ECMI EUROPEAN CAPITAL MARKETS INSTITUTE

2019 ECMI Statistical Package: Key findings

Silvia Tadi and Apostolos Thomadakis

Key Highlights

Equity Market

- Market capitalisation in the EU-27 decreased by 13.7% in 2018.
- Capital raised though IPOs declined by 30.8%.
- The number of listed ETFs (exchange-traded funds) in Europe rose by 9.2%, although the total value of ETFs trading shrank by 6.2%.

Debt Securities

- The amount global of outstanding debt securities in 2018 saw an increase, totalling €88 trillion.
- Notional amounts of outstanding debt in the EU-27 fell, both in terms of value (down by 2.0%) and GDP share (standing at 138.5%).
- Notional amounts of debt issued by governments continued to grow, while those by non-financial institutions and corporates declined.

Exchange-traded derivatives

- The trading of interest rate derivatives in Europe showed a growth rate of 13.4% in 2018.
- Global trading in commodity derivatives increased by 11.3% and the number of contracts reached 4.9 billion.
- The stock futures market and the stock option market recorded an increase of 41% and 8% in 2018, respectively.

Over-the-counter derivatives

- The notional amount of OTC traded derivatives decreased by 7.2% in 2018, while the gross market value fell by 7.6.
- Central clearing continues to make inroads for IRD contracts and increased by 8.6%. At the end of 2018, 76.1% of IRD were cleared with CCPs.

Investments funds

- The number of UCITS funds increased by 4.3% in 2018, and the number of Non-UCITS funds decreased by 1%.
- Net assets totalled by UCITS funds were €8,691 million, while the Non-UCITS reached €5,474 billion in 2018.

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2019 ECMI Statistical Package: Key findings

ECMI Research Report No. 15 / December 2019

Silvia Tadi and Apostolos Thomadakis*

This report provides an overview of the key findings observed in the 2019 ECMI Statistical Package, a comprehensive and annually updated database on the dynamics of European and global capital markets (covering the US, Japan, China and other relevant markets). The key trends gleaned from the Package on equity markets, debt securities, exchange-traded derivatives, over-the-counter derivatives and asset management are outlined below.

1. Equity market

During 2018, global economic growth prospects were affected by geopolitical and commercial uncertainty. On the one hand, the US-China trade tensions caused an increase in protectionist policies (Rodrik, 2018; Gunnella and Quaglietti, 2019; Viani, 2019),[1] while at European level Brexit and the prospects of a 'no-deal agreement' represented a main source of uncertainty for both the UK and the EU (EY, 2018; Bloom *et al*., 2019; BoE, 2019). These developments caused widespread volatility, which in turn influenced world market capitalisation. In particular, the stock market registered a noticeable downturn (-7.7%) in 2018, interrupting the uptrend started in 2012.

In 2018, after six years of yearly average growth of 10%, the stock market capitalisation of the EU-27 fell by 13.7% to €7.6 trillion (Figure 1, left-hand panel). The largest decline was observed in Germany, with market capitalisation down by 18.8% compared to 2017 (or at €1.5 trillion),[2] while in Italy, the *Borsa Italiana* recorded a fall of 15.3%.[3] In the UK the market struggled under the cloud of Brexit, recording a 10.9% fall at €2.6 trillion. These developments were also reflected in the views of economic agents, both from the demand and the supply side of the economy, as illustrated by the economic sentiment indicator (ESI).[4] For first time since 2012, the ESI declined and reached 108.0 at end-2018 108.0 (114.4 in 2017) (EC, 2019).

Turning to the US market – the largest equity market in the world – capitalisation in 2018 stood at €25.8 trillion, slightly down by 3.8% to 2017. Apart from the uncertainty introduced by President Trump's

* Silvia Tadi is Research Assistant and Apostolos Thomadakis, Ph.D. Researcher at ECMI.

[1] In early 2018, the US government started to carry out its threats to raise trade tariffs. The adoption of protectionist measures, first aimed mainly at China, has sparked fears of a trade war and since then weighed on world trade growth and corporate investment decisions. It is important to note that such tariffs can undermine the stability of companies and countries all over the world, even those not directly involved in this context.

[2] This development can largely be explained by three factors: the outward-looking nature of German companies, the peculiarities of the German banking sector, as well as specific issues related to tougher environmental standards for the German car sector.

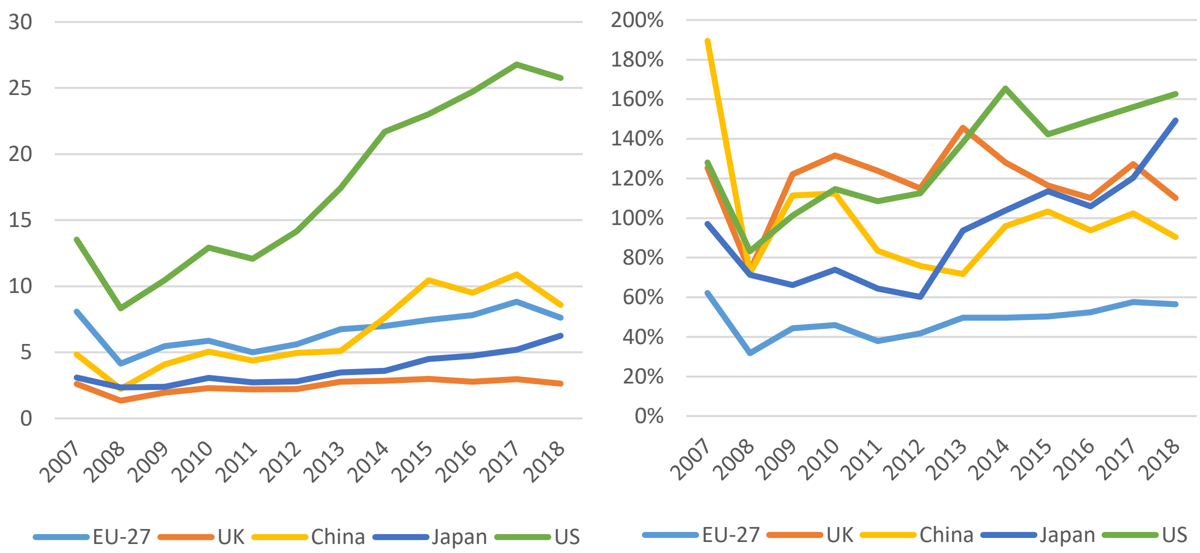
[3] In the case of Italy, this was mainly due to political tensions related to the proposed budget targets for 2019. In particular, the European Commission indicated that Italy's fiscal plans for 2019 were not in compliance with the recommendations made and the EU policy guidelines (UN, 2019).

