



**PRESS RELEASE**

**Stock exchange smaller than GDP**

**Profits of listed companies clearly improving**

**Jump in short selling**

**Piazza Affari in a picture in the new Consob Statistical Bulletin**

Stock market capitalization in sharp decline compared to Gross Domestic Product. Stock investments in decline, while those in bonds are growing. The number of companies listed on the electronic stock market (MTA), the main market in *Piazza Affari*, decreased. At the same time, the profitability of listed Italian companies is clearly improving. Short selling is on the rise.

The picture of the Italian Stock Exchange, taken in the latest Consob Statistical Bulletin for the first half of 2022, is a contrasted picture, with lights and shadows.

The data from the [Bulletin](#), published today on the Consob website, outline a downturn in the securities market, downgraded to the values of the end of 2020, thus nullifying the gains recorded in 2021 due to the robust recovery following the COVID-19 lockdowns.

The indicators describe an uncertain economic picture, affected by various negative factors, such as the war in Ukraine, the surge in inflation driven, among others, by increases in energy prices and the expectations of a credit crunch by the European Central Bank, then confirmed by the interest rate hike issued by the Eurotower.

The decline in share prices depressed the overall capitalization of listed Italian companies, which fell by 20.5% on a half-yearly basis as of 30 June. In relation to the GDP, the market capitalization therefore decreased from 33% at the end of 2021 to 25.4% at the end of June 2022.

The number of companies listed on the MTA is decreasing (-2), while the number of companies listed on Euronext Growth Milan (EGM), the unregulated market dedicated to SMEs and very small businesses (the former AIM, Alternative Investment Market), is increasing.

The weight of investments in bonds is growing, especially those issued by financial companies. On the other hand, the incidence of investments in shares, mostly Italian securities, decreased.



The profits of industrial companies listed on the main market (MTA) and on the EGM marked a strong increase as of last 30 June, rising respectively to 21.2 billion euros (from 8.7 billion) and to 195 million (from 134 million). Bank profits also improved (7.5 billion euro from the previous 7.2 billion), as the profits of insurance companies (to 3.2 billion from 3.1 billion), while a slight decrease occurred with reference to other financial companies (0.7 billion from 0.8 billion).

Given the bearish expectations on prices due to the strong geopolitical tensions, a robust growth marked the short selling practice (+38.2% the net short positions on a half-yearly basis, compared to 31 December 2021).

The securities portfolio held with Italian intermediaries decreased (-10.3%) as the bank deposits of households and businesses (-2.5%). Collection of financial instruments also decreased (-17.6% to 202.5 billion) as well as of insurance products with a main financial content (-30.8% to 19.7 billion) by Italian intermediaries.

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