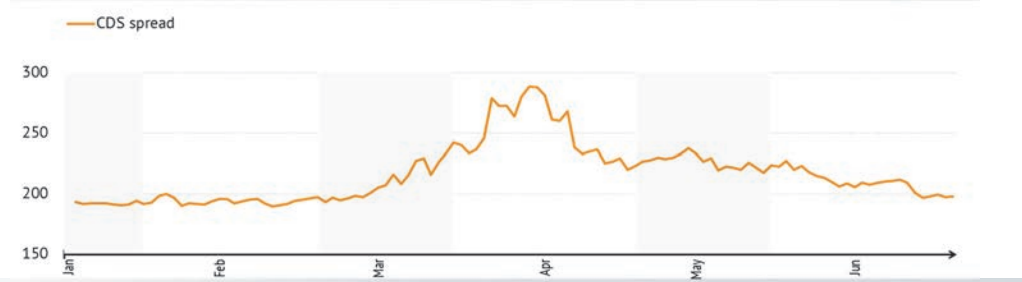
Geopolitical tensions temporarily repriced corporate credit risk

NFCs investment grade bond yields
(daily data up to 30 June 2026)



Source: calculations on FactSet data.

European CDS spread: investment grade vs sub-investment grade
(daily data up to 30 June 2026)



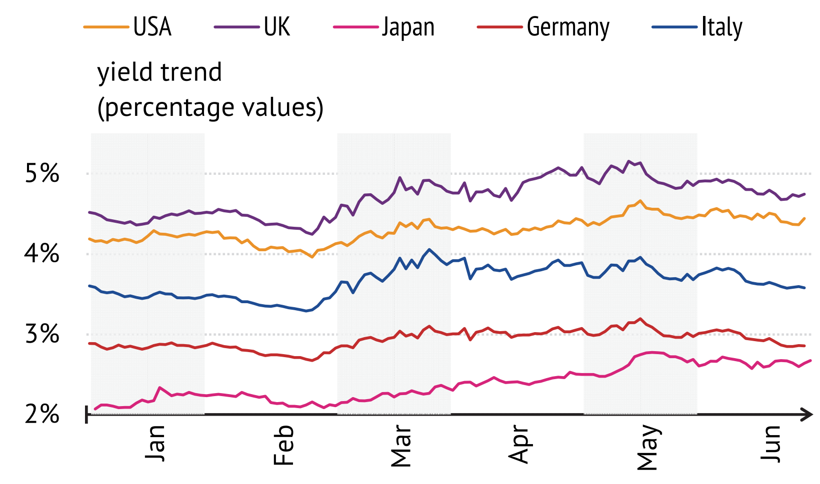
Source: calculations on FactSet data. The spread is calculated as the difference between the Markit iTraxx Europe index and the Markit Europe iTraxx Crossover index.

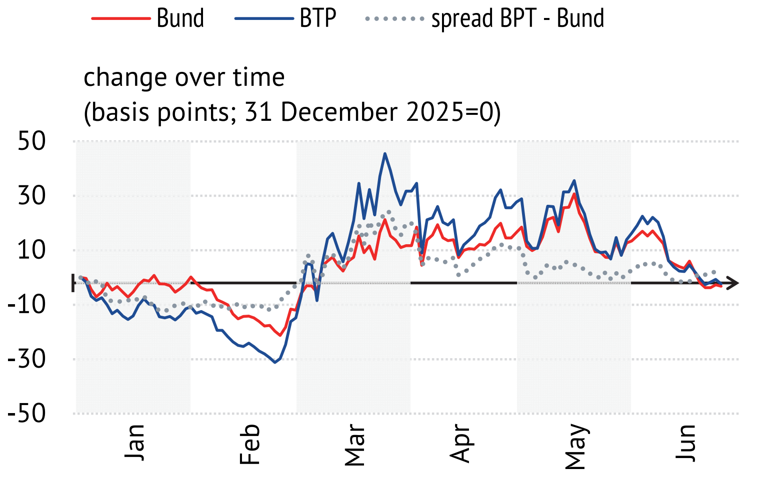
The Iran conflict triggered a sharp and broadly synchronised rise in investment-grade corporate bond yields across major markets. As tensions eased, yields partially retraced but remained above pre-conflict levels.

European credit risk also increased temporarily, with the investment grade-high yield CDS spread peaking at nearly 280 basis points before returning close to its initial level by June.

A similar temporary repricing was observed in sovereign bond markets

Sovereign bond yields and the BTP–Bund spread
(daily data up to 30 June 2026)



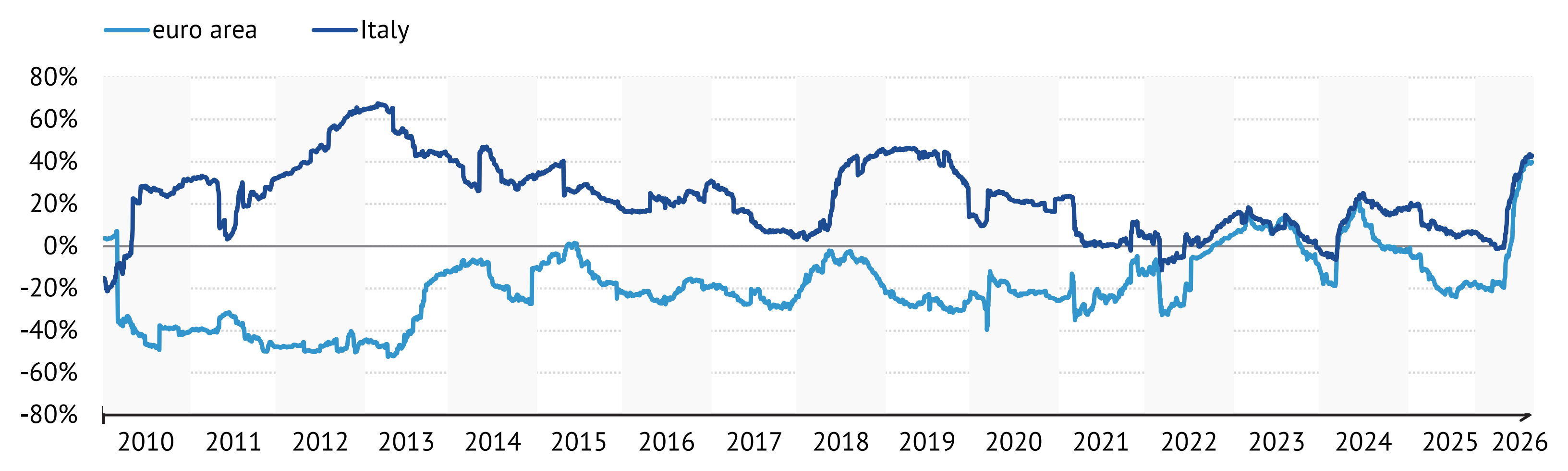


Source: calculations on FactSet data.