[4] The economic sentiment indicator is a composite indicator made up of five sectoral confidence indicators with different weights: industrial confidence indicator (40%); construction confidence indicator (5%); services confidence indicator (30%); consumer confidence indicator (20%); retail trade confidence indicator (5%).

tariffs and concerns that the Federal Reserve was raising interest rates too quickly, much of the decline can be attributed to the tech-sector. In 2018, the top five tech companies[5] were under scrutiny, not only because of data privacy issues, but also amid investors' fears that these large-capitalisation stocks were overvalued by the market in 2017 (State Street, 2018).

No less important, the Asian equity market exhibited opposite trends in Japan and China. In the former, market capitalisation in 2018 went up by 20.6%, while in the latter market capitalisation declined by 21.1%. The pronounced damage in China was mostly due to the effects of a gloomy trade outlook and government attempts to rein in risky lending after a rapid rise in debt levels. The biggest impact was felt by the Chinese Shenzhen stock exchange, which includes many of the country's tech companies; it fell by 32.6%.

Figure 1. Domestic market capitalisation in € trillion (lhs) and % of GDP (rhs)

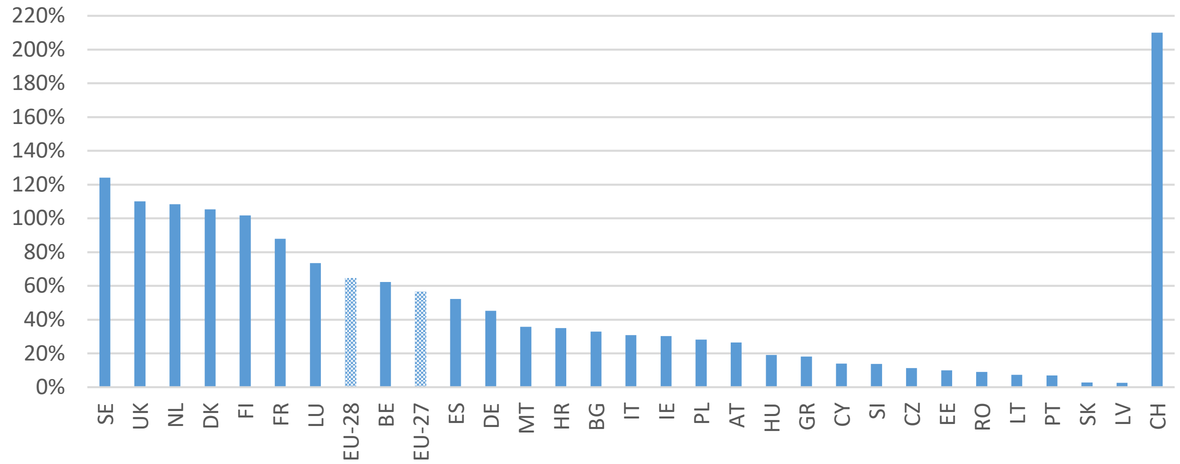


Notes: For EU-27, the following stock exchanges have been included: Athens, BME, Borsa Italiana, Bratislava, Bucharest, Budapest, Bulgaria, CEESEG – Prague, CEESEG – Vienna, Cyprus, Deutsche Börse AG, Euronext (which includes Amsterdam, Brussels, Dublin, Paris, and Lisbon), Ljubljana, Luxembourg, Malta, Nasdaq Nordics and Baltics (which includes Copenhagen, Helsinki, Stockholm, Tallinn, Riga, and Vilnius), Warsaw, and Zagreb. For UK, the London Stock Exchange was considered. For US: Nasdaq-US and NYSE. For China: Hong Kong Exchanges and Clearing, Shanghai, and Shenzhen. For Japan: Japan Exchange Group.
Source: 2019 ECMI Statistical Package.

Although the EU-27 GDP is very similar to that of the US (€13.5 trillion in EU-27 versus €15.8 trillion in the US), its stock market capitalisation represented 56.4% of GDP in 2018 compared to 110% and 163% in the UK and the US (Figure 1, right-hand panel). Among the 28 European stock exchanges considered, three of them (London Stock Exchange, Euronext Paris and Deutsche Börse) are among the top 10 worldwide in terms of market capitalisation. As a percentage of GDP, market capitalisation ranged from 2.5% and 3% in Latvia and Slovakia to 110% in the UK, 124% in Sweden and 210% in Switzerland (Figure 2). Some large countries, like Spain, Germany and Italy, are below the European average.

[5] These are Facebook, Apple, Amazon, Netflix and Goggle (FAANG). In 2018, they collectively made up 11% of the S&P500 index.

Figure 2. European stock market capitalisation as % of GDP (end-2018)

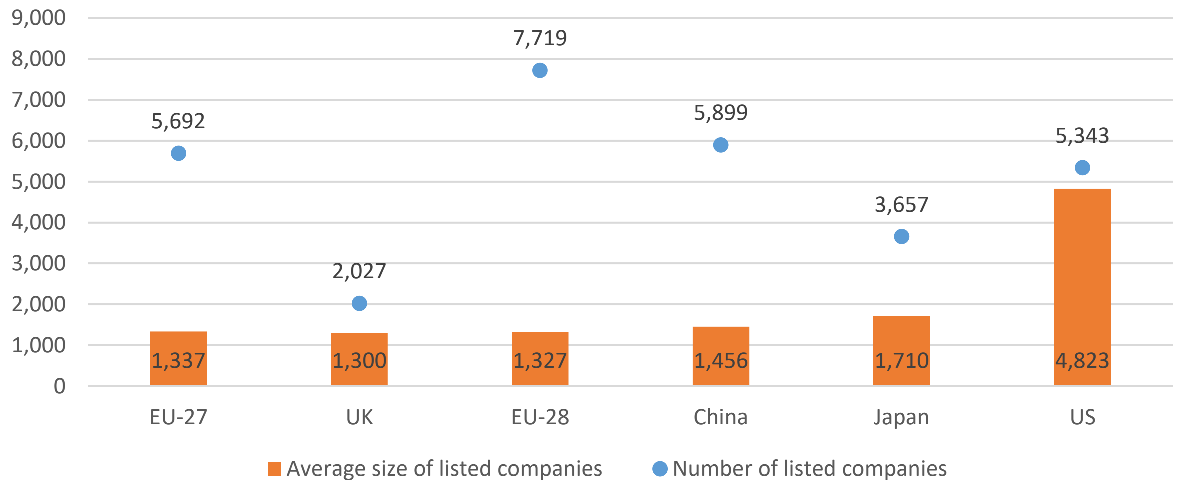


Source: 2019 ECMI Statistical Package.

