

2011 Market segmentation survey

Final report

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- This survey is being conducted since 2007.

- The domestic market capitalization was broken down in four segments according to thresholds. The same threshold levels were kept for the last 5 surveys for consistency reasons. The segments were defined as follows:
 - Large market cap segment : market cap > USD 1.3 bn
 - Mid market cap segment : USD 1.3 bn > market cap > USD 200 m
 - Small market cap segment : USD 200 m > market cap > USD 65 m
 - Micro market cap segment : market cap < USD 65 m

- Exchanges were asked to distribute their domestic market cap, number of domestic listed companies, EOB trading value and EOB number of trades into these 4 segments.
- Since 2008, an important change in the methodology has been introduced: only EOB trading is now considered while total trading was used for the first survey.
- Companies delisted during the year were excluded.
- In market capitalization, number of companies, EOB trading value and number of trades: Main board + SMEs/Alternative markets data are consolidated.

Received answers

The study is based on **50 answers** received from the following members in 2012

(2 exchanges did not reply : Bolsa de Valores de Colombia and Australian Securities Exchange)

All the indicators are not available for every member and for each year. On each graph the excluded members are mentioned.

Americas (9)	Asia – Pacific (16)	EMEA (25)
<ul style="list-style-type: none">• Bermuda Stock Exchange• BM&FBOVESPA• Bolsa de Comercio de Buenos Aires• Bolsa de Comercio de Santiago• Bolsa de Valores de Lima• Bolsa Mexicana de Valores• NASDAQ OMX US• NYSE Euronext US• TMX Group Inc.	<ul style="list-style-type: none">• BSE Limited• Bursa Malaysia• Colombo Stock Exchange• GreTai Securities Market• Hong Kong Exchanges and Clearing• Indonesia Stock Exchange• Korea Exchange• National Stock Exchange of India• Osaka Securities Exchange• Philippine Stock Exchange• Shanghai Stock Exchange• Shenzhen Stock Exchange• Singapore Exchange• Stock Exchange of Thailand• Taiwan Stock Exchange• Tokyo Stock Exchange Group	<ul style="list-style-type: none">• Amman Stock Exchange• Athens Exchange• BME Spanish Exchanges• Bourse de Casablanca• Bourse de Luxembourg• Budapest Stock Exchange• Cyprus Stock Exchange• Deutsche Börse• Irish Stock Exchange• İstanbul Menkul Kıymetler Borsası (İMKB)• Johannesburg Stock Exchange• Ljubljana Stock Exchange• London Stock Exchange Group• Malta Stock Exchange• MICEX-RTS• NASDAQ OMX Nordic• NYSE Euronext Europe• Oslo Børs• Saudi Stock Exchange (Tadawul)• SIX Swiss Exchange• Stock Exchange of Mauritius• Tel-Aviv Stock Exchange• The Egyptian Exchange• Warsaw Stock Exchange• Wiener Börse

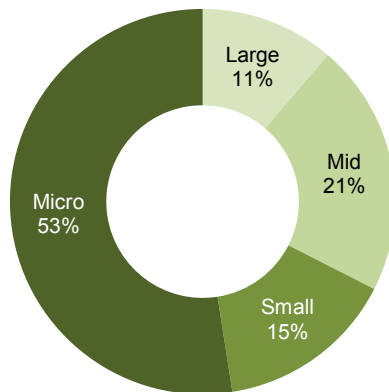
General overview

Market segments in 2011

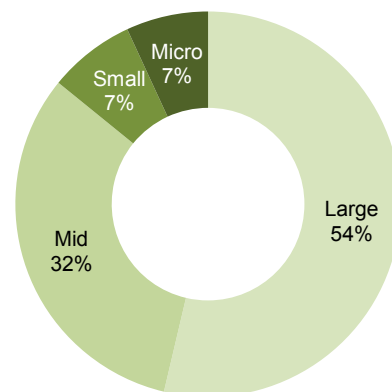
- Micro-cap accounted for half of the total number of listed.
- The weight of mid-cap in number of trades remains important especially in Asia-Pacific region.
- Companies generally called “mid-cap” in the US are included in the WFE definition of large-cap.

Weight of each market segment in:

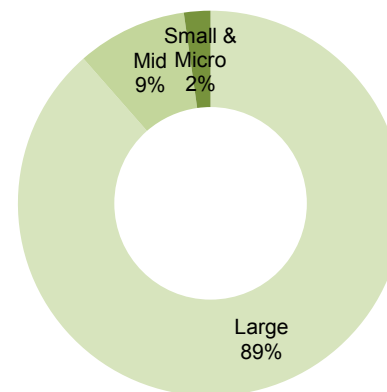
Number of listed companies



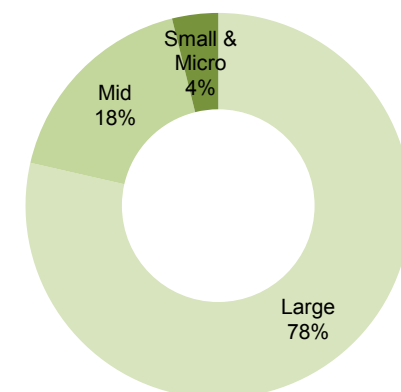
Number of trades



Market Capitalization



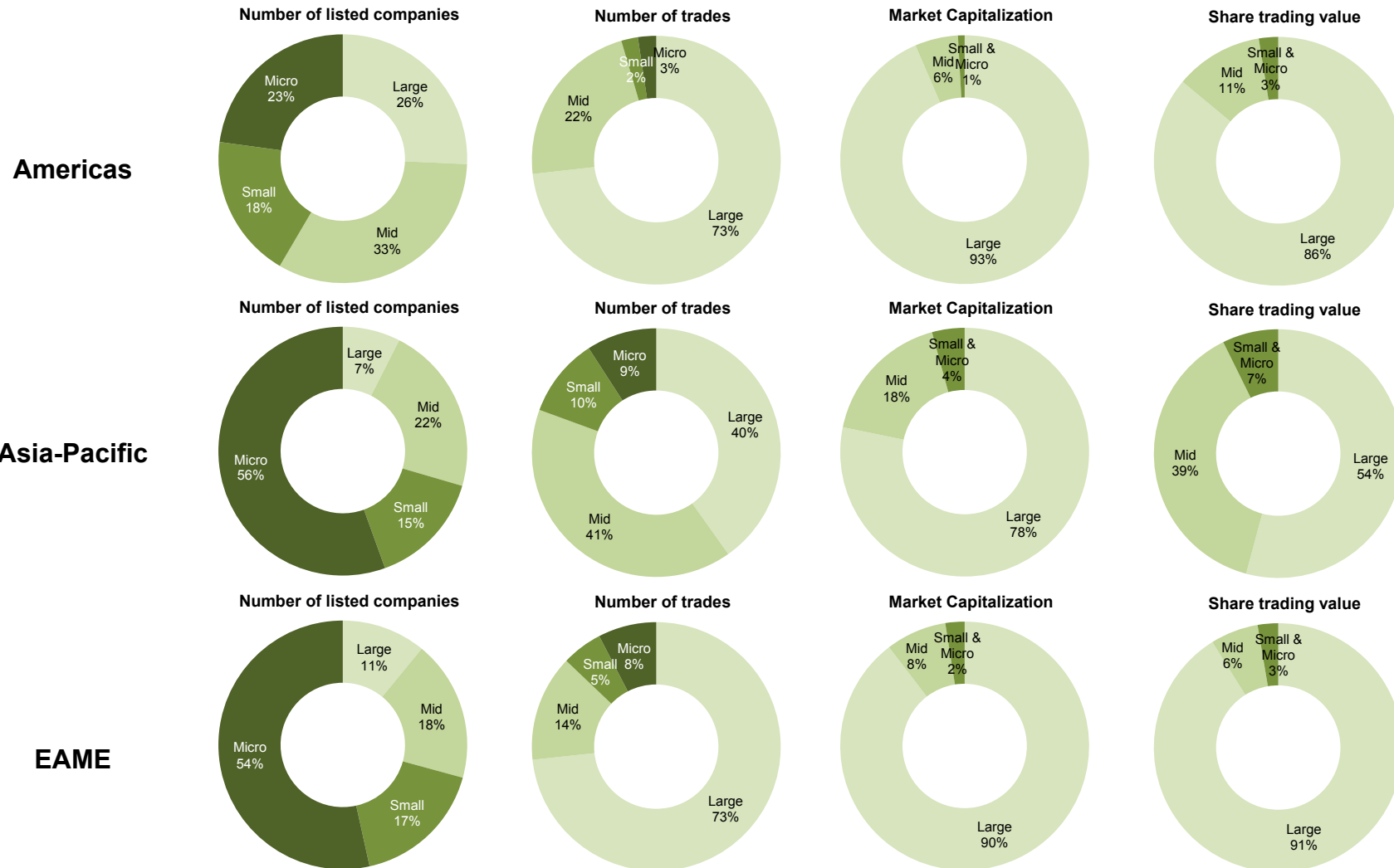
Share trading value



Excluding: Bolsa de Comercio de Buenos Aires, Bolsa de Valores de Colombia, TMX Group Inc., Australian Securities Exchange, Bursa Malaysia, Singapore Exchange, Tokyo Stock Exchange Group, BME Spanish Exchanges and MICEX-RTS.

Market segments in 2011 by region

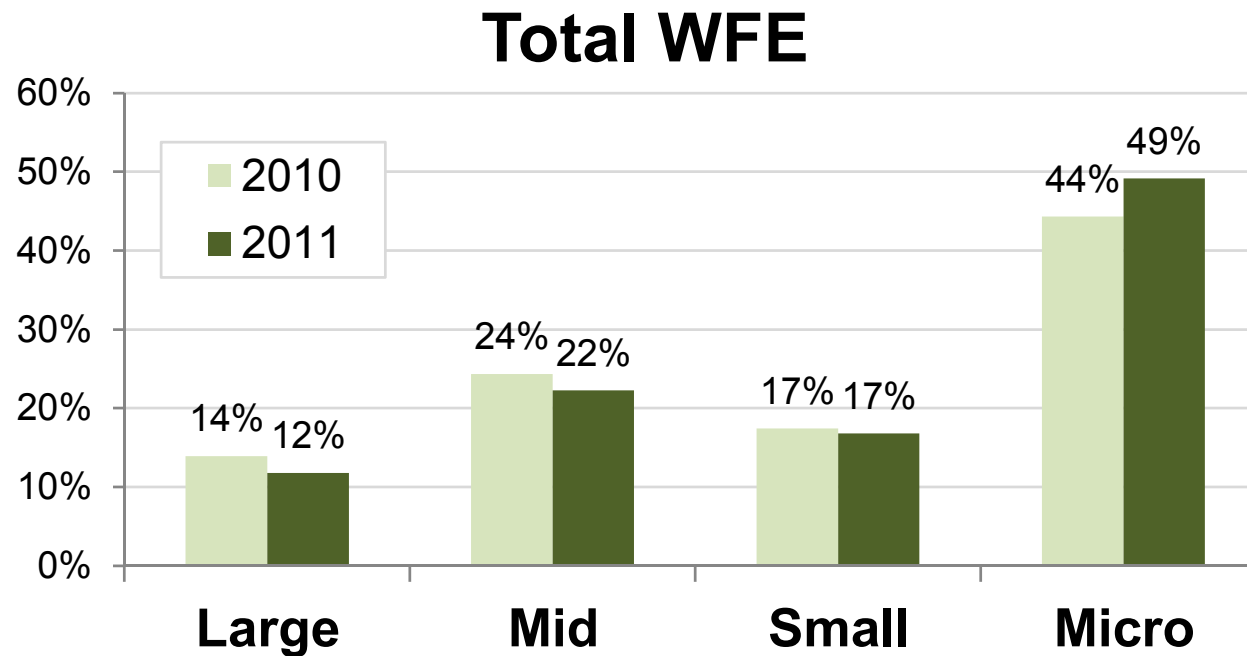
Weight of each market segment by region in:



Excluding: Bolsa de Comercio de Buenos Aires, Bolsa de Valores de Colombia, TMX Group Inc., Australian Securities Exchange, Bursa Malaysia, Singapore Exchange, Tokyo Stock Exchange Group, BME Spanish Exchanges and MICEX-RTS.