As in corporate credit markets, the Iran conflict prompted a broad but temporary rise in sovereign bond yields, with limited cross-country divergence. The BTP–Bund spread widened only briefly before returning close to pre-conflict levels as tensions eased.

Stock–bond diversification benefits weakened

Correlation between stock and government bond indices
(daily data up to 30 June 2026; 12-month rolling correlation)



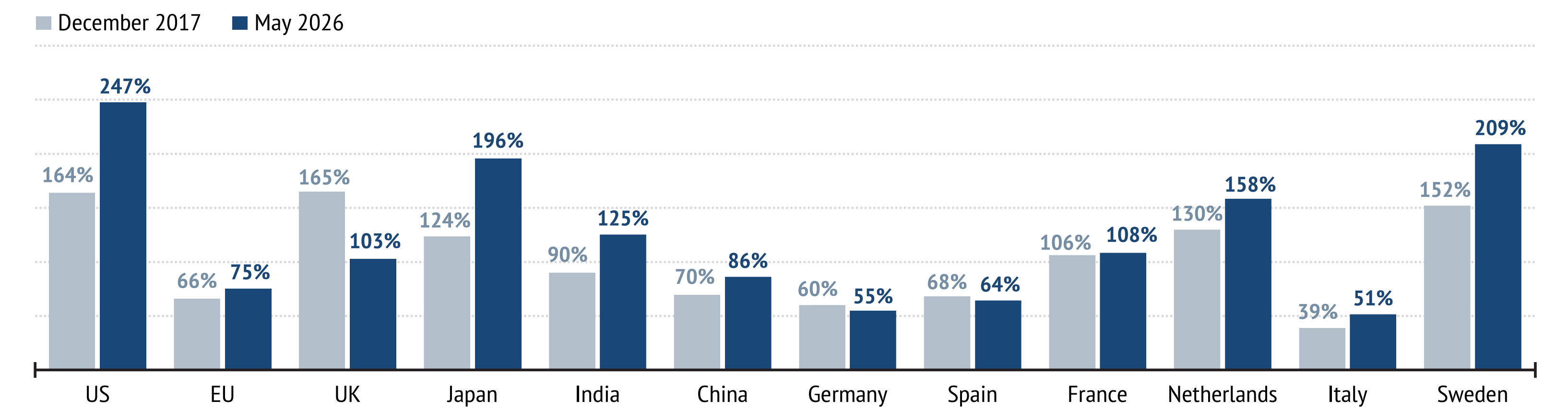
Source: calculations on FactSet data. Stock-bond correlations are computed using a 12-month rolling window of daily stock and government bond returns. Equity returns are measured by the EuroStoxx50 (euro area) and the Ftse Mib (Italy), while bond returns are based on 10-year German Bunds and 10-year Italian BTPs, respectively.

At the same time, stock–bond correlations turned positive in both Italy and the euro area, temporarily weakening the diversification benefits of government bonds.

Capital markets development

Diverging paths in the relative size of equity market across countries

Equity markets size as percentage of GDP in selected economies
(data as of the end of the period)



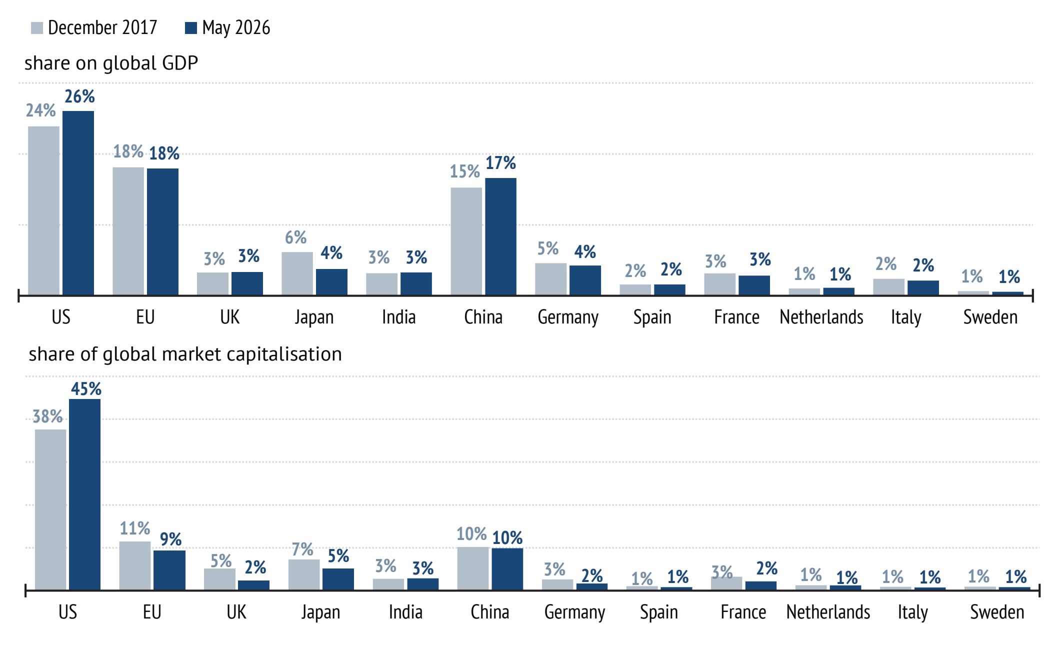
Source: calculations on IMF, World Bank, WFE and national exchanges data. GDP 2025 at current prices. India data refer to NSE domestic market capitalisation as a proxy for the consolidated Indian equity market to avoid double counting with BSE data.

Equity market capitalisation relative to GDP increased in most countries between 2017 and 2026, with the strongest gains observed in the US, Japan and India. Within the EU, the market capitalization-to-GDP ratio evolved unevenly across countries, with the largest increases observed in the Netherlands, Sweden, and Italy. As of May 2026, however, Italy continued to exhibit the lowest ratio among the countries considered.

Despite the broad increase, significant cross-country disparities persist, suggesting different degrees of equity market development and varying reliance on market-based financing.