Despite the global decline in stock market capitalisation, the number of listed companies has risen. For the EU-27 there was a significant increase: 8.4%, of listed companies (up by 439 companies in 2017), driven mainly by the Austrian Wiener Börse which further expanded the momentum seen in 2017 (Gleisner and Thomadakis, 2018). Similar trends were observed in the Chinese, US, and Japanese equity markets, where the number of listed companies rose by 5.3%, 2.1% and 1.5%, respectively (Figure 2).[6] Conversely, to that, the number of listed companies on the London Stock Exchange (LSE) decreased by 471, as uncertainty over unresolved Brexit negotiations intensified.[7]

There are 5,692 listed companies in the EU-27 with a market capitalisation of €7.6 trillion, implying that the average capitalisation per listed company is €1.3 billion. This is about three-and-a-half times lower than the capitalisation of a typical US company (€4.8 billion).

Figure 3. Average capitalisation (€ million) and number (thousands) of listed companies (end-2018)



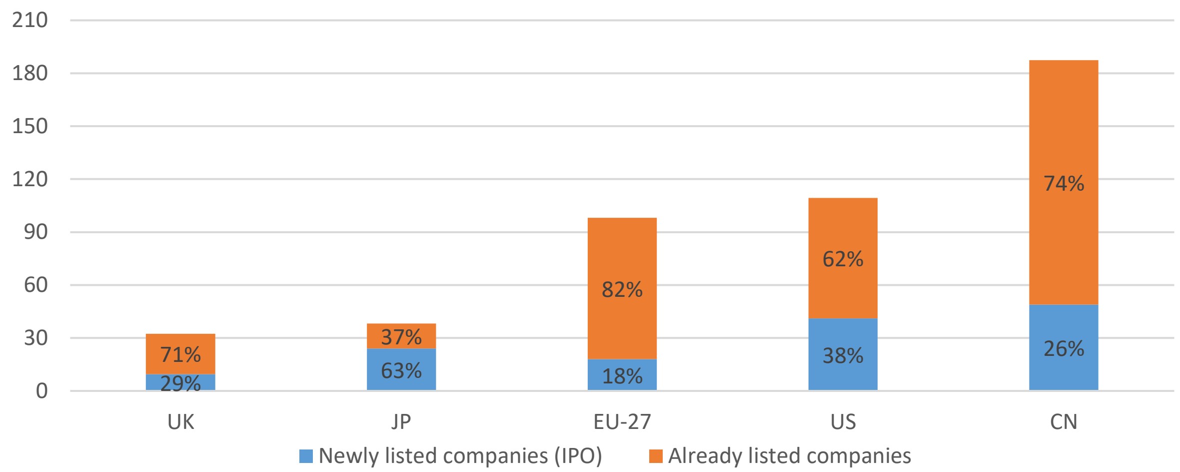
Source: 2019 ECMI Statistical Package.

[6] The Hong Kong Exchanges and Clearing (HKEX) reported the highest number of IPOs globally (WFE, 2019), as new technology companies come to the market (e.g. China Tower and Foxconn Industrial Internet, among others).
[7] See https://www.sharesmagazine.co.uk/article/london-suffers-a-sharp-decline-in-the-number-of-ipos.

Capital raised in European (EU-28) exchanges declined significantly in 2018, and amounted to €131 billion, 41.4% less than the year before (Figure 4). The vast majority of that (80%) went to already listed companies and only a very limited amount to newly listed companies through IPOs (€27.8 billion in 2018). Activity is highly concentrated in few exchanges, with the LSE accounting for one-fourth (24.8%) of total European issuance.[8] Despite the fact the flows into IPOs declined by 35.5%, Deutsche Börse, through the hosting of Siemens Healthineers (the biggest IPO in Germany and the biggest in the medtech industry worldwide),[9] recorded an increase in investment flows from €2.5 billion in 2017 to €10.1 billion in 2018.

In contrast to Europe, likewise during the previous year, investment flows into new US companies that went public rose by 27% to €41.1 billion in 2018.[10] However, even though the year opened in a strong way, from November 2018 many IPO candidates had to postpone deals due to widespread volatility on the one side, and the stumble on the US equity market on the other (MI, 2018). However, the crown for the world's largest IPO market still went to China (€48.8 billion in 2018), thanks to a number of IT and telecommunication IPOs (PwC 2018).

Figure 4. Capital raised by newly listed companies (IPO) and already listed companies (€ billion, end-2018)



Source: 2019 ECMI Statistical Package.

Focusing on the exchange-traded fund (ETF) market, the number of listed ETFs in EU-27 continued its upward trend and increased by 9.2% in 2018, reaching an all-time-high of 5,194 (Figure 5). The majority of them are concentrated in just four exchanges (Börse Stuttgart, Deutsche Börse, Borsa Italiana, and Euronext Paris), which collectively account for 84% of all ETFs listed on European exchanges. On the other hand, the number of ETFs on the LSE fell by 663.