Number of domestic listed companies

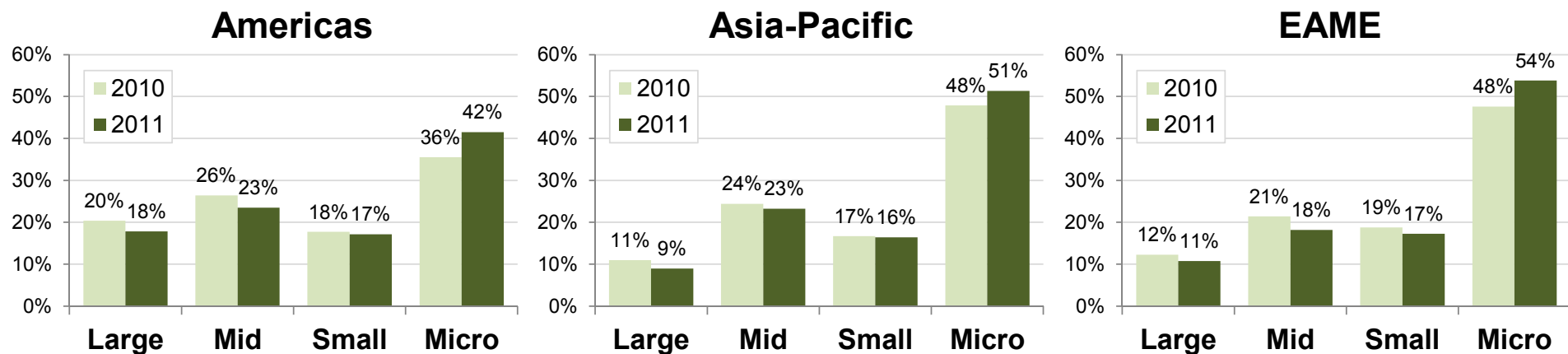
- At WFE global level, the number of micro cap companies makes the largest part of domestic listed companies.
- 49% of listed companies against 44% in 2010.



Excluding: Bolsa de Valores de Colombia, GreTai Securities Market, BME Spanish Exchanges, Malta Stock Exchange, MICEX-RTS and NASDAQ OMX Nordic.

Listed companies - breakdown by region

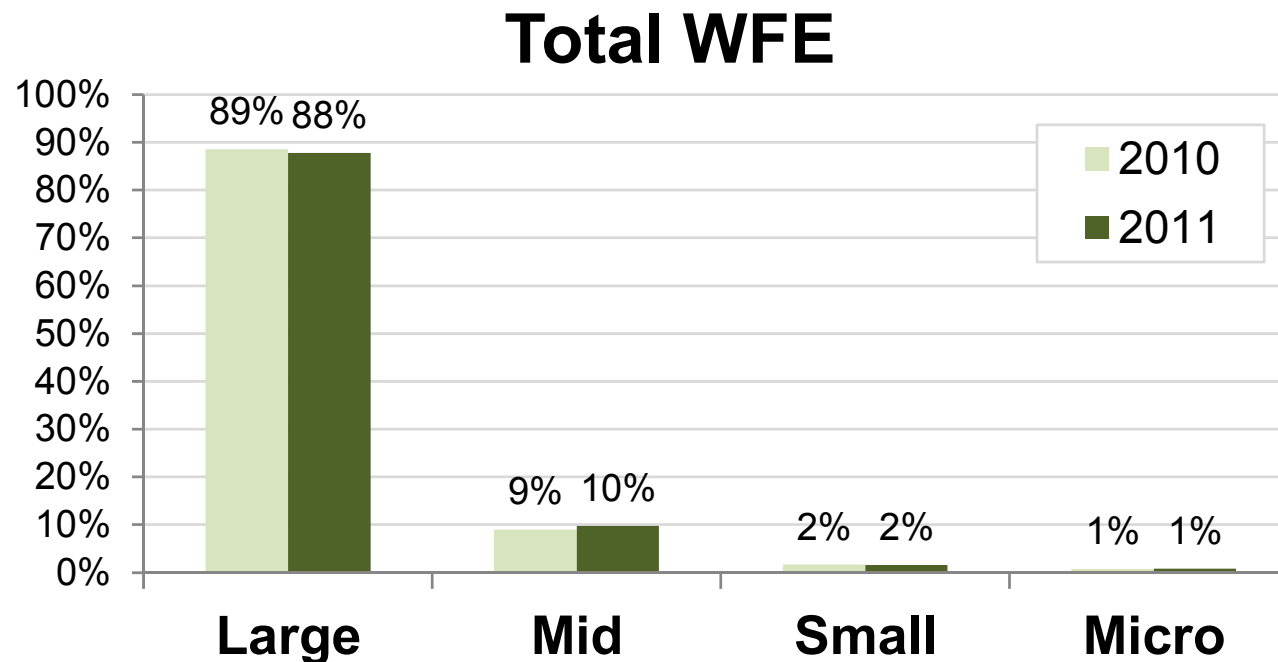
- Twice as many large cap in Americas than in two other regions (26% in the United States in 2011). TSX Venture accounts for 56% of the number of micro cap listed in Americas and 86% of the micro cap listed on TMX Group.
- 24% of the mid cap listed in Asia-Pacific are listed on Shenzhen Stock Exchange.
- The number of micro cap increased in the three regions. Is it only due to threshold effects?



Excluding: Bolsa de Valores de Colombia, GreTai Securities Market, BME Spanish Exchanges, Malta Stock Exchange, MICEX-RTS and NASDAQ OMX Nordic.

Domestic market capitalization

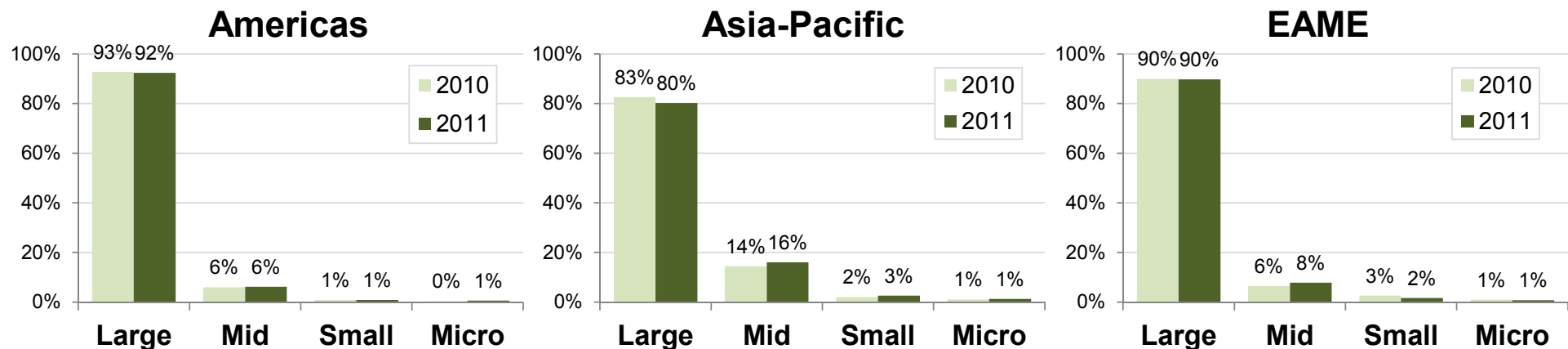
- Large cap account for 90% of the market capitalization.
- The lower threshold for defining large cap (1.3 bn USD) is corresponding to generally accepted definition in Europe but is much lower than the US one (10 bn USD).



Excluding: Bolsa de Valores de Colombia, GreTai Securities Market, Malta Stock Exchange, MICEX-RTS and NASDAQ OMX Nordic.

Market cap. - breakdown by region

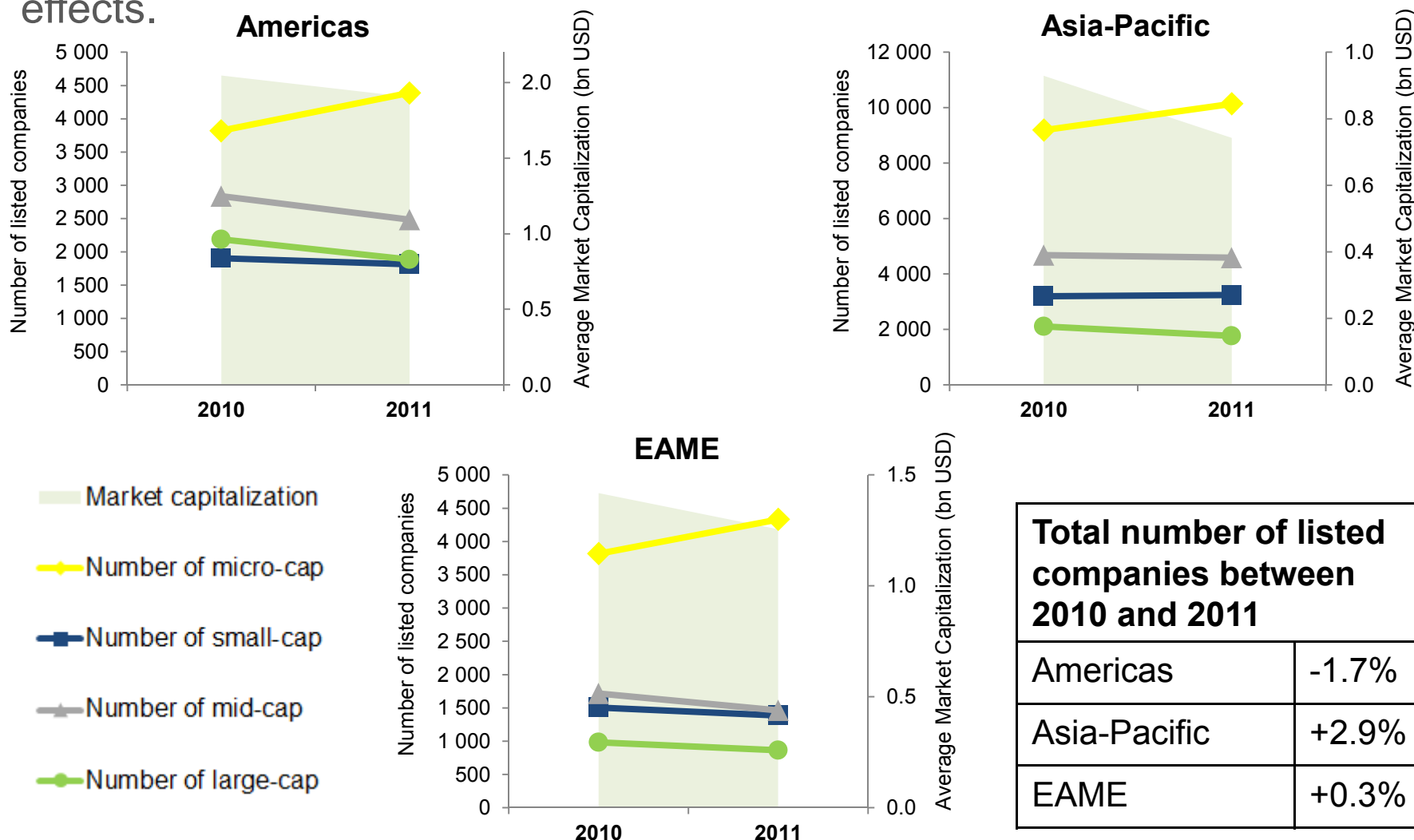
- Large-cap account for 92% of the total market capitalization in Americas and 94% in the United States, but the lower threshold rather corresponds to mid-cap definition in the United States.
- In Asia-Pacific region the weight of Shenzhen Stock Exchange leads to a significant higher share of mid-cap.



Excluding: Bolsa de Valores de Colombia, GreTai Securities Market, Malta Stock Exchange, MICEX-RTS and NASDAQ OMX Nordic.