US dominance in global equity markets strengthens as Europe lags behind

Equity markets size in selected economies
(data as of the end of the period)



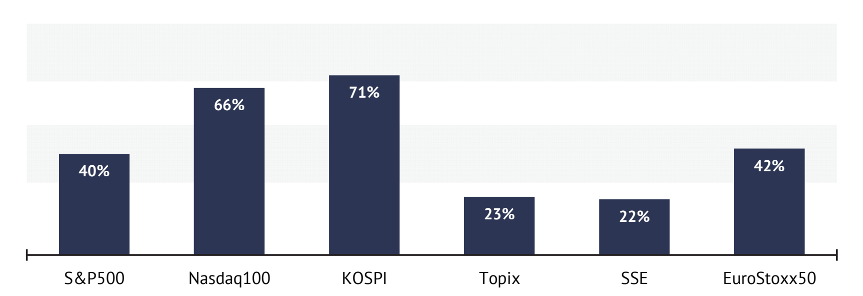
The US remains the dominant global equity market, accounting for 45% of world market capitalisation versus 26% of global GDP, while India combines rapid GDP growth with an even faster increase in listed-equity market size.

By contrast, Europe continues to display a structural gap between economic size and equity-market capitalisation, accounting for 18% of global GDP but only 9% of global market capitalisation.

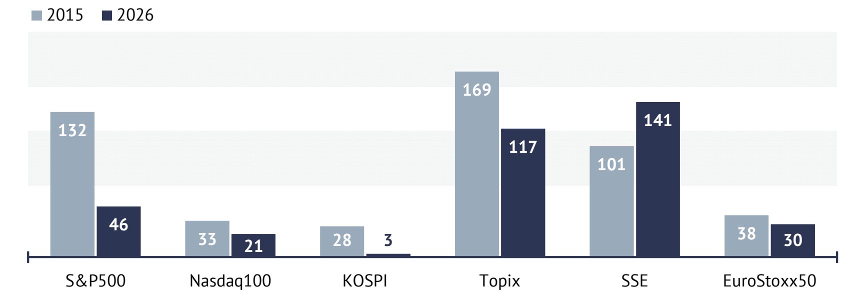
Source: calculations on IMF, World Bank, WFE and national exchanges data. GDP at current prices.

The rise of market concentration has reduced the effective breadth of major equity indices

Top 10 stocks weights on market capitalization in 2026



Effective number of constituents



Source: calculations on FactSet data.

[(1)] The effective number of stocks is the reciprocal of the Herfindahl-Hirschman Index (HHI) and represents the number of equally weighted stocks that would imply the same level of concentration as the actual index. See Methodological notes for additional details.

Major equity indices are increasingly concentrated, with a small number of constituents accounting for a large share of total market capitalisation.

Effective diversification declined across most major equity indices between 2015 and 2026. The S&P 500 recorded one of the sharpest contractions, with the effective number of constituents[(1)] falling by 65% (from 132 to 47).

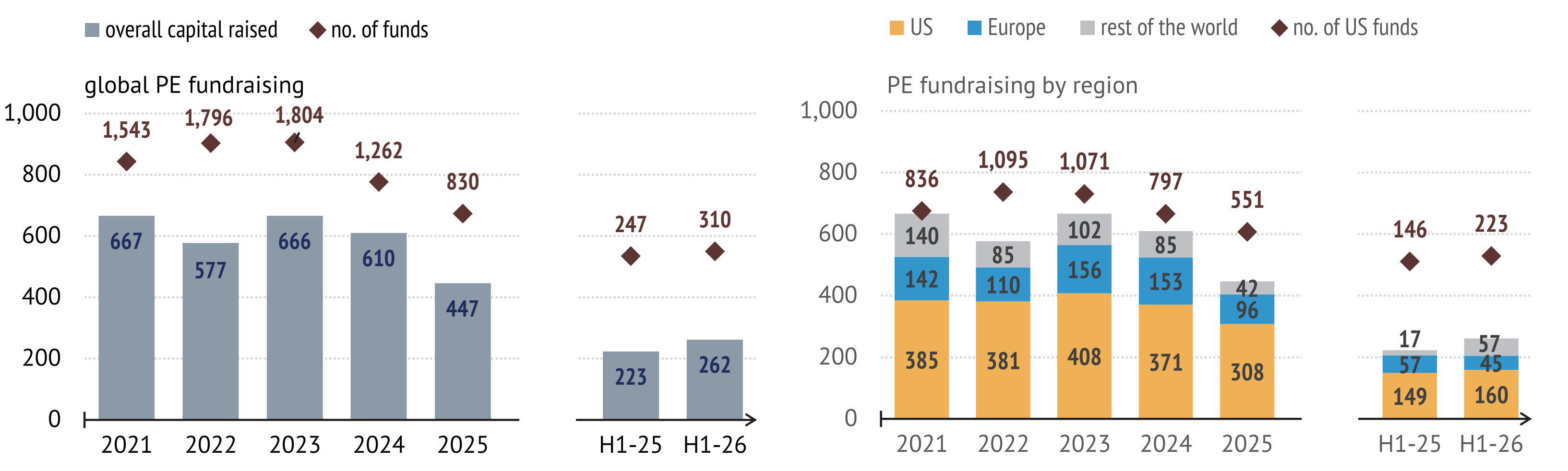
The KOSPI experienced an even steeper decline with the effective number of constituents dropping from 28 to only 3.

By contrast, the Chinese index (SSE) was the only one to become more diversified, with the effective number of constituents rising by 40% (101 to 141).

Overall, market performance has become increasingly driven by a smaller group of mega-cap companies.

PE fundraising rebounded in H1-26, especially outside the US and Europe.

Private equity trends – fundraising (billions of US dollars)



Source: Elaborations on Pitchbook, Global PE First Look and US and European PE breakdown (July 2026). End-of-year 2025 and H1 2026 data still partly provisional. European data converted in USD based on end-of-quarter USD/EUR exchange rate.

Global PE fundraising reached $262 bn in H1-26, up from $223 bn in H1-25 (+17%). The recovery appears mainly driven by the Asia-Pacific Region, although the US market retains the largest share in terms of volumes, while fundraising in Europe remains weaker than a year earlier. The continued decline in the number of funds suggests that capital raising is becoming increasingly concentrated among larger, more established managers.