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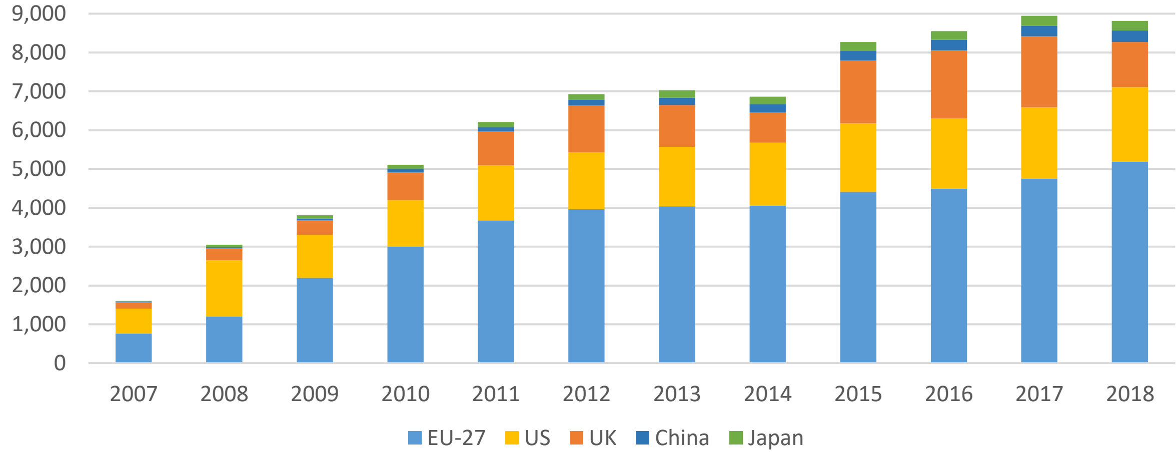
[8] In particular, LSE accounts for 34.5% of the European investment flows into IPOs, and 22.2% of that to already listed companies.

[9] See https://www.siemens-healthineers.com/press-room/press-releases/pr-20190205005shs.html.

[10] Most of these IPOs were in the technology, media and telecom, or biotech space (e.g. Spotify, PagSeguro, Pinduoduo, Moderna, among others.

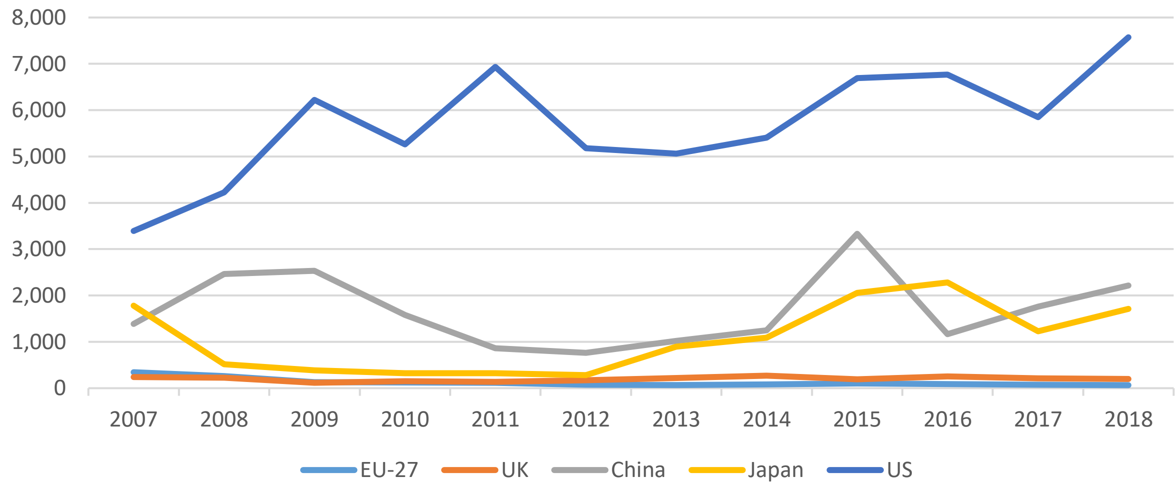
Figure 5. Number of listed ETFs



Source: 2019 ECMI Statistical Package.

In terms of the total value of ETFs trading, there are two opposing trends. While Europe recorded a decline of 23.8% (down by 6.2% in EU-27 and 40.4% in the UK compared to 2017), elsewhere in the world ETF trading increased by 35.4%. Taking into account these developments, the average turnover of an ETF in EU-27 was €66 million, while in the UK €198 million and in the US €7.6 billion (Figure 6). Europe's fragmentation is evident from this picture. The disparity with the US can be explained by three factors: i) European ETFs are listed on multiple different exchanges, as opposed to only two in the US; ii) retail investors' participation in Europe ranges between 10-15%, as opposed to around 45% in the US; iii) the majority of European ETF activity (around 70%) takes place off-exchange (over-the-counter, OTC), while the reverse is true for the US (Lannoo and Thomadakis, 2019).

Figure 6. Average value of ETFs (€ million)

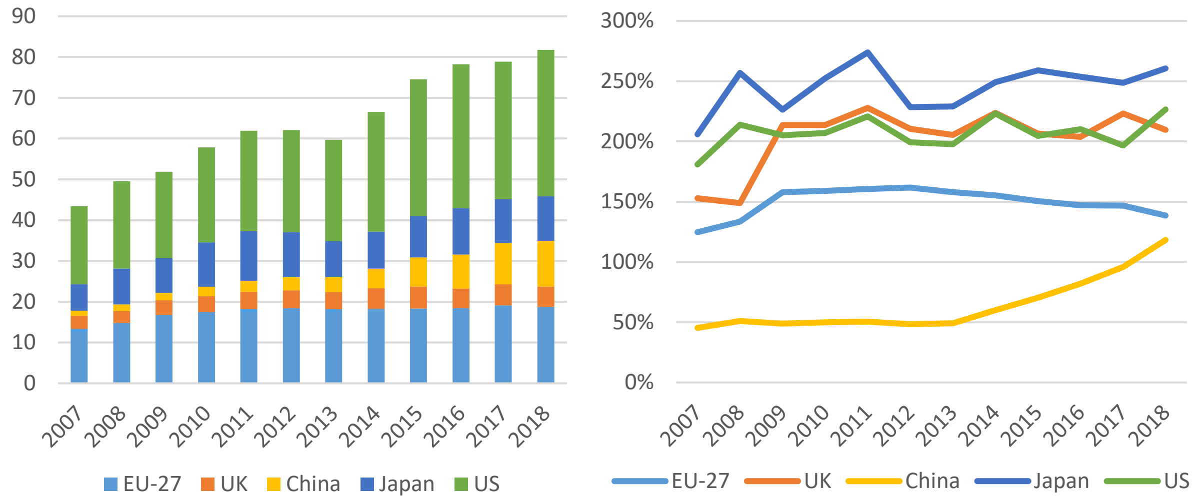


Source: 2019 ECMI Statistical Package.