Parallel evolution of Num. Co. and M. Cap

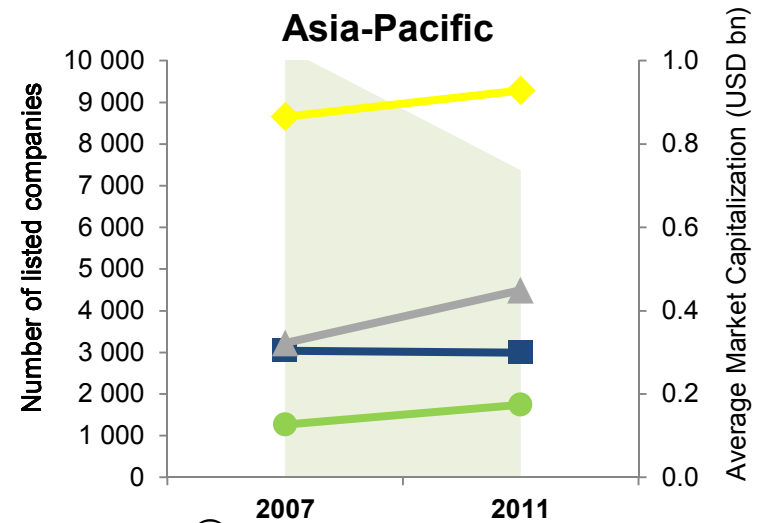
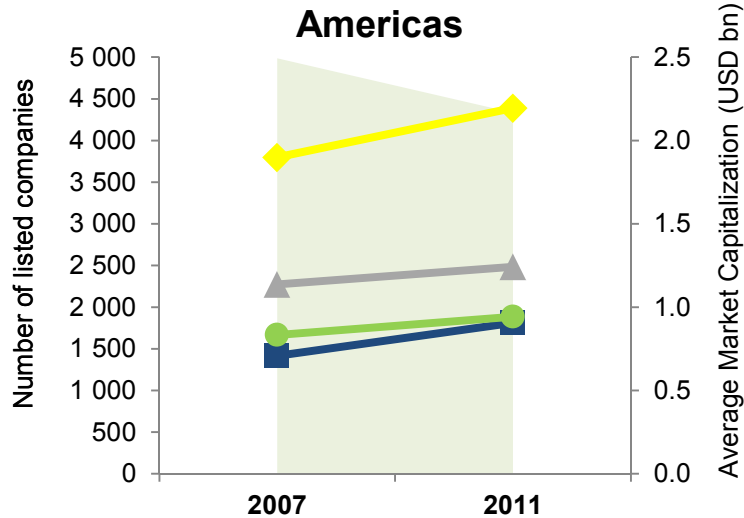
➤ The growing number of micro cap is, at least partly, explained by threshold effects.



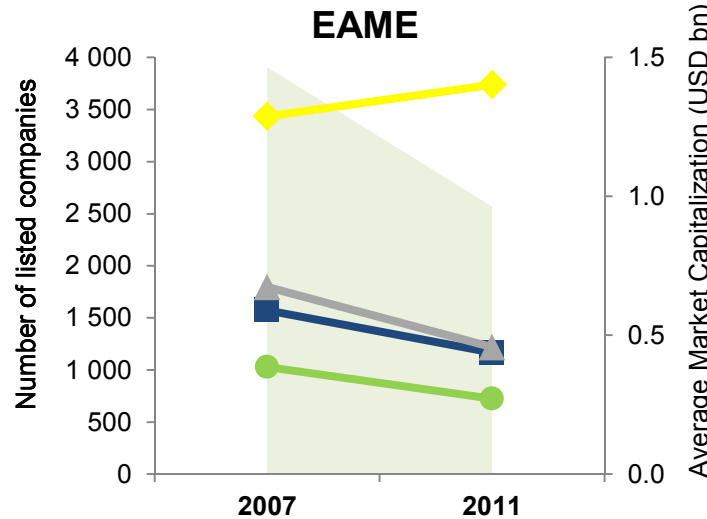
Excluding: Bolsa de Valores de Colombia, GreTai Securities Market, Malta Stock Exchange, MICEX-RTS and NASDAQ OMX Nordic.

Evolution over the last five years

➤ Different pictures from one region to another.



- Market capitalization
- Number of micro-cap
- Number of small-cap
- Number of mid-cap
- Number of large-cap

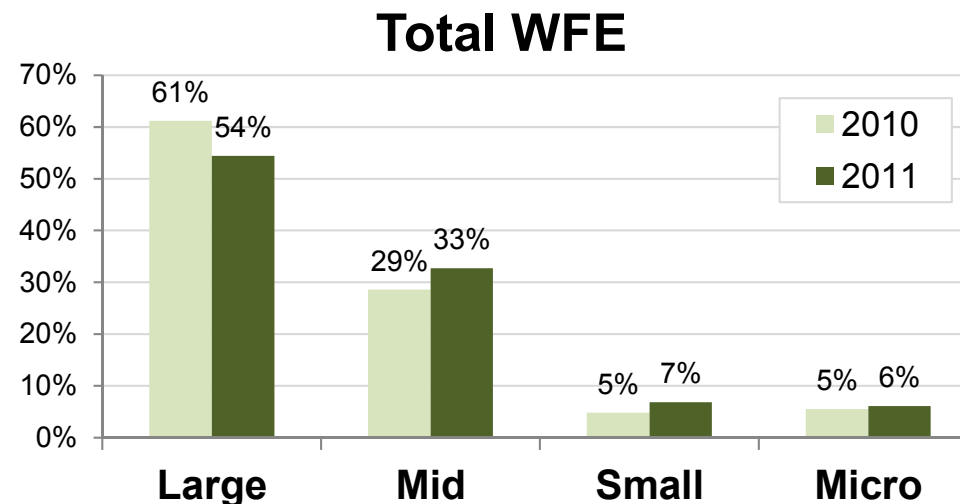


Total number of listed companies between 2007 and 2011	
Americas	+15%
Asia-Pacific	+14%
EAME	-13%

Excluding: Bolsa de Valores de Colombia, Australian Securities Exchange, GreTai Securities Market, Osaka Securities Exchange, Amman Stock Exchange, BME Spanish Exchanges, Bourse de Casablanca, Bourse de Luxembourg, Deutsche Börse, Ljubljana Stock Exchange, Malta Stock Exchange, Moscow Interbank Currency Exchange, Saudi Stock Exchange (Tadawul) and SIX Swiss Exchange

Number of trades

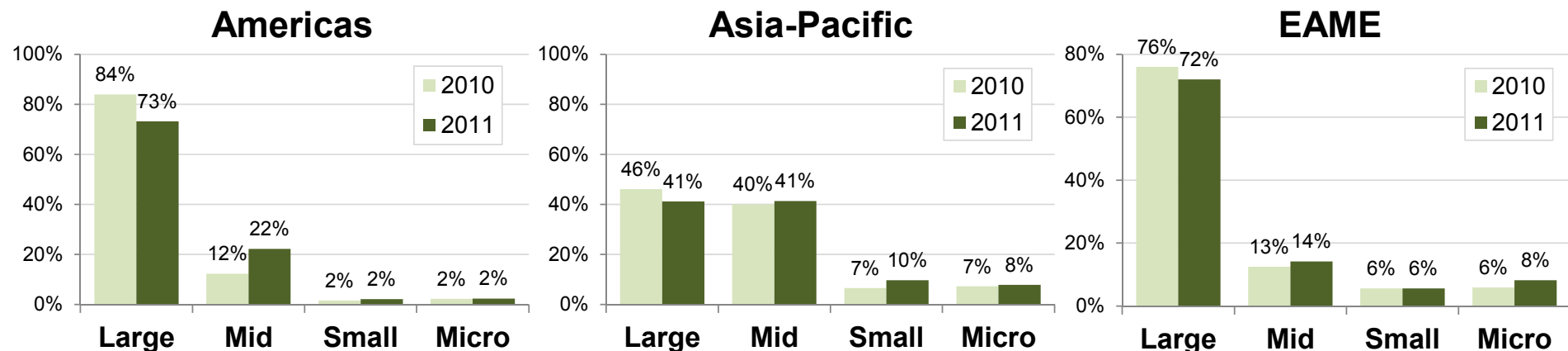
- The number of EOB trades decreased by 19% for large cap whereas it increased by 6% for mid and small cap.
- The highest growth rate was observed for small cap (+29%).
- Threshold effects can partly explain those evolutions.



Excluding: Bolsa de Comercio de Buenos Aires, Bolsa de Valores de Colombia, TMX Group Inc., BSE Limited, Bursa Malaysia, GreTai Securities Market, Singapore Exchange, Tokyo Stock Exchange Group, Malta Stock Exchange, MICEX-RTS and NASDAQ OMX Nordic.

Number of trades - breakdown by region

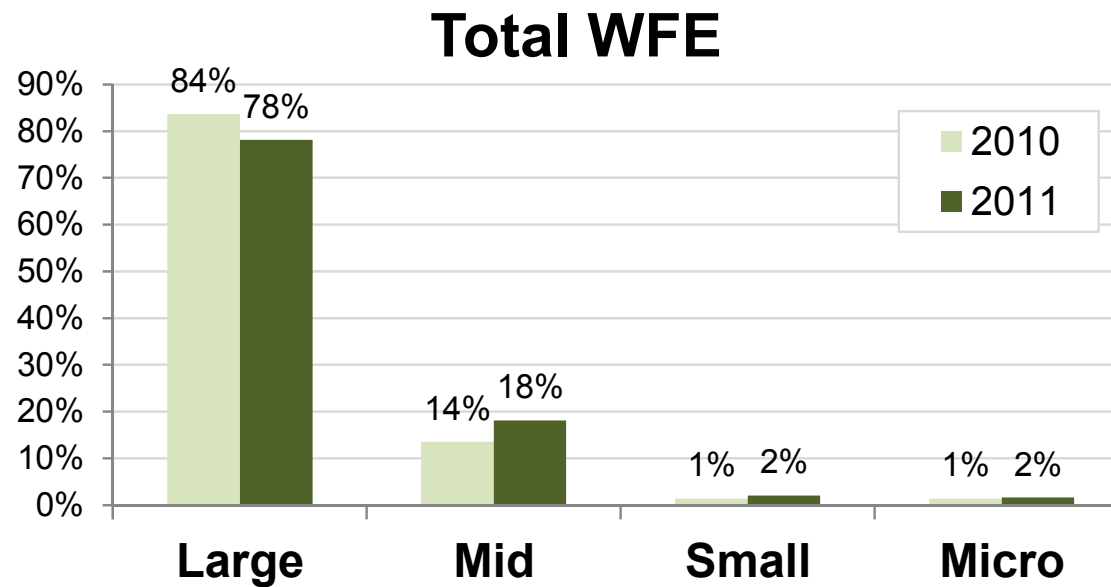
- The picture differs from one region to another. In Asia Pacific, large cap and mid represent the same number of trades.
- In Americas, the growing importance of mid cap trades was driven by Nasdaq. The same trend was observed on NYSE, but less markedly.
- In other regions, the increase for mid cap was less pronounced.



Excluding: Bolsa de Comercio de Buenos Aires, Bolsa de Valores de Colombia, TMX Group Inc., BSE Limited, Bursa Malaysia, GreTai Securities Market, Singapore Exchange, Tokyo Stock Exchange Group, Malta Stock Exchange, MICEX-RTS and NASDAQ OMX Nordic.

Value of share trading

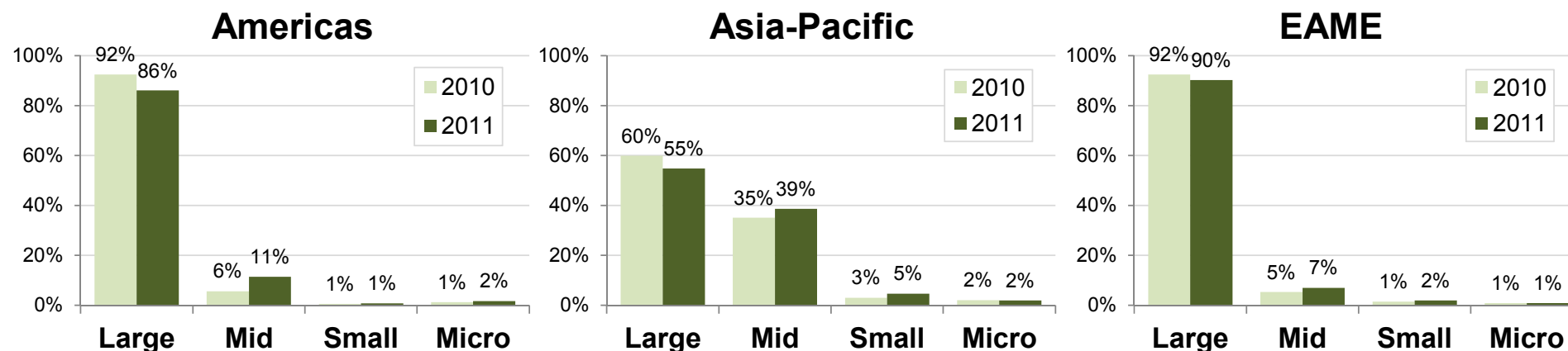
- In monetary terms, the same trend was observed.
- No significant variation of the average trade sizes.