But PE investments lose momentum in early 2026

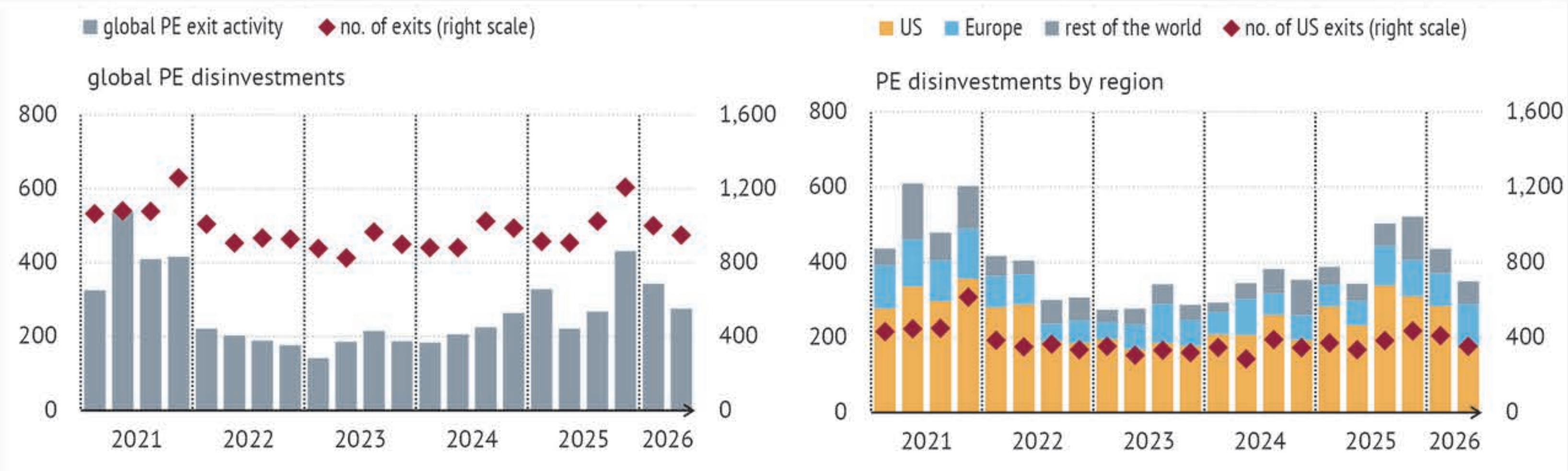
Private equity trends - investments
(quarterly data; billions of US dollars)

Source: Pitchbook. End-of-year 2025 and H1 2026 data still partly provisional. Quarterly data for Europe converted in USD based on end-of-quarter USD/EUR exchange rate.

Global PE investment activity declined sharply in H1-26, reaching the lowest level since Q1 2024. US deal value fell more steeply than in Europe, signaling a broad-based slowdown after the strong activity recorded in 2024–25. Deal volumes also weakened, pointing to a more cautious investment environment.

Private equity exit activity slows after the 2025 peak

Private equity trends - disinvestments (exits)
(quarterly data; billions of US dollars)



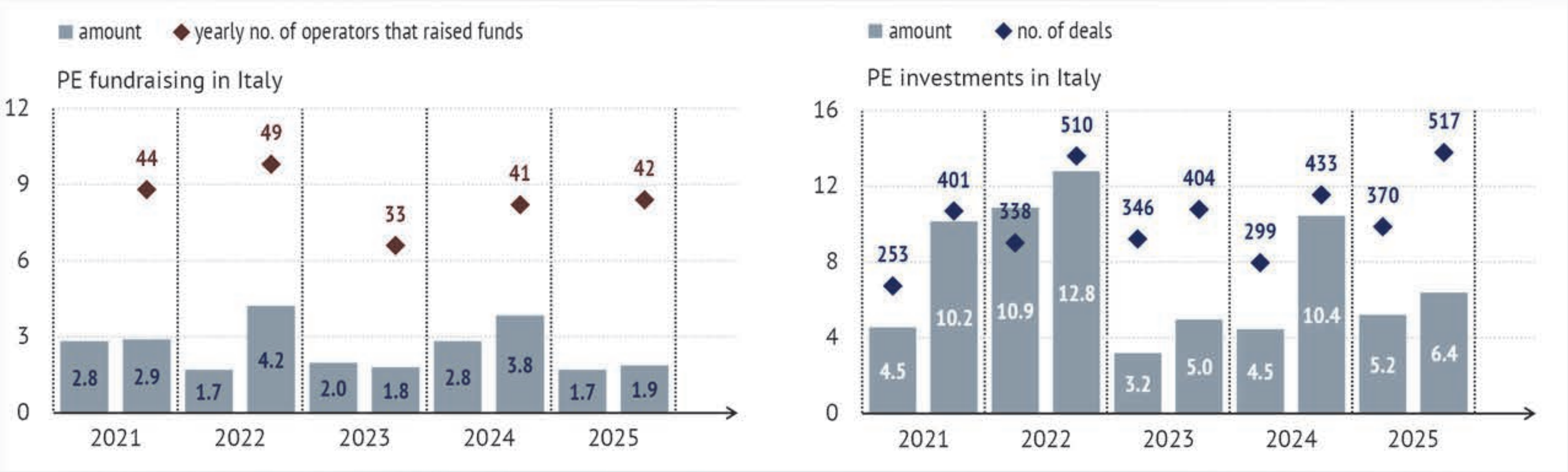
Source: Pitchbook. End-of-year 2025 and Q1 2026 data still partly provisional. Quarterly data for Europe converted in USD based on end-of-quarter USD/EUR exchange rate.

Mirroring the slowdown in investments, global PE exit activity fell for two consecutive quarters in the first half of 2026, declining by 20% QoQ, from $343 in Q1 to $275 bn in 2Q 2026.

While the global contraction was largely driven by a sharp drop in US exit values, Europe bucked the trend, recording a strong rebound in Q2 2026 with exit value up 29% QoQ.

In Italy, PE fundraising and investments weakened …

Private equity fundraising and investments in Italy
(half-yearly data; billions of euros)



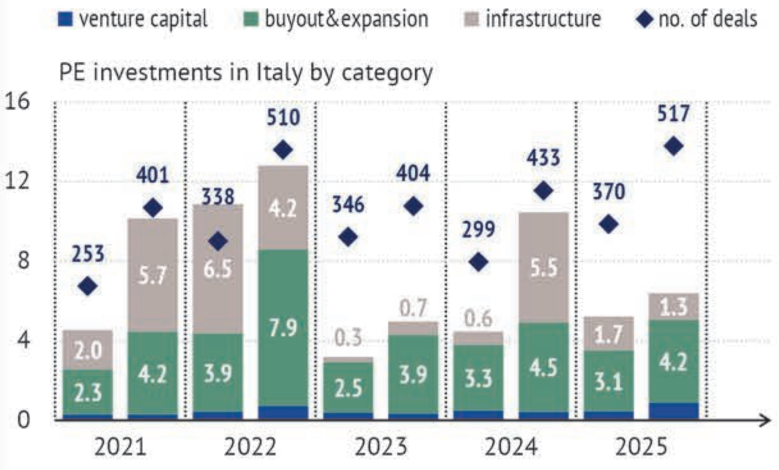
Source: calculations on data from AIFI (2025), Il mercato italiano del private equity e venture capital. Amount figures rounded to the nearest decimal place. The number of operators refers to end-of-year data. Private market investments include Private Equity (PE), Venture Capital (VC) and Infrastructure deals.