2. Debt securities

In 2018, the outstanding amount of debt securities hit a record of €81.7 trillion (up by 36.2%), mainly led by a surge in borrowing in the US and China, which together accounted for 57.6% of the total amount (Figure 7, left-hand panel). On the other hand, for both the EU-27 and the UK, the aggregate size of debt securities dropped marginally by 2.0% and 3.3%, respectively. This trend is also confirmed when looking at the aggregate level of debt-to-GDP ratio (Figure 7, right-hand panel). Rising debt across the world has been a big concern for investors and policymakers, as record-low interest rates make it extremely easy for corporates and sovereigns to borrow more money.

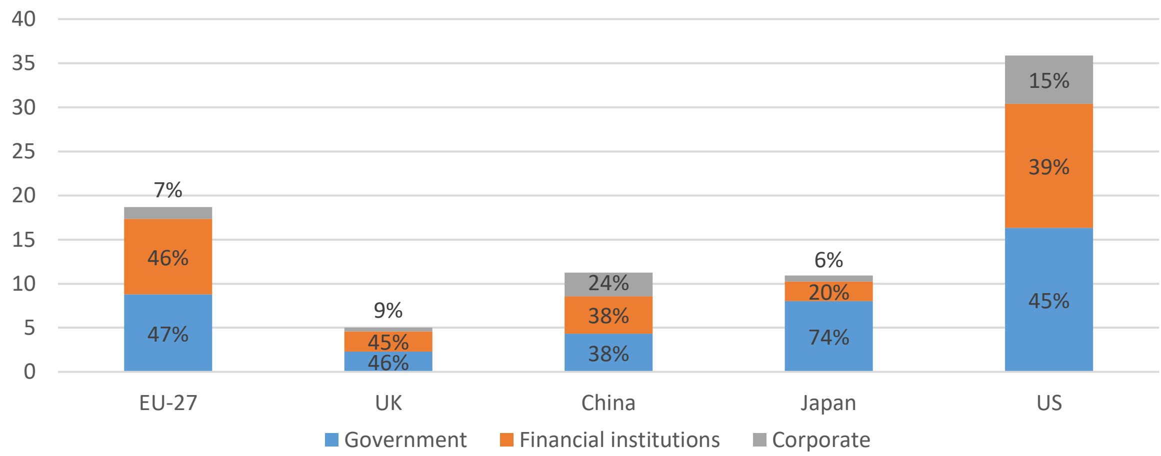
Figure 7. Total outstanding of debt securities in € trillion (lhs) and as % of GDP (rhs)



Source: 2019 ECMI Statistical Package.

While debt securities issued by EU-27 governments and financial institutions, which are similar in size, have taken up the largest part of the financial system (93%), corporate debt securities represent a very small fraction (Figure 8). This is evidence of the heavy reliance of European non-financial corporations (NFCs) on bank lending and unlisted equity capital. By contrast, US corporates hold approximately 15% of total debt securities.

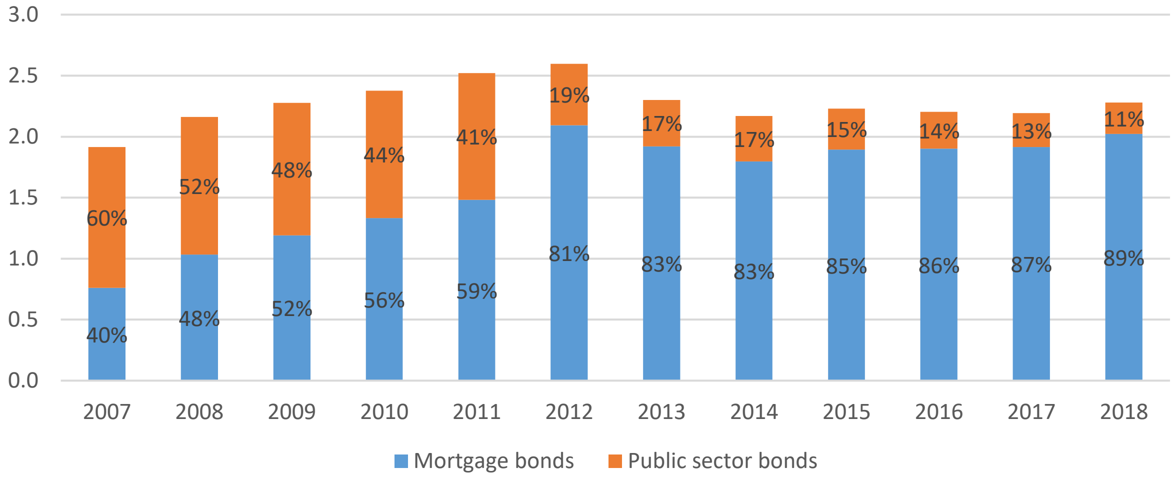
Figure 8. Total outstanding of debt securities (€ trillion, end-2018)



Source: 2019 ECMI Statistical Package.

Covered bonds, which over the last 20 years have become the most important segment of privately issuer bonds on Europe's capital markets, recorded an average annual growth rate of 6.7% between 2003 and 2012, in terms of amounts outstanding.[11] However, since then and the peak of €2.6 trillion in 2012, covered bonds experienced a modest decline and reached €2.3 trillion in 2018, up by 3.9% a year ago (Figure 9). The most common collateral used was residential and commercial mortgages, which accounted for 88.8% of the outstanding amount (39.7% in 2007).