Excluding: Bolsa de Comercio de Buenos Aires, Bolsa de Valores de Colombia, TMX Group Inc., BSE Limited, Bursa Malaysia, GreTai Securities Market, Singapore Exchange, Tokyo Stock Exchange Group, Malta Stock Exchange, MICEX-RTS and NASDAQ OMX Nordic.

Share trading value - breakdown by region

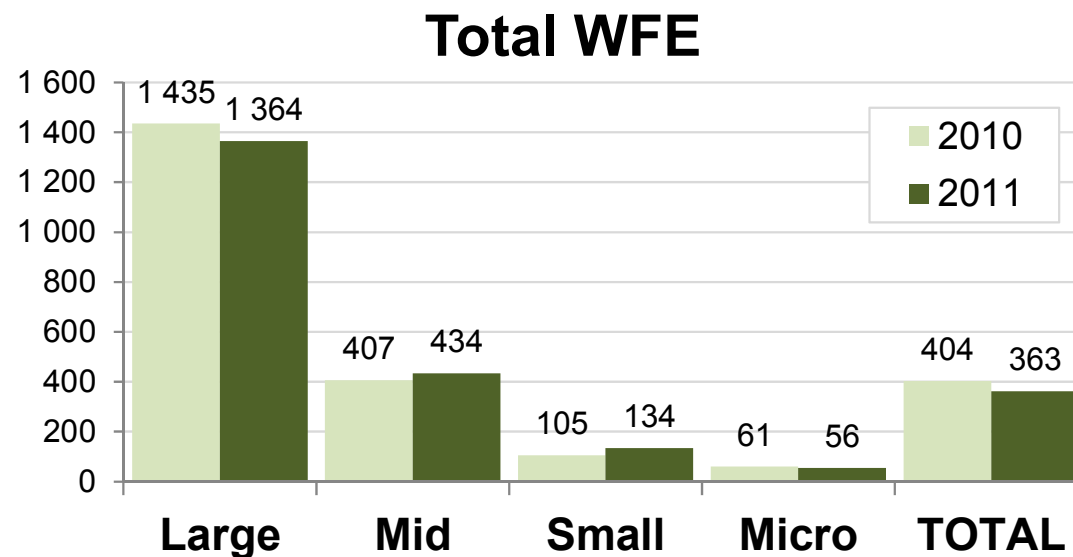
- In Americas and EAME, the weight of mid cap in share trading value is twice lower than their weight in number of trades. In Asia-Pacific, the two percentages are much closer (mid cap account for 39% of share trading value and 41% of number of trades).



Excluding: Bolsa de Comercio de Buenos Aires, Bolsa de Valores de Colombia, TMX Group Inc., BSE Limited, Bursa Malaysia, GreTai Securities Market, Singapore Exchange, Tokyo Stock Exchange Group, Malta Stock Exchange, MICEX-RTS and NASDAQ OMX Nordic.

Turnover velocity

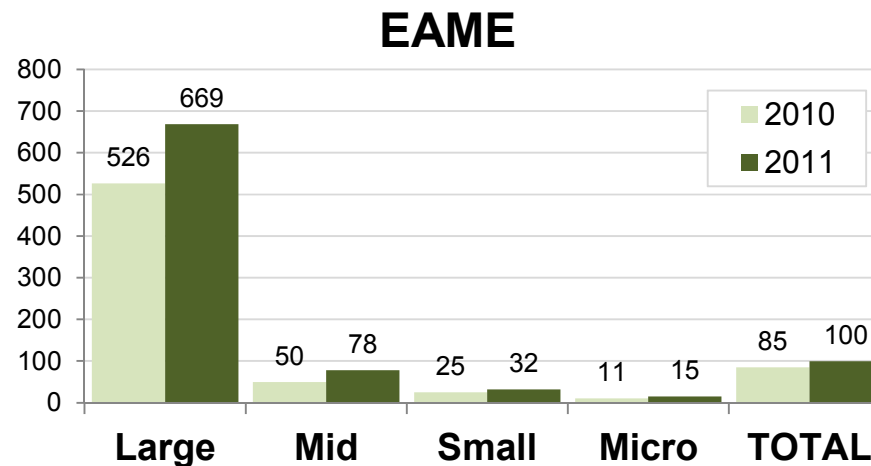
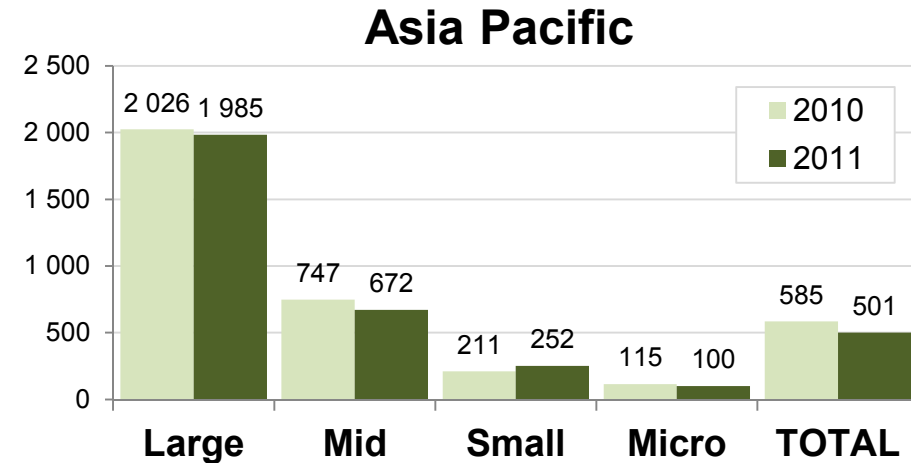
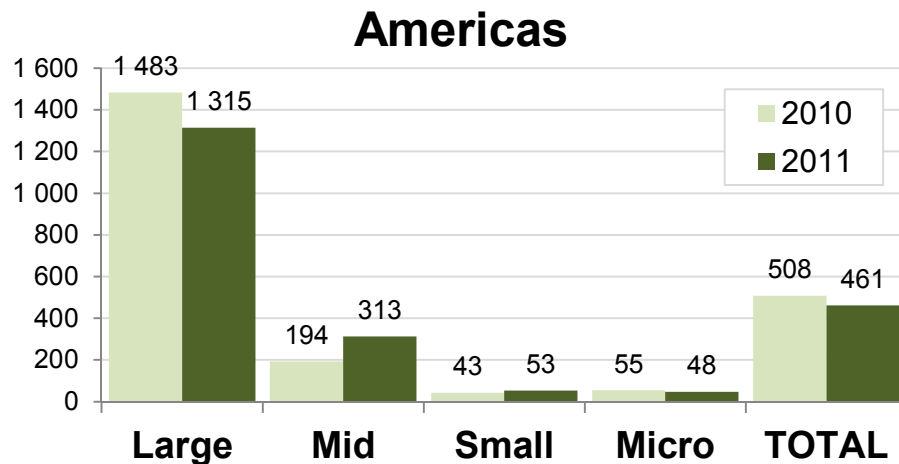
- The liquidity can be measured by the ratio : number of trades / number of listed companies on each segment.
- The improvement of liquidity for mid cap and small cap was not sufficient to counterbalance the decrease of liquidity for large cap.



Excluding: Bolsa de Comercio de Buenos Aires, Bolsa de Valores de Colombia, TMX Group Inc., BSE Limited, Bursa Malaysia, GreTai Securities Market, Singapore Exchange, Tokyo Stock Exchange Group, BME Spanish Exchanges, Malta Stock Exchange, MICEX-RTS and NASDAQ OMX Nordic.

Turnover velocity – by region

- Liquidity improvement on all segments in EAME, decrease in Asia Pacific and contrasted trends in Americas.



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Thresholds analysis

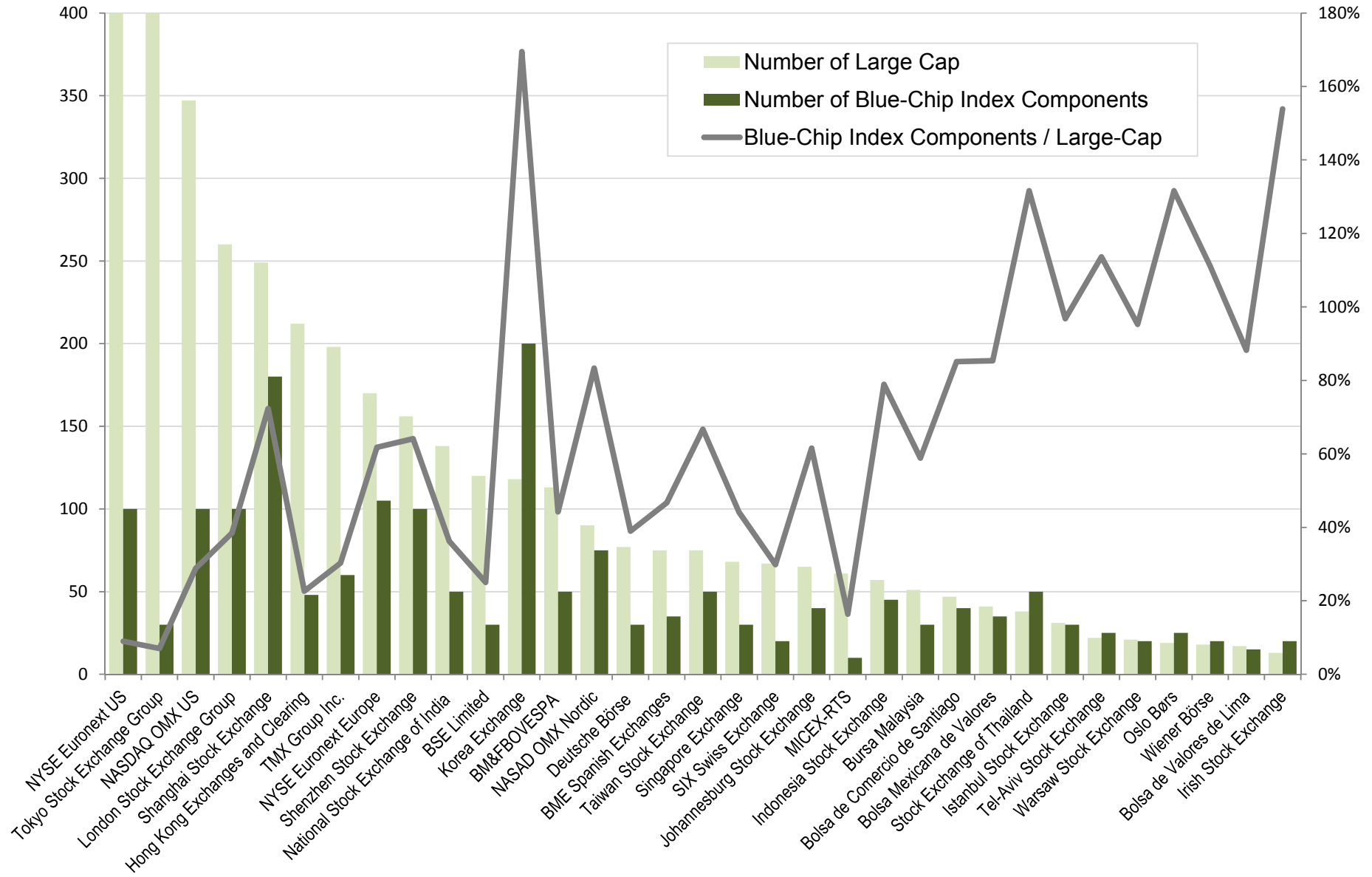
Thresholds definition

- No harmonized definition for large cap versus mid and small cap.

	WFE	United States	Europe
Mega		...	
		200 000	
Large	...	200 000	...
	1 300	10 000	1 298
Mid	1 300	10 000	1 298
	200	2 000	325
Small	200	2 000	325
	65	250	...
Micro	65	250	
	0	50	
Nano		50	
		...	

- The US thresholds would not be suitable for smaller exchanges.