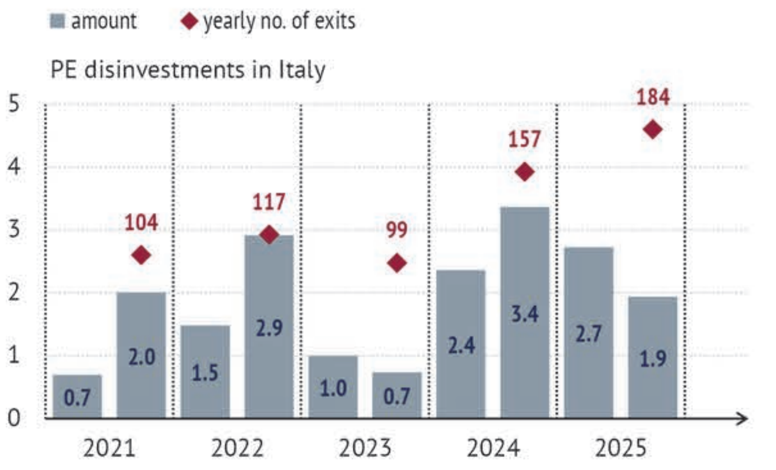
Fundraising by Italian PE operators in 2025 amounted to €3.6bn, a 46% decrease compared to the amount (€6.7 bn) raised the previous year.

Overall investments amount declined YoY (-22%) from €14.9 to €11.6 bn in 2025. However, H2 showed a rebound in deal activity, with yearly number of deals on the rise and back to 2022 levels.

… mainly driven by weaker infrastructure activity, while VC expanded

Private equity investments by category and overall disinvestments in Italy (half-yearly data; billions of euros)





Source: calculations on data from AIFI (2025), Il mercato italiano del private equity e venture capital. Amount figures rounded to the nearest decimal place. The number of operators refers to end-of-year data. Divestments are calculated at the acquisition cost of the holdings. Venture capital refers to early stage investments; buyout&expansion includes replacement and turnaround deals.

PE investment activity declined by 22% in 2025, mainly reflecting a sharp contraction in infrastructure investments. By contrast, venture capital expanded strongly (+46% YoY), partly offsetting weaker buyout and expansion activity (-8% YoY).

Exit activity declined steadily over the last three half-years, falling to €1.9bn in H2 2025 from €3.4bn in H2 2024 (-44% YoY). Despite the slowdown, total exit value in 2025 remained above the five-year average.

Value creation is moving upstream: from public to private markets

Major fundraising operations in the public and private sectors

	largest IPO			largest "venture capital round" pre-IPO (estimated)		
	year	company	amount (USD bn)	year	company	amount (USD bn)
1	2026	SpaceX	86.3	2026	OpenAI	122.0
2	2019	Saudi Aramco	29.4	2026	Anthropic	65.0
3	2014	Alibaba Group	25.0	2025	OpenAI	40.0
4	2018	SoftBank	23.5	2026	Anthropic	30.0
5	2010	AIA Group	20.4	2026	xAI	20.0
6	2008	Visa	19.7	2026	Waymo	16.0
7	1998	NTT DoCoMo	18.4	2025	Scale AI	14.3
8	2010	General Motors	18.1	2025	Anthropic	13.0
9	1999	Enel	17.3	2026	Prometheus	12.0
10	2012	Meta (Facebook)	16.0	2025	xAI	10.0
		total	*274*		*total*	*342*
		medium	*27*		*medium*	*34*

Source: calculations on data from Bloomberg, Refinitiv, Pitchbook and corporate announcements.

Private markets are becoming an increasingly important source of corporate financing and value creation, with a growing share of capital raising taking place before companies access public markets.

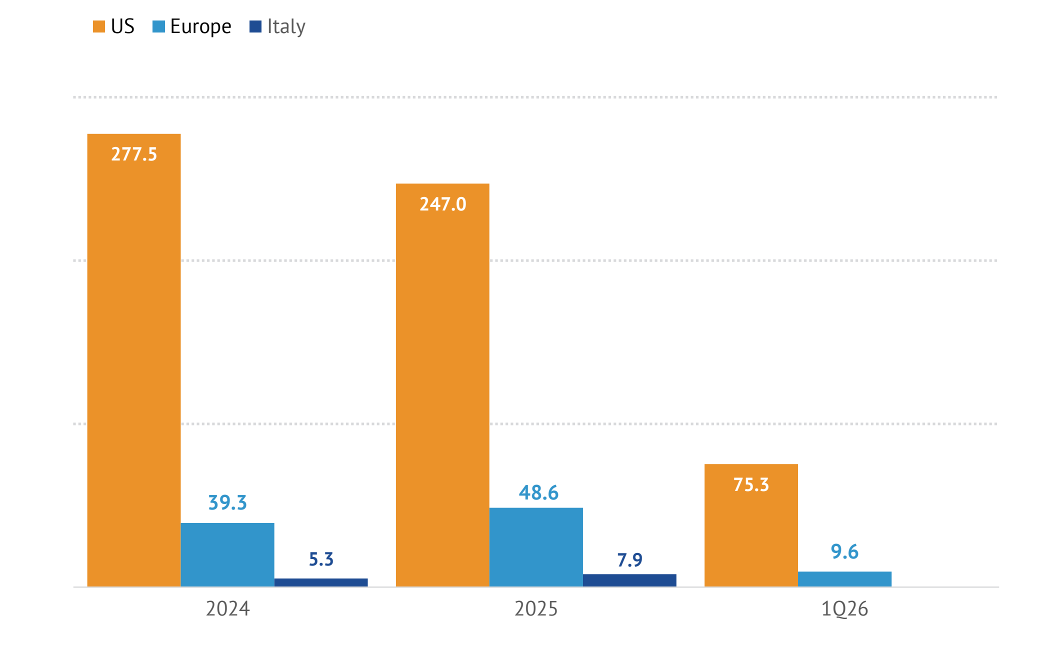
The largest private-market transactions now surpass the biggest IPOs in both total value and average deal size.

OpenAI's 2026 funding round (~USD 122bn) and Anthropic's pre-IPO financings (~USD 95bn) rank among the largest equity transactions ever recorded.

All the largest private-market deals have occurred in the last two years highlighting the rapid expansion of private capital markets.

Private credit weakened in the US but remained resilient in Europe

Private credit direct lending in the US, the euro area and Italy
(amounts in billions of US dollar)



Source: US and European private credit monitor, December 2025 and March 2026. AIFI (2025), Il mercato italiano del private debt.