Figure 9. European covered bonds, amounts outstanding (€ trillion)

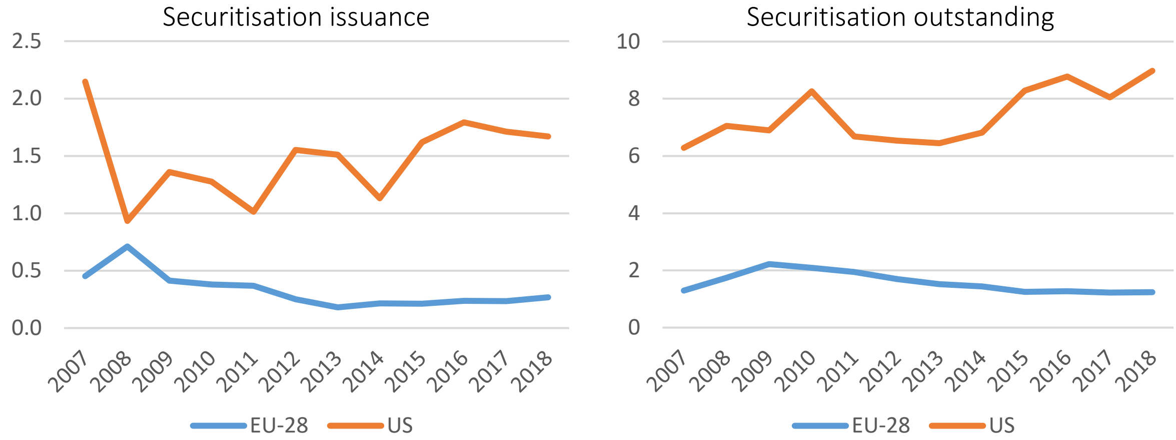


Note: Europe includes: AT, CH, CY, CZ, DE, DK, ES, FI, FR, GR, HU, IE, IT, LU, LV, NL, NO, PL, PT, SE, SK, and UK.
Source: 2019 ECMI Statistical Package.

Moving onto the European securitisation market, which offers an important funding source for financial institutions (especially SMEs), it has not been successful in recovering after its 2008 peak (Figure 10, left-hand panel). While the market has partially recovered since the low of €181 billion in 2013, it has failed to realise its full potential, and closed 2018 at €269 billion. On the other hand, securitisation issuance in the US grew by 78.9% from 2008, reaching €1.7 trillion in 2018. Outstanding volumes in Europe rose slightly (by 1.1%) to €1.2 trillion, while in the US they rose by 11.5% to €8.9 trillion (Figure 10, right-hand panel). Two of the main reasons contributing to this difference between the two markets are the existence of Government Sponsored Enterprises (GSEs) in the US, which are big buyers of securitised mortgages, and the different regulatory treatment in the US and in Europe (Schwarcz, 2016; Bavoso, 2018; Lannoo and Thomadakis, 2019).

[11] Covered bonds offer unique benefits to both issuers and investors. On the one hand, banks and other credit institutions have historically relied on covered bonds as an inexpensive source of funding and have purchased them to use as eligible collateral. On the other hand, institutional investors have valued the favourable risk-weighting of these stable and secure instruments, which typically combine a bankruptcy-remote asset-backed security with the further support of a direct claim against the credit institution issuer. For these reasons, covered bonds proved resilient during the financial and sovereign crisis, able to restore investor confidence, and ensure European issuers access to the debt capital markets.

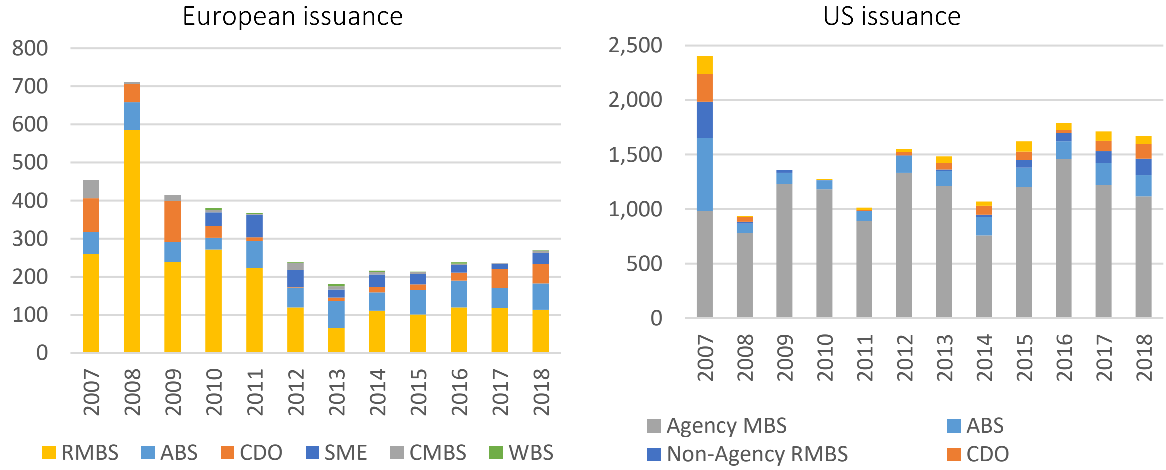
Figure 10. Securitisation issuance and outstanding (€ trillion)



Source: 2019 ECMI Statistical Package.

Looking at the asset mix, the EU issuance is mainly related to repackaging of residential mortgages and other loans/securities, with SME loans repackaging being very limited (Figure 11, left-hand panel). In 2018, residential mortgage-back securities (RMBS) securitisation represented 42% of the total European issuance, asset-backed securities (ABS) and collateralised debt obligations (CDO) accounted for 26% and 19% respectively, while SME loans account for 11%. By contrast, in the US securitisation market (Figure 11, right-hand panel), agency mortgage backed securities (MBS) – which are defined as securities issued by Fannie Mae, Freddie Mac and Ginnie Mae – accounted for 67% of the total US issuance (and even 93% in 2010).