Comparison of Large-Cap and Blue-Chips



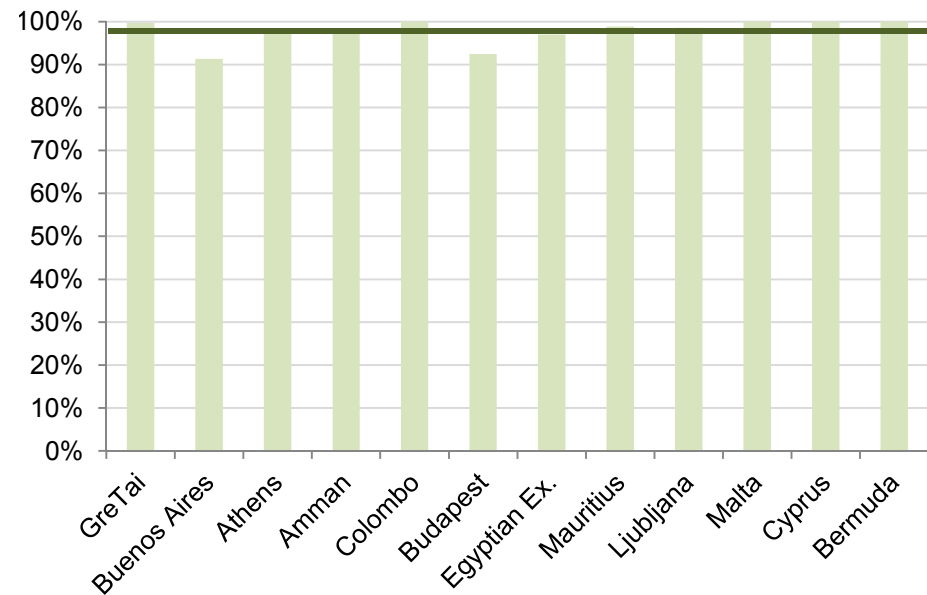
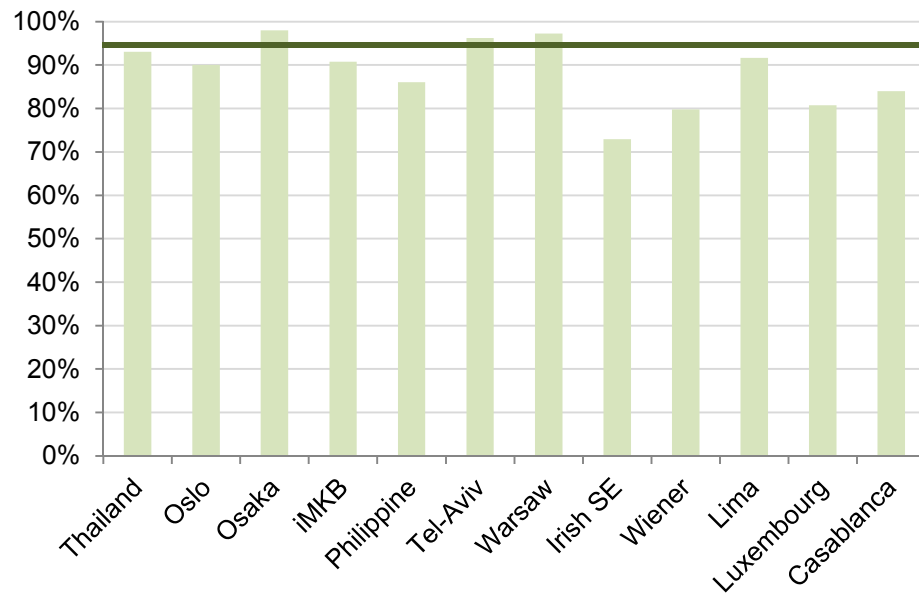
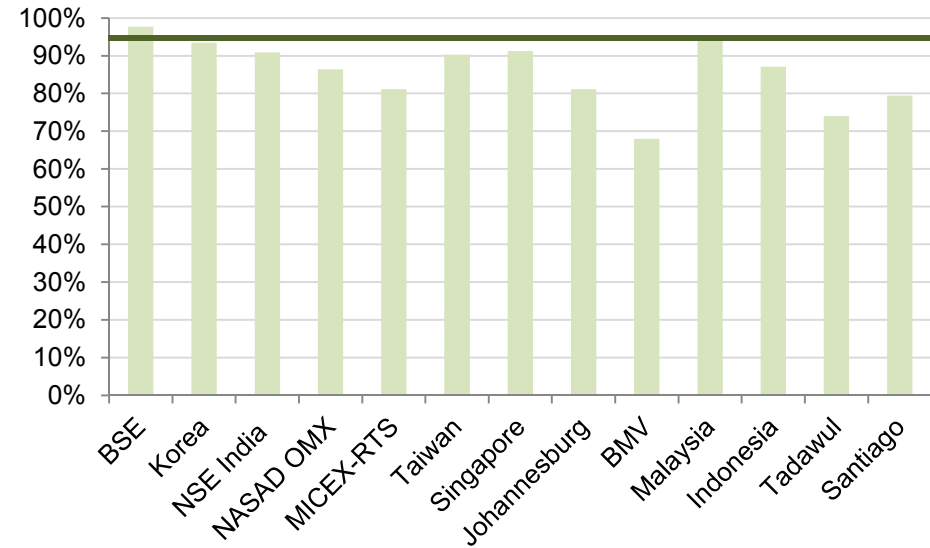
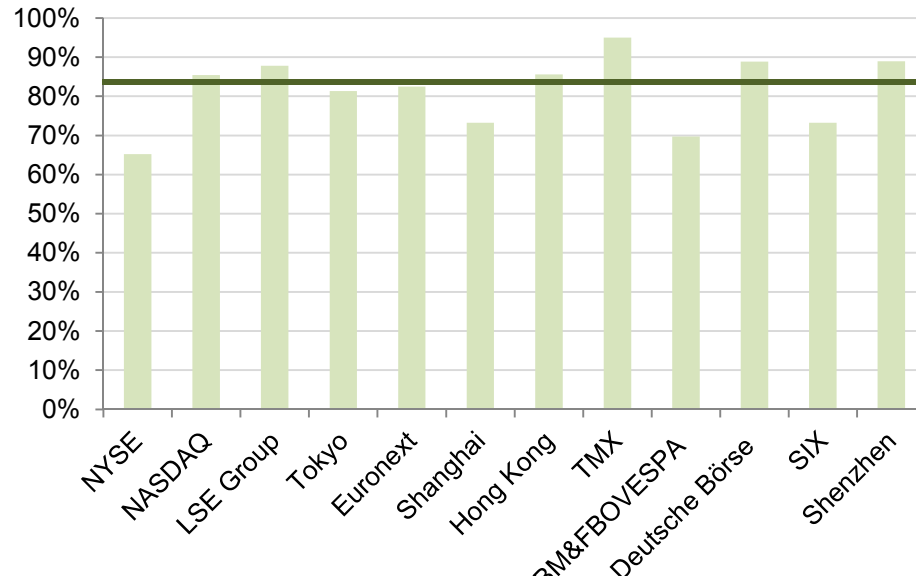
Comparison of Large-Cap and Blue-Chips

Market Seg. Survey - Large Cap (1)			Blue-Chip Indices (2)		
Exchange	Nber of Co.	Av. Size	Name	Nber of Co.	Av. Size
NYSE	1 114	10.6	NYSE US 100	100	64.2
NASDAQ	347	9.7	Nasdaq 100	100	30.1
LSE Group	260	11.7	FTSE 100	100	22.9
Euronext	170	13.5		105	17.1
			<i>AEX 25</i>	<i>25</i>	<i>17.3</i>
			<i>BEL 20</i>	<i>20</i>	<i>12.6</i>
			<i>PSI 20</i>	<i>20</i>	<i>2.9</i>
			<i>CAC 40</i>	<i>40</i>	<i>26.6</i>

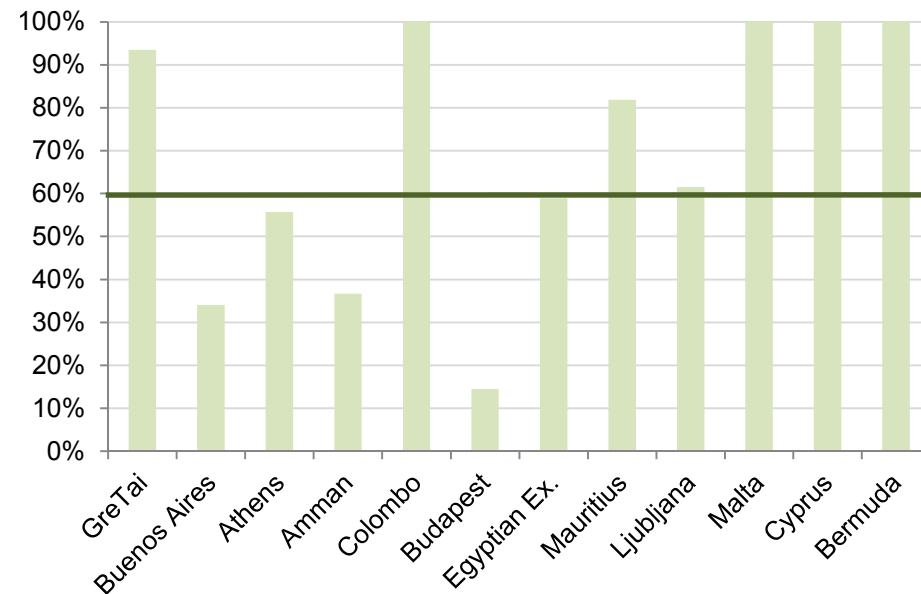
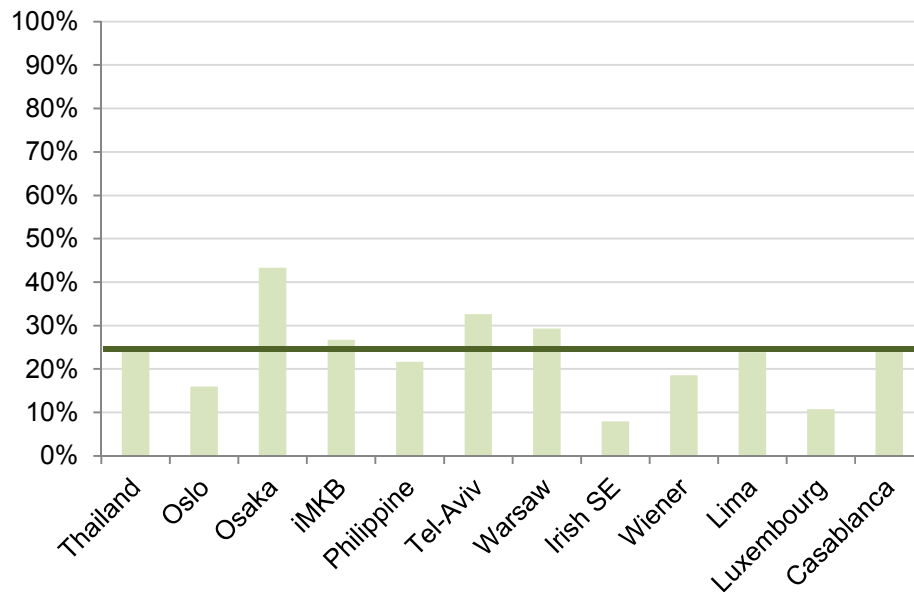
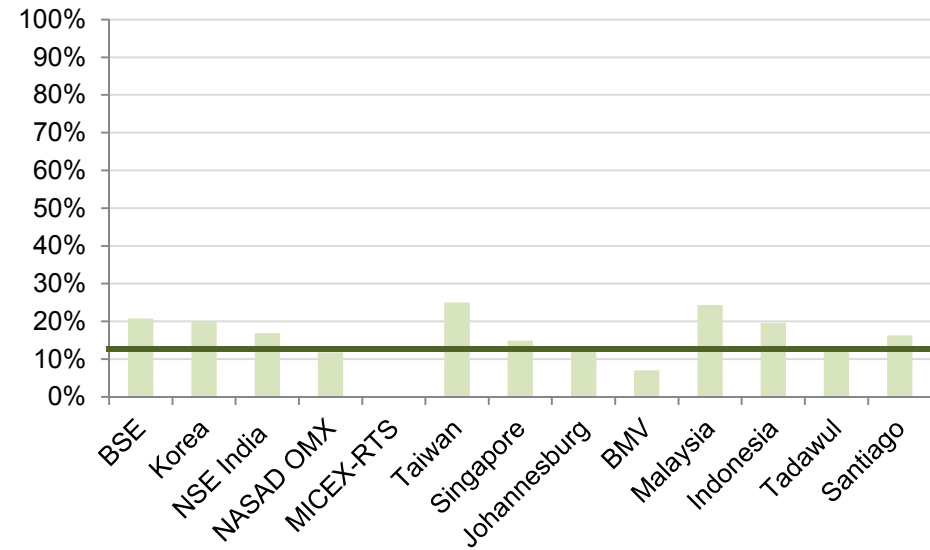
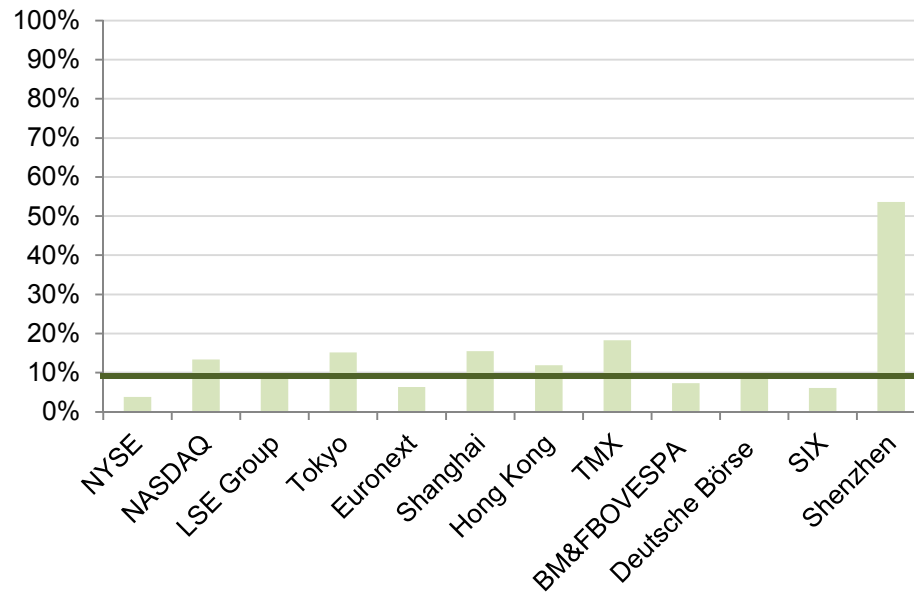
1) At the end