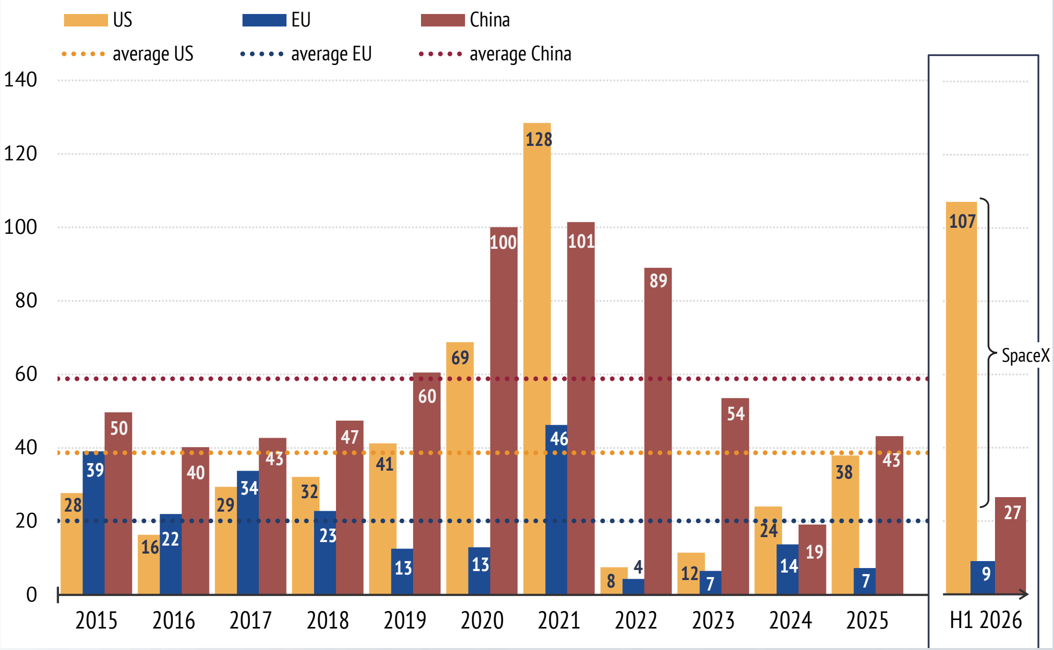
As for private credit markets, direct lending continued to weaken in the US, falling from $278 bn in 2024 to $247 bn in 2025, with further declines recorded in early 2026. In contrast, activity proved more resilient in Europe ($48.6 bn in 2025 and $9.6 bn in Q1 2026).

In Italy, private credit operators increased their lending to about $7,9 bn) in 2025, a 33% increase over 2024 in terms of volumes in euro.

Primary markets trends

China leads, Europe lags, US rebounds

IPO proceeds by selected region
(billions of dollars)



Source: calculations on Refinitiv and FactSet data.

China at the forefront of global IPO markets, with $674 billion raised over the past decade, ahead of the US ($530 billion) and the EU ($230 billion).

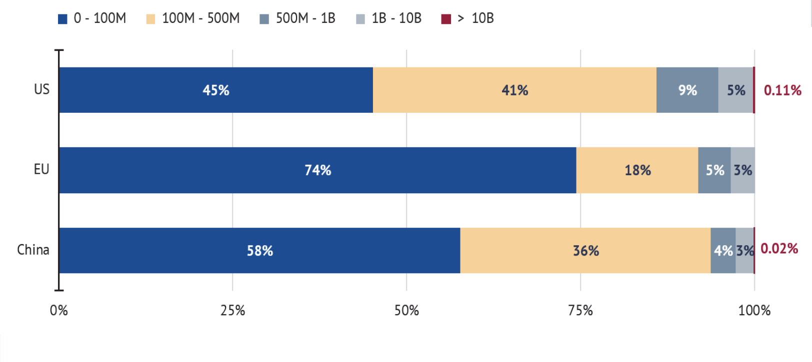
China's sustained momentum (2019–2023), supported by persistent fundraising activity.

US boom–bust–rebound cycle, from the record-breaking 2021 IPO wave to the market downturn and the sharp recovery in 2026.

Europe falling behind, with structurally lower IPO volumes, a prolonged downward trend and no meaningful recovery in the latest period.

Europe’s small IPO bias

Firms by IPO size in selected regions



Source: calculations on Refinitiv and FactSet data

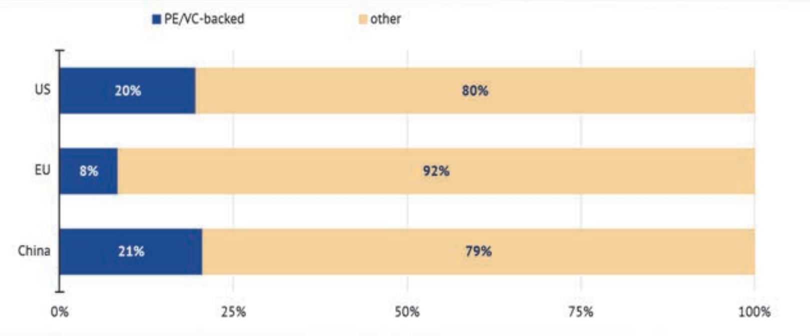
Europe's small-cap bias, with three out of four IPOs raising less than $100 million, compared with a much more balanced size distribution in the US and China.

Large IPOs concentrated outside Europe, with transactions above $500 million far more common in the US and China.

Mega-IPOs almost exclusively a US phenomenon (0.1%), with deals above $10 billion virtually absent in Europe and only exceptionally recorded in China (0.02%).

Private equity- and venture capital-backed IPOs represent a significant share of listing activity in the US (19.6%) and China (20.5%), compared with only 8.4% in the EU, highlighting the more limited role of European private markets in financing and scaling companies before they go public.