Figure 11. Securitisation by collateral (€ billion)

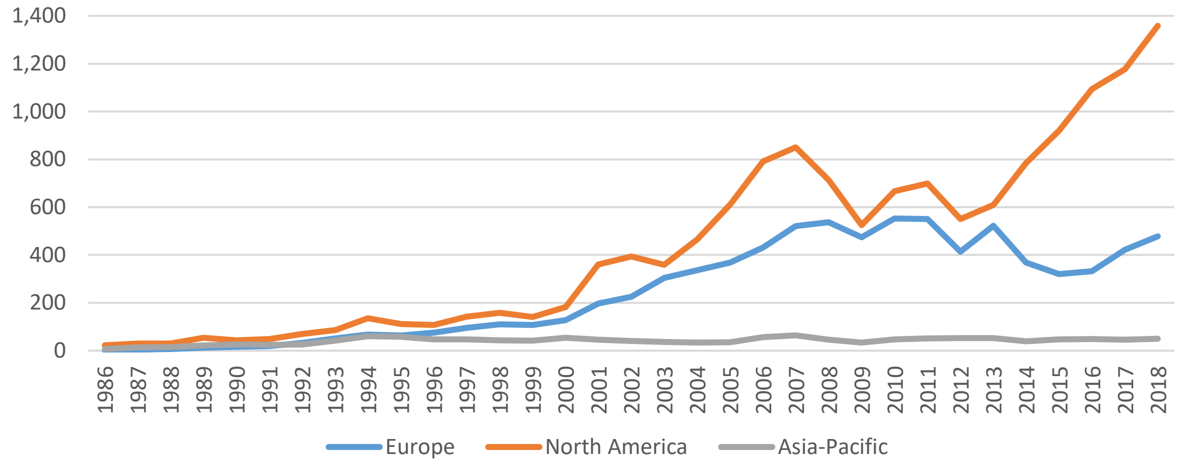


Note: Asset-backed securities (ABS), collateralised debt obligations/collateralized loan obligations (CDO/CLO), commercial mortgage-backed securities (CMBS), residential mortgage-back securities (RMBS), small-and-medium enterprises (SME), whole business securitisation/public finance initiatives (WBS/PFI). In the US, agency mortgage backed securities are defined as securities issued by Fannie Mae, Freddie Mac and Ginnie Mae. This category includes agency CMBS and RMBS.
Source: 2019 ECMI Statistical Package.

3. Exchange-traded derivatives (ETD) market

Exchange-traded interest rate (IR) derivatives are the most traded asset class, with volumes that are significantly higher than other asset classes (i.e. equity, foreign exchange, commodity).[12] In 2018, the annual turnover of IR derivatives reached an all-time-high of €1,887 trillion (up by 14.7% to 2017), of which 71.9% took place in exchanges located in North America and 25.3% in Europe (Figure 12). The number of IR contracts traded in Europe and the US also peaked, reaching 3.6 billion, with futures contracts accounting for approximately 80% of both the number of contracts and the turnover. This growth was largely driven by long-term interest rate contracts (LTIRs), which increased by 18% in 2018 and made up 57.4% of total IRFs contracts traded.

Figure 12. Turnover of exchange-traded interest rate derivatives by location of exchange (€ billion)

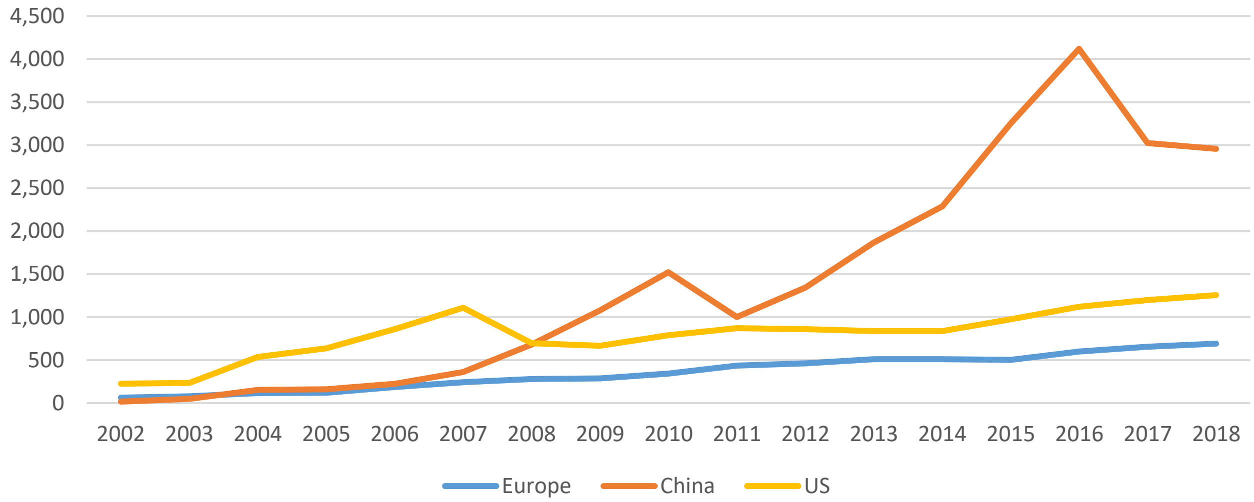


Notes: Data refer to yearly total turnover of futures and options. Europe includes the following exchanges: Eurex, ICE Futures Europe, LSE CurveGlobal, NYSE Liffe London, Optionsmarknad Stockholm AB, Warsaw Stock Exchanges. North America includes the following exchanges: Chicago Board of Trade, Chicago Mercantile Exchange, ERIS Exchange, Mercado Mexicano de Derivados, Montreal Exchange. Asia-Pacific includes the following exchanges: Bombay Stock Exchange, China Financial Futures Exchange, Hong Kong Exchanges & Clearing, Korea Exchange, National Stock Exchange of India, Osaka Exchange, Singapore Exchange Derivatives Trading, Sydney Futures Exchange, Tokyo International Finance Futures Exchange.
Source: 2019 ECMI Statistical Package.

Shifting the analysis to the exchange-traded commodity derivatives, one of the oldest derivative classes, in 2018 the number of traded contracts reached 4.9 billion (Figure 13). The vast majority of these contracts (60.3%) were traded in China, with another 25.6% being traded in the US. In terms of trading volumes, a total of €114.6 trillion was traded in commodity derivatives, up 11.3% compared to 2017. The most actively traded contracts with commodities as underlying were futures, which accounted for 93.8% of the traded volume. The market is highly concentrated in three exchanges – Shanghai Futures Exchange, CME Group and Dalian Commodity Exchange – accounting for about 68% of contracts and 60% of volumes.

[12] Investors in these instruments often aim to hedge interest rate risk, manage asset-liability duration mismatches, or take positions on future price changes.

Figure 13. Number of exchange-traded commodity derivative contracts by location of exchange (€ billion)



Notes: Data refer to yearly total turnover of futures and options. Europe includes the following exchanges: Borsa Italiana, Eurex, Euronext, Budapest SE, ICE Futures Europe, London Metal Exchange, and London SE Group. China includes the following exchanges: Dalian Commodity Exchange, Hong Kong Exchanges, Shanghai Futures Exchange, and Zhengzhou Commodity Exchange. US includes the following exchanges: CME Group, and ICE Futures US.
Source: 2019 ECMI Statistical Package.