(2) As of 7 June 2012 except for Euronext (end of 2011)

Weight of M&S cap in number of co.



Weight of M&S cap in market cap.



Micro-cap and SMEs markets

Americas		Nber of co.	Av. size	Nber of Micro	Av. size
BM&FBOVESPA	<i>Organized OTC market</i>	59	505	78	22
Buenos Aires SE	<i>Pyme Board</i>	2	14	41	18
TMX Group	<i>TSX Venture</i>	2 444	20	2 854	0
		2 505		2 973	
Asia - Pacific					
Bursa Malaysia	<i>ACE Market</i>	119	17	606	22
Hong Kong Exchanges	<i>Growth Enterprise Market</i>	170	64	497	29
Korea Exchange	<i>Kosdaq</i>	1 018	90	1 001	30
Osaka Securities Exchange	<i>JASDAQ</i>	963	115	853	28
Philippine SE	<i>SME Board</i>	2	8	117	22
Shenzhen SE	<i>ChiNext</i>	281	420	9	38
Singapore Exchange	<i>SGX Catalist</i>	100	41	425	26
Thailand SE	<i>Market for Alternative Investment (mai)</i>	73	32	318	27
Tokyo SE Group	<i>Mothers</i>	176	90	458	35
		2 902		4 284	
Europe - Africa - Middle East					
Athens Exchange	<i>Alternative Market (EN.A)</i>	14	15	197	14
BME Spanish Exchanges	<i>MAB Expansion</i>	17	33	3108	8
Luxembourg SE	<i>Euro MTF</i>	5	84	5	6
Cyprus SE	<i>Emerging Companies Market</i>	7	95	111	11
Deutsche Börse	<i>Entry Standard</i>	100	150	378	25
Egyptian Exchange	<i>NILEX</i>	19	9	141	4
Irish SE	<i>Enterprise Securities Market</i>	23	2140	15	17
IMKB	<i>Second National Market</i>	61	72	145	28
Johannesburg SE		65	31	148	18
London SE Group	<i>AIM + AIM Italia + MAC</i>	942	177	1062	22
Malta SE	<i>Alternative Companies List</i>	1	7	11	30
Mauritius SE	<i>Development & Enterprise Market</i>	49	24	57	26
NASDAQ OMX Nordic Exch	<i>First North</i>	129	23	323	22
NYSE Euronext (Europe)	<i>NYSE Alternext</i>	169	42	385	25
Oslo Børs	<i>Oslo Axess</i>	27	71	78	25
RTS Stock Exchange	<i>RTS Board</i>	993	135	135	NA
Warsaw SE	<i>NewConnect</i>	350	7	612	12
Wiener Börse	<i>Second Regulated Market and Third Market</i>	23	55	33	22
		2 994		6 944	
TOTAL		8 401		14 201	

Definition of SMEs

- No harmonized definition of SMEs at a worldwide level.

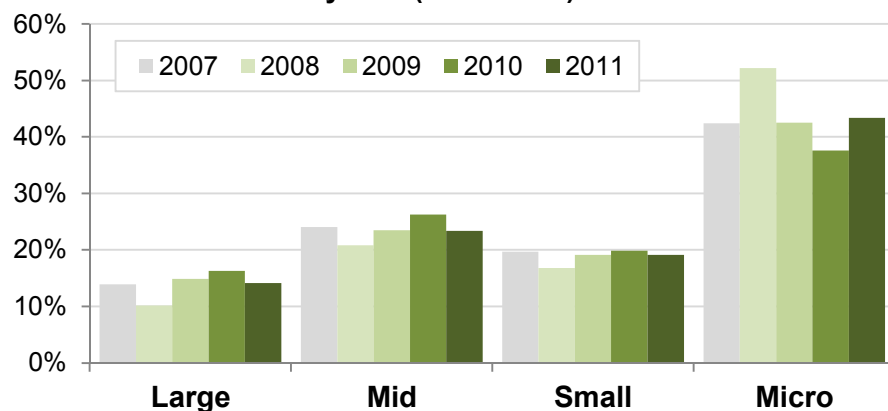
- In the United States, the Securities and Exchange Commission (SEC) uses the thresholds of USD 75 million of public equity float for defining “Small Reporting Companies”: under this threshold, financial disclosure requirements are scaled and streamlined.

- In Europe, the Prospectus Directive defines SMEs as companies fulfilling at least two out of the three following criteria:
 - ⇒ an average number of employees during the financial year of less than 250
 - ⇒ a balance sheet not exceeding EUR 43 million
 - ⇒ an annual net turnover not exceeding EUR 50 million

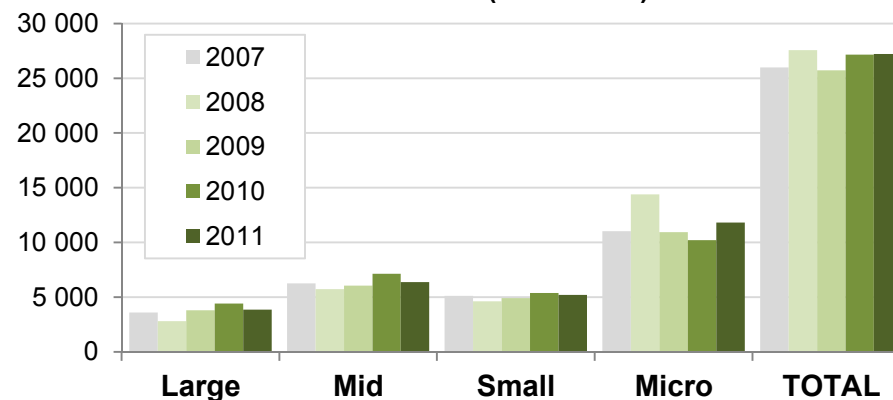
2007-2011 evolution

Number of listed companies

Breakdown of total number of listed companies by size (Total WFE)



Number of listed companies in each market segment (Total WFE)



Excluding:

Bolsa de Valores de Colombia

Australian Securities Exchange

BSE Limited

GreTai Securities Market

National Stock Exchange of India

Osaka Securities Exchange + Jasdaq

Shenzhen Stock Exchange

Amman Stock Exchange

BME Spanish Exchanges

Bourse de Casablanca

Bourse de Luxembourg

Deutsche Börse

Ljubljana Stock Exchange

Malta Stock Exchange

MICEX-RTS

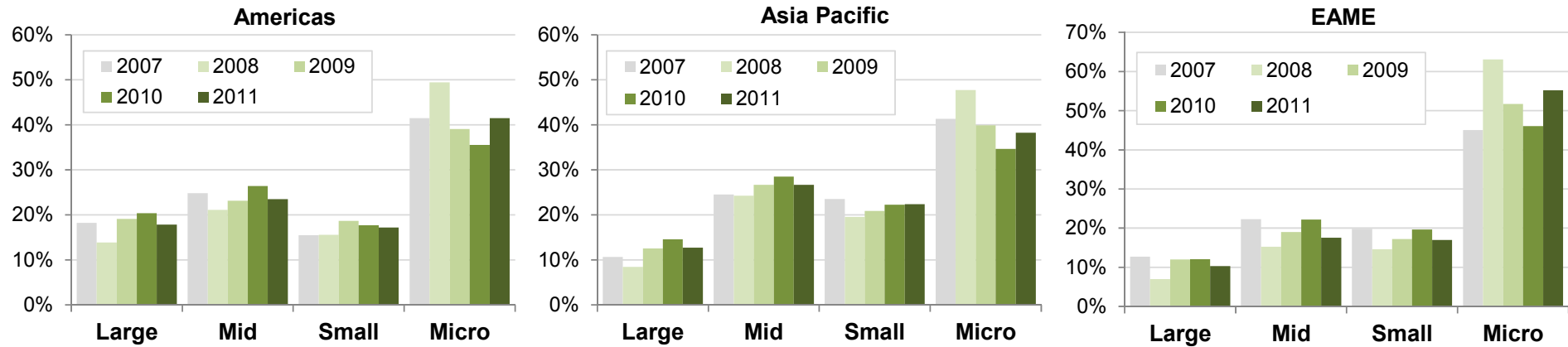
NASDAQ OMX Nordic

Saudi Stock Exchange (Tadawul)