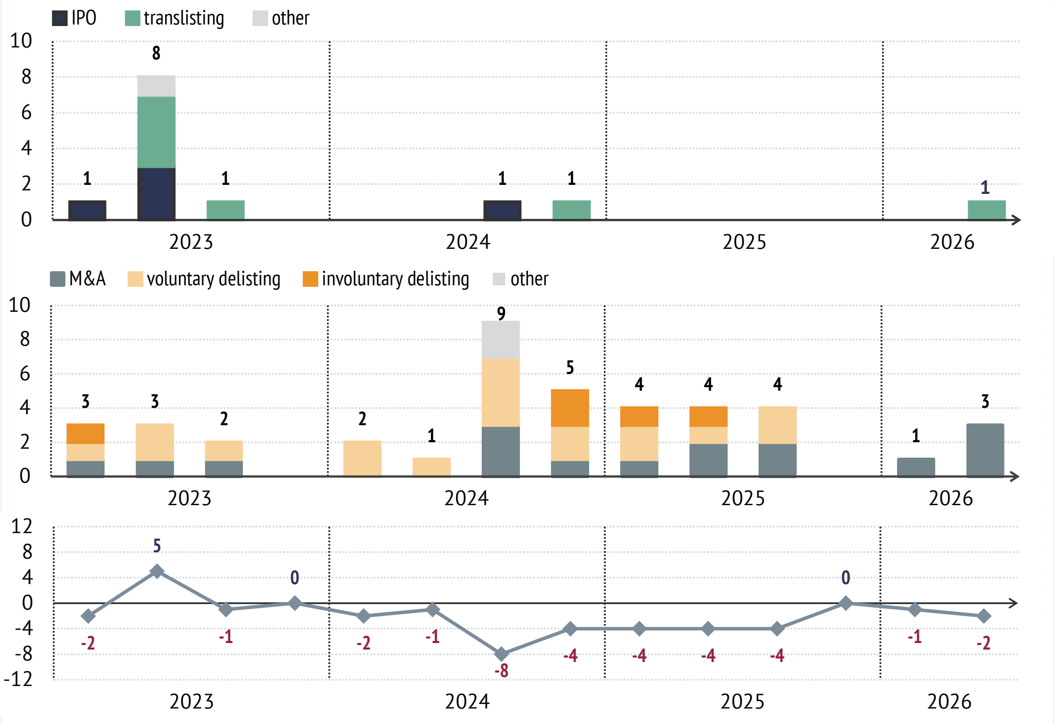
Firms by IPO type in selected regions



Source: calculations on Refinitiv and FactSet data.

EXM delistings outpace listings

Listing and delisting on EXM
(quarterly data)



Source: calculations on Borsa Italiana and FactSet data.

In 1H2026, listing activity on EXM nearly disappeared, with only a single translisting recorded.

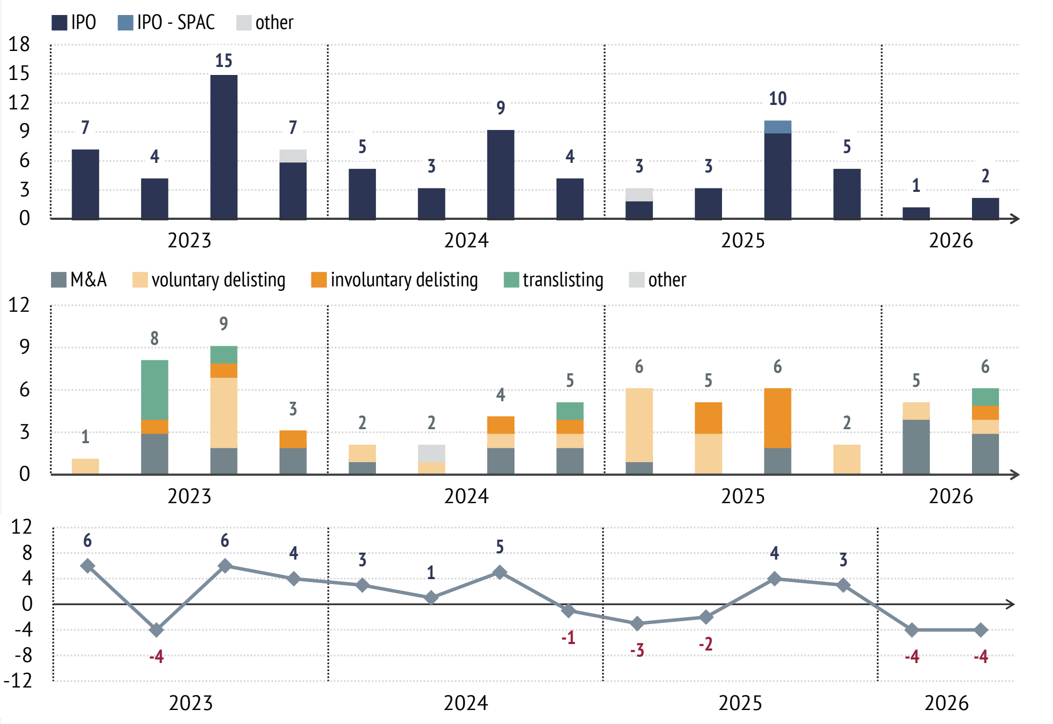
Since 2023, delistings outweigh new listings: market exits consistently exceed new admissions, driven primarily by M&A transactions and voluntary delistings.

Persistent negative net balance: net delistings of 3 companies recorded in 1H2026, adding up to a long streak of negative outcomes.

Shrinking listed universe: overall, the data point to a gradual decline in the number of companies listed on EXM, reflecting subdued IPO activity and sustained delisting flows.

EGM net listing reverses

Listing and delisting on EGM
(quarterly data)



Source: calculations on Borsa Italiana and FactSet data.

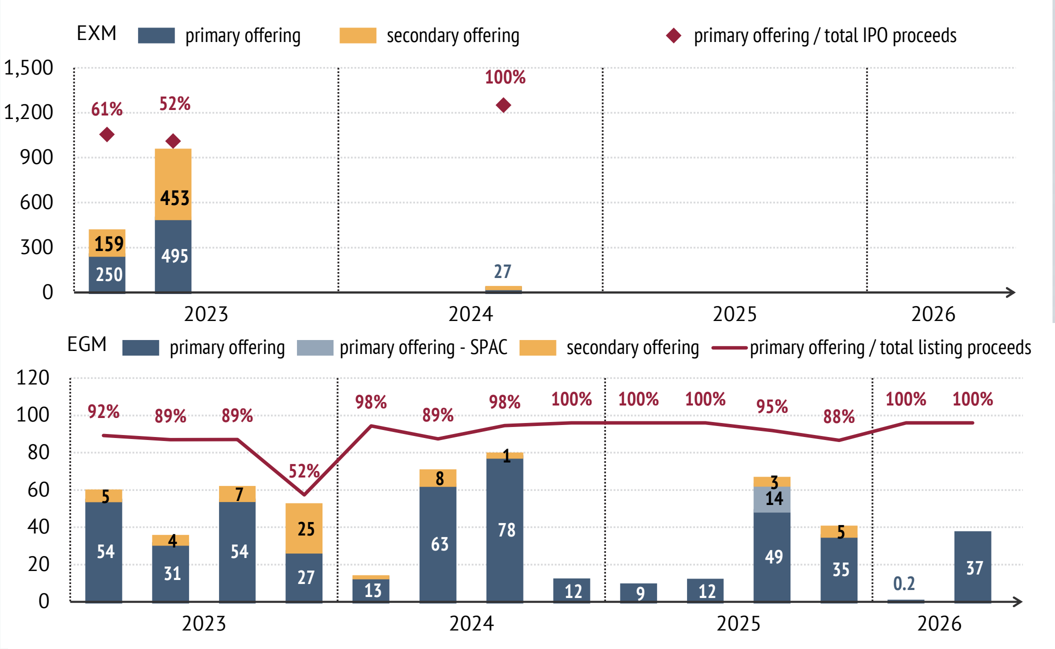
Net balance strongly negative in the first two quarters of 2026, with a loss of 8 companies as new listings slowed and exits remained sustained.

Since 2023, listing activity exhibits a clear downward trend. Exits remained steady, with delistings mainly driven by voluntary transactions and M&A.

Declining number of translistings to EXM in the medium term (only 2 in the last two years).

Large deals on EXM, continuous funding on EGM

Amount raised at listing on EXM and EGM
(quarterly data; millions of euros)



Source: calculations on Borsa Italiana and FactSet data.

Virtually no data available for the EXM market over the last 12 quarters.

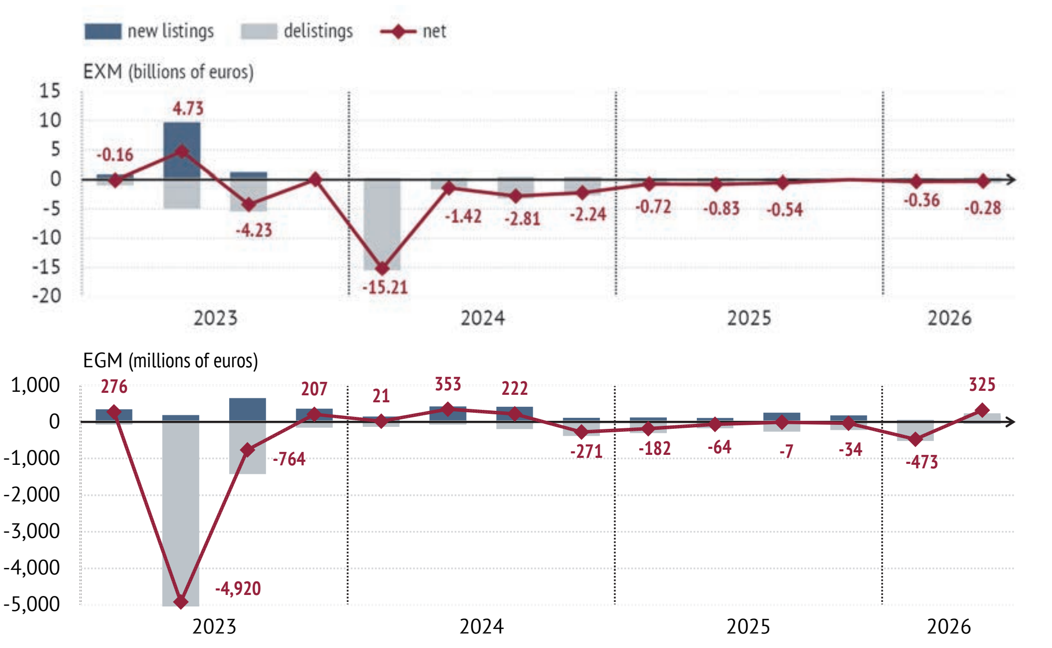
Not possible to identify a medium-term trend.

EGM remains an SME financing platform, with primary offerings consistently accounting for the largest share of listing proceeds.

EGM provides a more stable source of equity financing for growth companies.

EXM loses value, EGM remains resilient

Estimated impact of new listings and delistings on the market capitalisation of EXM and EGM (quarterly data)



Source: calculations on Borsa Italiana and FactSet data.

In recent quarters, the erosion of EXM market capitalization (which reached a pick of €15.2 billion in Q1 2024) has slowed, mainly because the largest delistings resulted from M&A transactions between listed companies.

EGM also negative in the first two quarters of 2026, with a net loss of almost 150 millions.

Since 2023, negative net balance of almost 4,5 billions, but largely due to net losses in Q2 and Q3 2023.

Methodological notes

Methodological notes – sectoral contribution (1/2)

Each stock's initial weight is defined as its share of total index market capitalisation at the beginning of the period: $w_i = \frac{MC_i}{\sum MC_i}$

The contribution of stock i to index performance is defined as: $c_i = w_i r_i$

where r_id enotes the stock's year-to-date (YTD) return.

Sector contribution is obtained by aggregating the contributions of all constituent stocks: $C_s = \sum_{i \in s} c_i$

The share of total index performance attributable to sector s is then calculated as: $CI_s = \frac{C_s}{TI}$

where TI denotes total index performance. CI_s measures the percentage of overall index performance accounted for by sector s.

Sector performance is measured as the market capitalisation-weighted average return of constituent stocks, using beginning-of-period market capitalisation weights.

Methodological notes – sectoral contribution (2/2)

FactSet sectors were consolidated into six broad categories to ensure comparability across indices. The reclassification was performed as follows:

- Finance: companies included in the Finance FactSet sector
- Communications & Technology: companies included in Communications, Electronic Technology, Technology Services, Health Technology FactSet sectors
- Energy & Raw Materials: companies included in Energy Minerals, Non-Energy Minerals FactSet sectors
- Industrial: companies included in Process Industries, Producer Manufacturing Industrial Services, Consumer Non-Durables, Consumer Durables, Transportation FactSet sectors
- Utilities: companies included in Utilities FactSet sector
- Other: companies not included in the former categories

Methodological notes – turnover ratio and Amihud illiquidity indicator

The turnover ratio is defined as daily trading value divided by aggregate market capitalisation. It measures the proportion of market capitalisation traded on a given day. Financially distressed companies were excluded from the sample. The analysis covers 195 companies listed on EXM in 2026. The series was winsorised at the 1st and 99th percentiles and subsequently smoothed using a 10-day moving average.

The Amihud illiquidity indicator is defined as the ratio between the absolute daily logarithmic return and daily turnover for each company listed on EXM in 2026. A market-wide measure is obtained by aggregating firm-level indicators using daily market-capitalisation weights. The sample includes 195 companies. Firm-level observations were winsorised at the 1st and 99th percentiles to limit the influence of outliers, and the resulting series was smoothed using a 10-day moving average.

Methodological notes – effective number of constituents

The concentration of the stock market index is measured using the Herfindahl-Hirschman Index (HHI), computed as the sum of the squared constituent weights.

To facilitate interpretation, the analysis also reports the Effective Number of Constituents (ENC), calculated as the inverse of the HHI. The ENC represents the number of equally weighted stocks that would generate the same level of concentration as the observed index. Higher values indicate a more diversified index composition, while lower values reflect a greater concentration of market capitalization among a limited number of constituents.

CONSOB

Commissione Nazionale per le Società e la Borsa