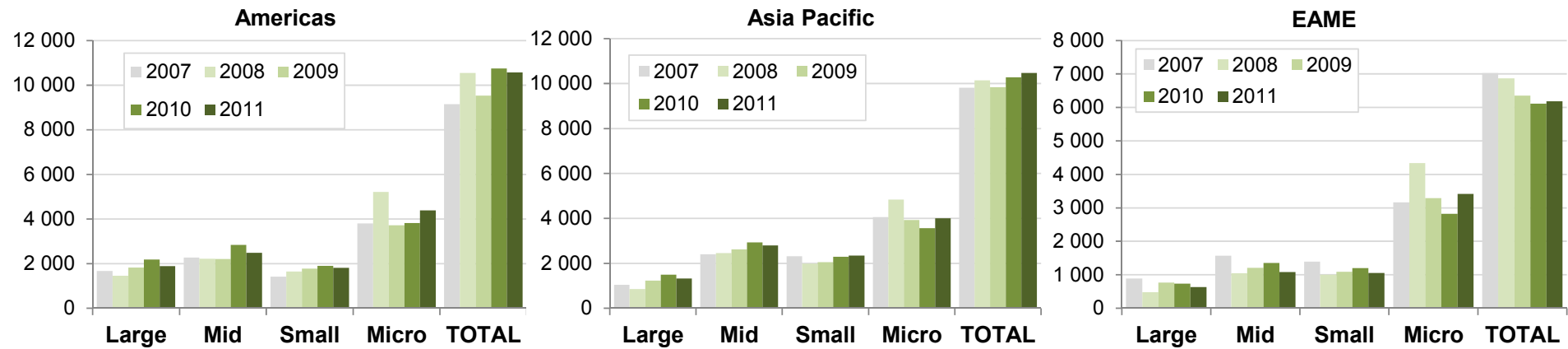
SIX Swiss Exchange

Number of listed companies by region

Breakdown of number of listed companies by size

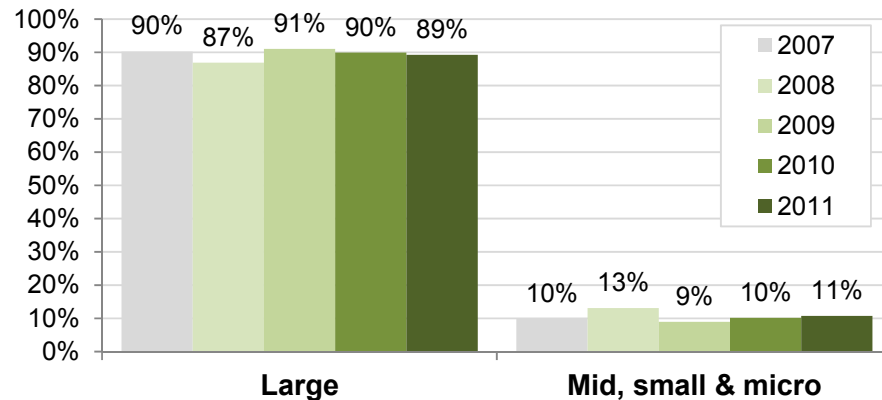


Number of listed companies in each market segment

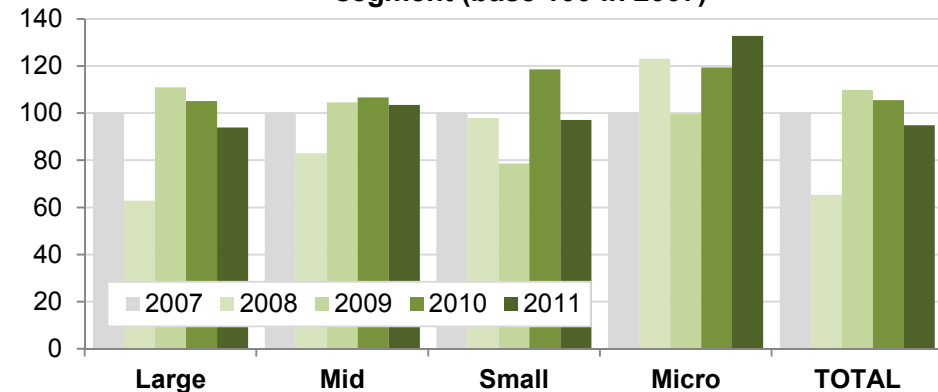


Market capitalization

Breakdown of domestic market capitalization by size (Total WFE)



Domestic market capitalization of each market segment (base 100 in 2007)



Excluding:

Bolsa de Valores de Colombia

Australian Securities Exchange

BSE Limited

GreTai Securities Market

National Stock Exchange of India

Osaka Securities Exchange + Jasdaq

Shenzhen Stock Exchange

Amman Stock Exchange

BME Spanish Exchanges

Bourse de Casablanca

Bourse de Luxembourg

Deutsche Börse

Ljubljana Stock Exchange

Malta Stock Exchange

MICEX-RTS

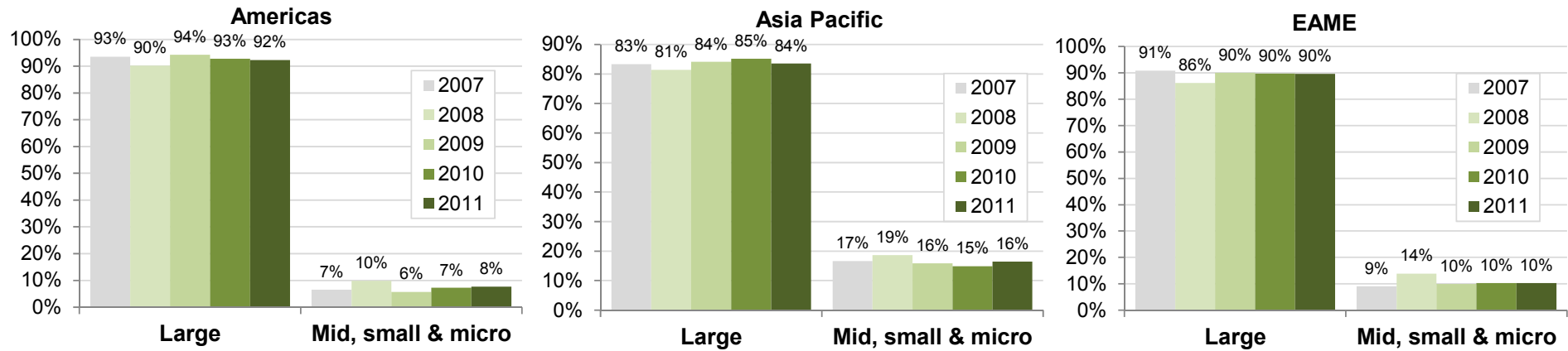
NASDAQ OMX Nordic

Saudi Stock Exchange (Tadawul)

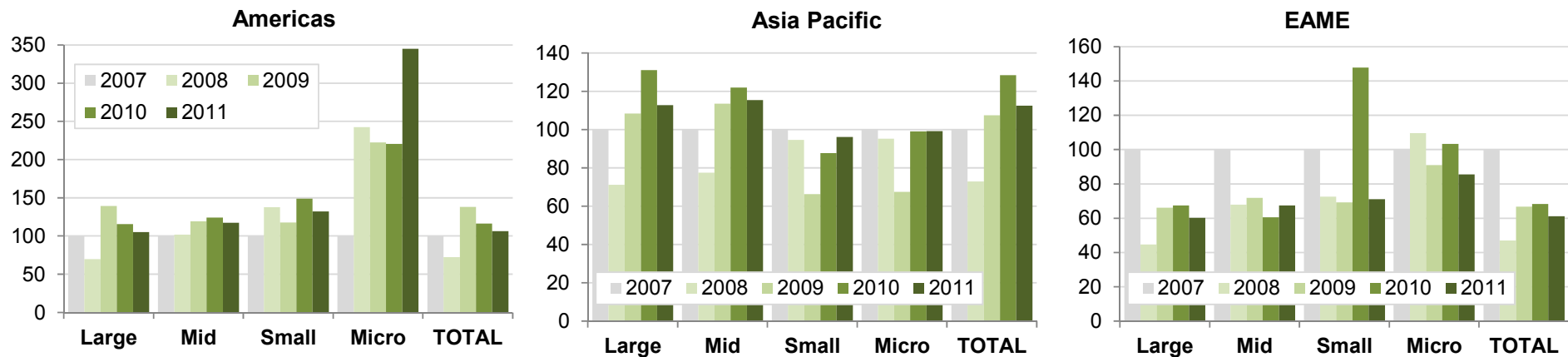
SIX Swiss Exchange

Market capitalization by region

Breakdown of domestic market capitalization by size

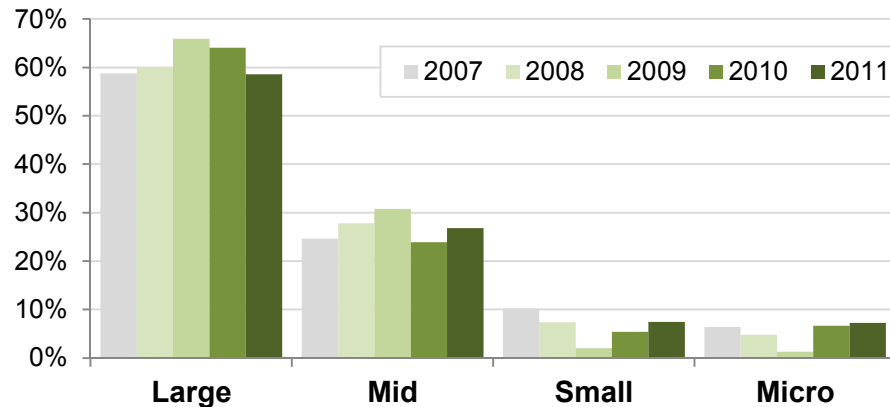


Domestic market capitalization of each market segment (base 100 in 2007)

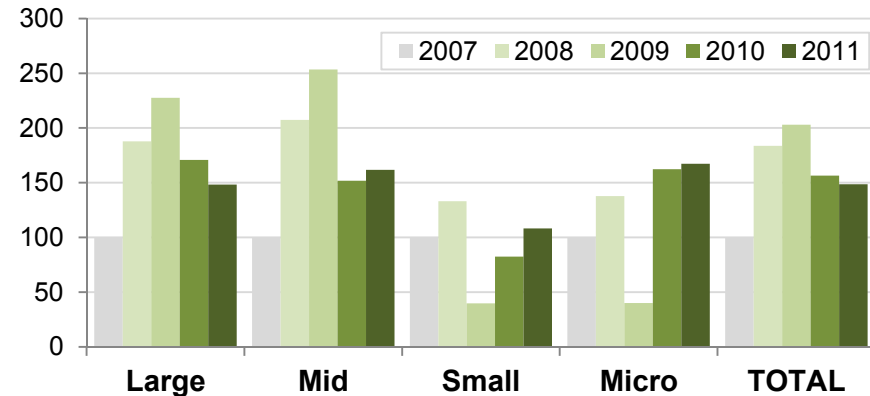


Number of trades

Breakdown of total number of trades by size (Total WFE)



Number of trades in each market segment (base 100 in 2007)



Excluding:

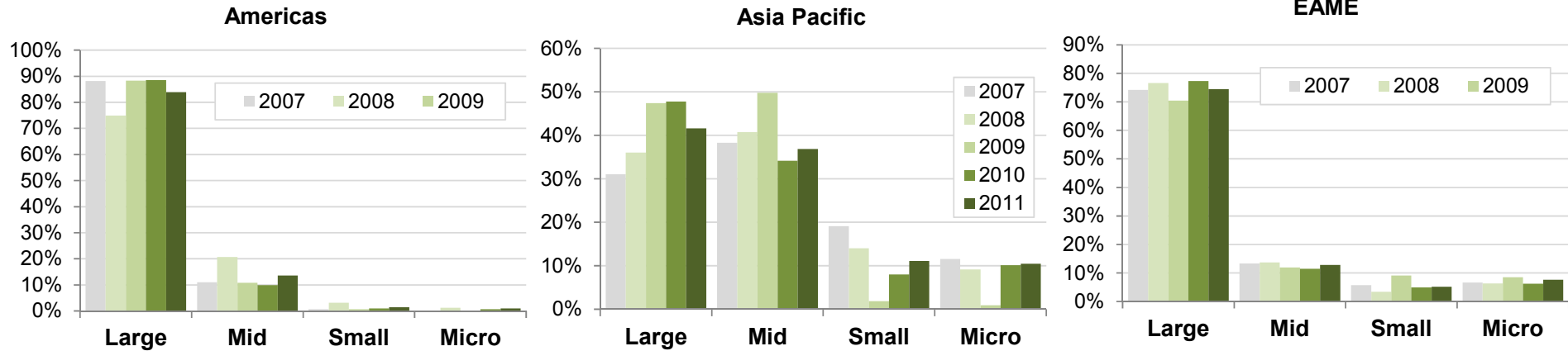
Bermuda Stock Exchange
 Bolsa de Comercio de Buenos Aires
 NASDAQ OMX US
 TMX Group Inc.

Australian Securities Exchange
 BSE Limited
 Bursa Malaysia
 GreTai Securities Market
 National Stock Exchange of India
 Osaka Securities Exchange + Jasdaq
 Shenzhen Stock Exchange
 Singapore Exchange
 Tokyo Stock Exchange Group

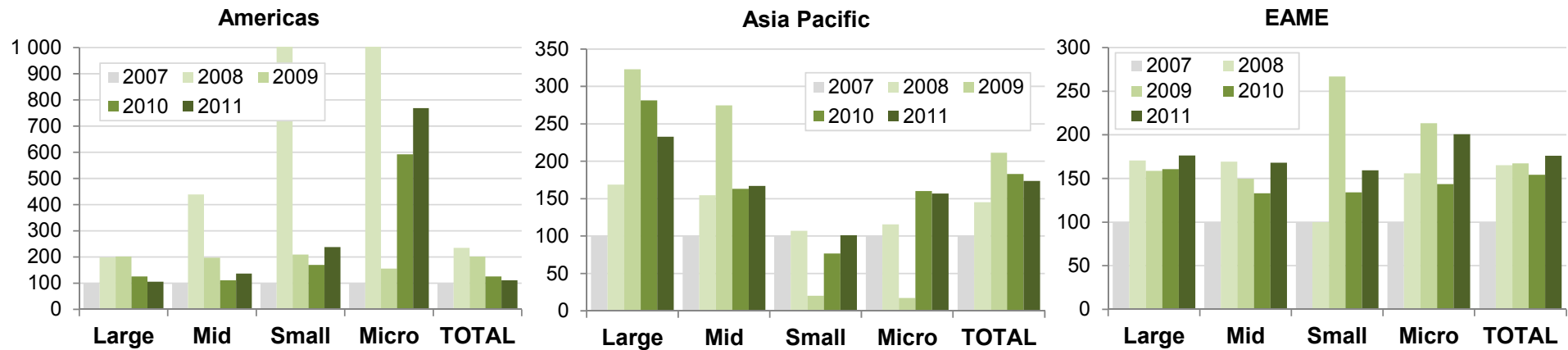
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 Deutsche Börse
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 Malta Stock Exchange
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 NASDAQ OMX Nordic
 Saudi Stock Exchange (Tadawul)
 Tel-Aviv Stock Exchange

Number of trades by region

Breakdown of number of trades by size

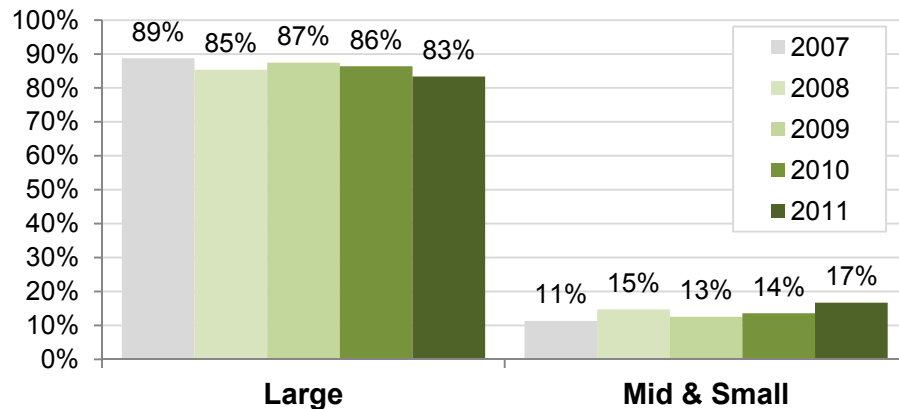


Number of trades for each market segment (base 100 in 2007)

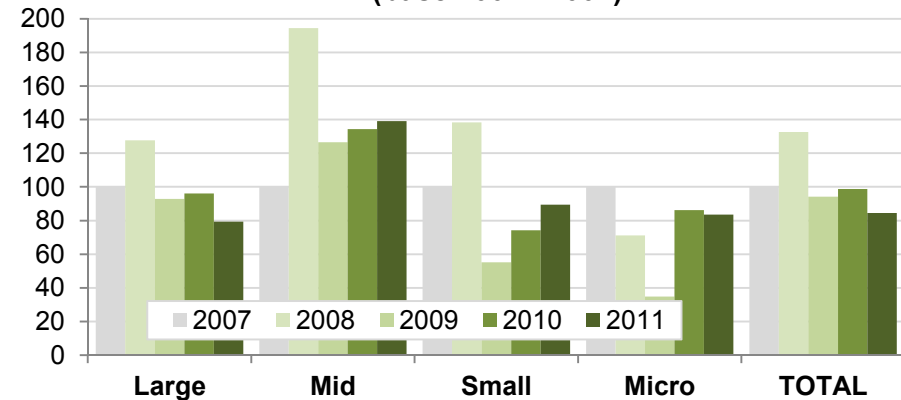


Value of share trading

Breakdown of value of share trading by size (Total WFE)



Value of share trading of each market segment (base 100 in 2007)



Excluding:

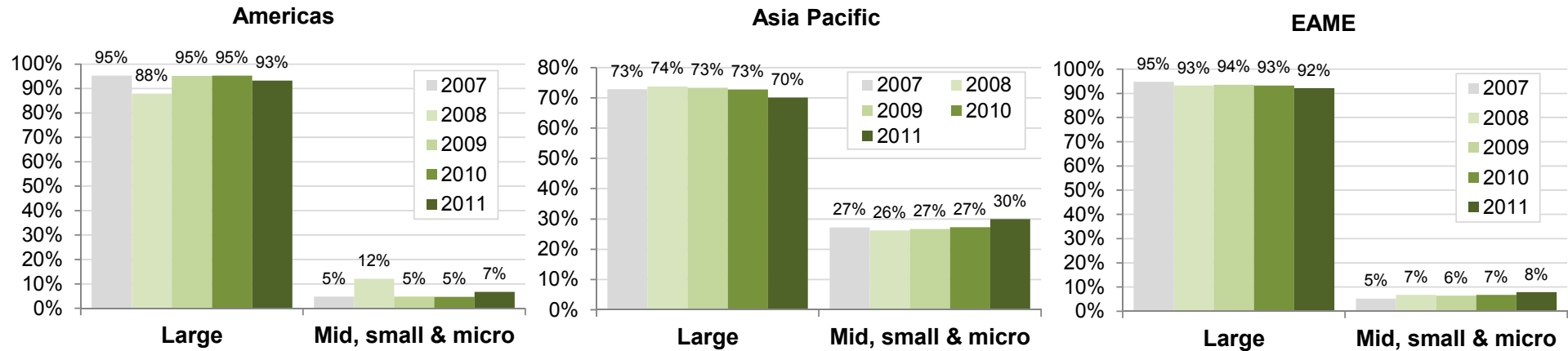
Bermuda Stock Exchange
 Bolsa de Valores de Colombia
 NASDAQ OMX US
 TMX Group Inc.

Australian Securities Exchange
 BSE Limited
 Bursa Malaysia
 GreTai Securities Market
 National Stock Exchange of India
 Shenzhen Stock Exchange

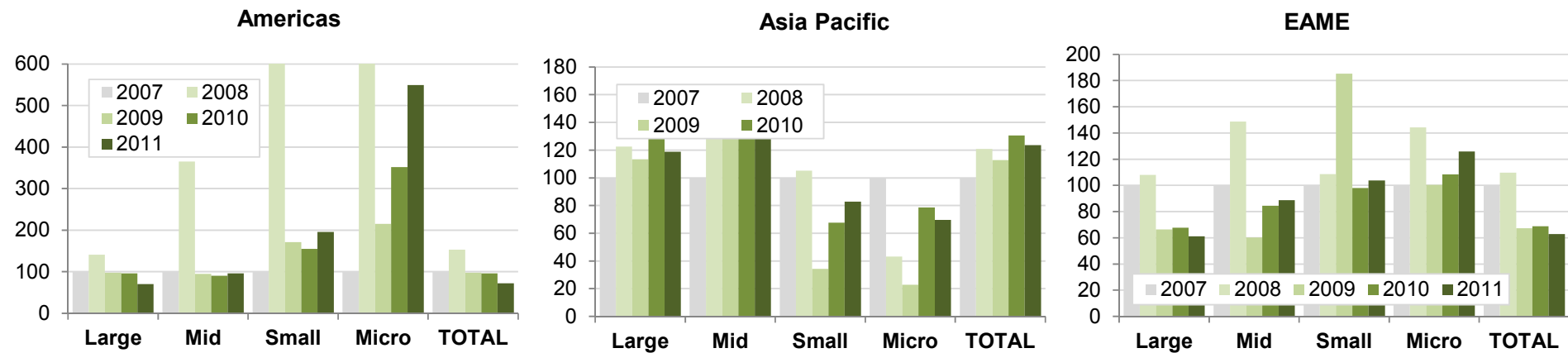
Amman Stock Exchange
 BME Spanish Exchanges
 Bourse de Casablanca
 Bourse de Luxembourg
 Deutsche Börse
 Ljubljana Stock Exchange
 Malta Stock Exchange
 MICEX-RTS
 NASDAQ OMX Nordic
 Saudi Stock Exchange (Tadawul)
 Tel-Aviv Stock Exchange

Value of share trading by region

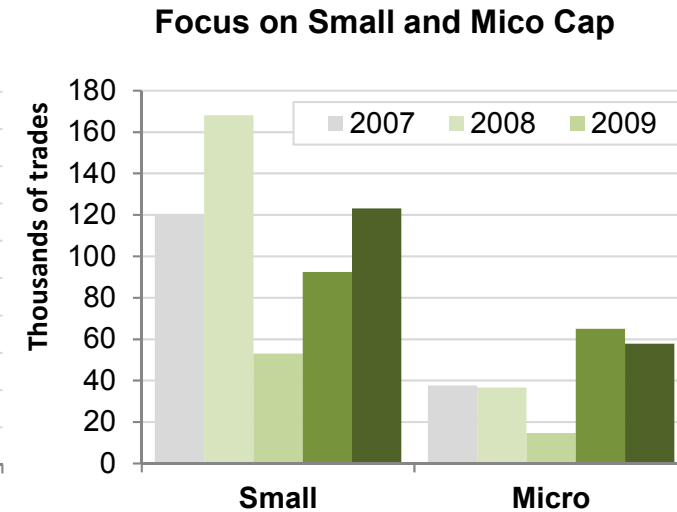
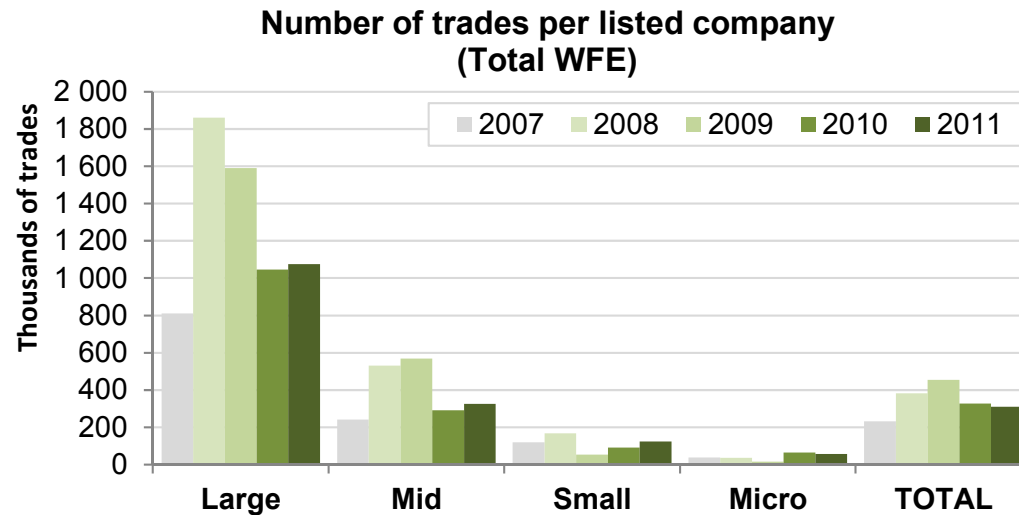
Breakdown of value of share trading by size



Value of share trading for each market segment (base 100 in 2007)



Velocity (number of trades per listed co.)



Excluding:

Bermuda Stock Exchange
 Bolsa de Comercio de Buenos Aires
 NASDAQ OMX US
 TMX Group Inc.

Australian Securities Exchange
 BSE Limited
 Bursa Malaysia
 GreTai Securities Market
 National Stock Exchange of India
 Osaka Securities Exchange + Jasdaq
 Shenzhen Stock Exchange
 Singapore Exchange
 Tokyo Stock Exchange Group

Amman Stock Exchange
 BME Spanish Exchanges
 Bourse de Casablanca
 Bourse de Luxembourg
 Deutsche Börse
 Ljubljana Stock Exchange
 Malta Stock Exchange
 MICEX-RTS
 NASDAQ OMX Nordic
 Saudi Stock Exchange (Tadawul)
 SIX Swiss Exchange
 Tel-Aviv Stock Exchange

Velocity by region

Number of trades per listed company