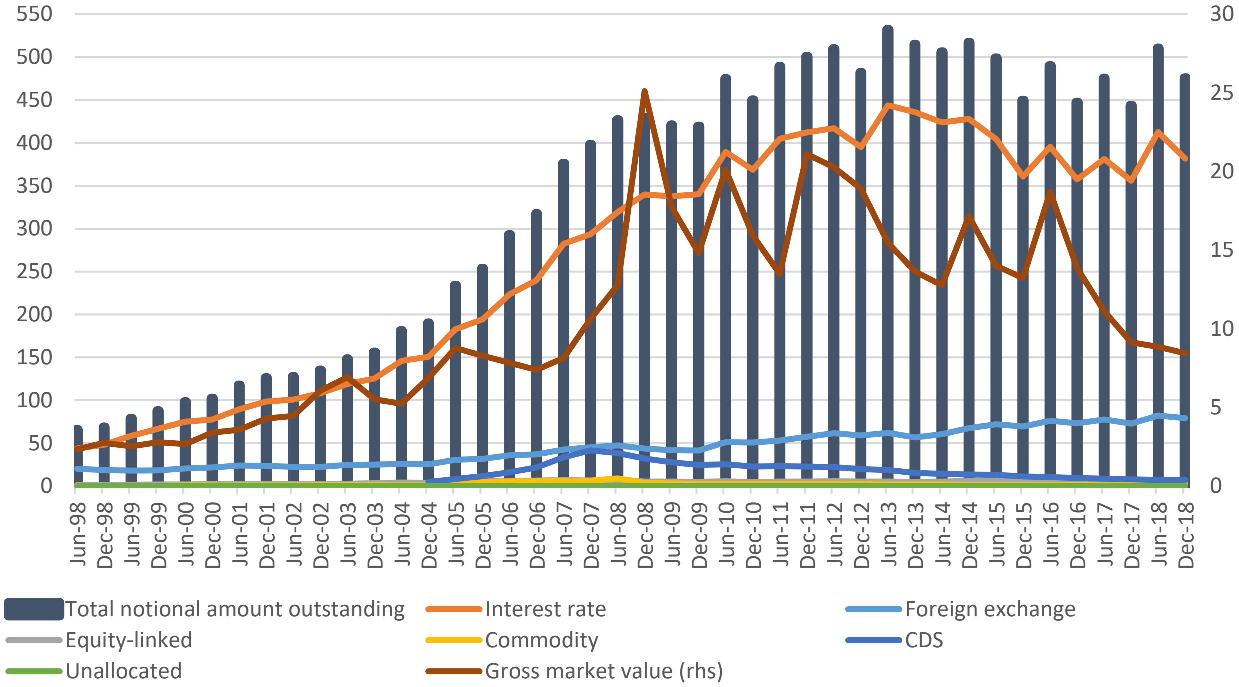
4. Over-the-counter derivatives market

Over-the-counter (OTC) derivatives markets have grown significantly in recent decades, and constitute a systemically important component of financial services activity. While retaining its position as the biggest global market in 2018, the derivatives market has slightly shrunk in size since its peak in 2013 (Figure 14).[13] While notional amount outstanding of OTC derivatives increased and reached €475 trillion in December 2018 (up by 7.2% compared to a year ago), the gross market value declined further at a pre-crisis level of €8.4 trillion.[14] By far the largest proportion of activity is in interest rate derivatives (IRD), which represents on average 80% in terms of global notional amounts outstanding.

[13] This decline can largely be attributed to trade compression, and the elimination of redundant contracts. In particular, a number of jurisdictions have taken steps to encourage a more widespread use of other risk-mitigation measures for non-centrally cleared derivatives (NCCDs), e.g. trade compression and portfolio reconciliation (Thomadakis, 2018).

[14] Notional amount outstanding refers to the value of all derivatives contracts concluded and not yet settled.

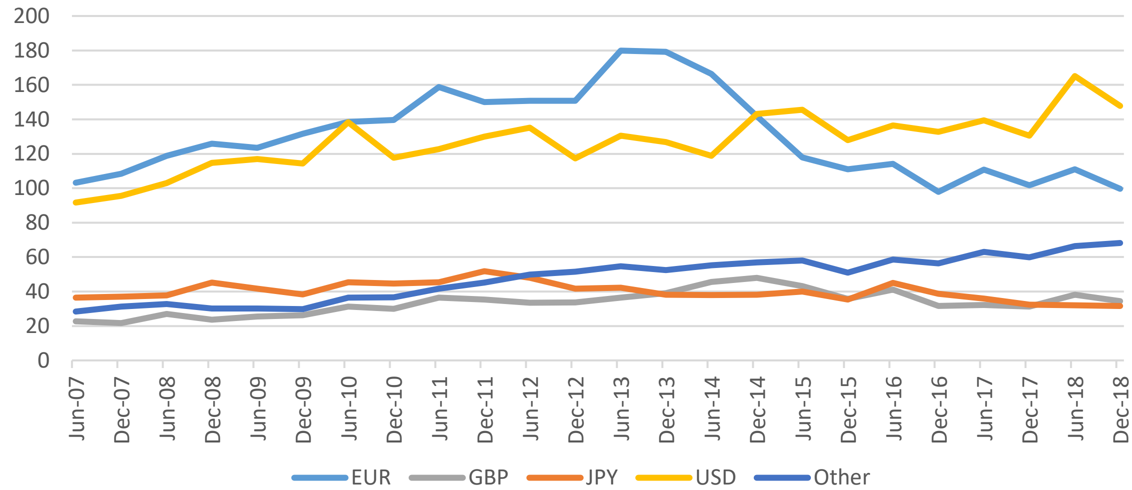
Figure 14. Notional amounts outstanding of global OTC derivatives market (€ trillion, end-2018)



Notes: The notional amount of outstanding OTC derivatives contracts determines contractual payments and is an indicator of activity in OTC derivatives markets. The gross market value represents the maximum loss that market participants would incur if all counterparties failed to meet their contractual payments and the contracts could be replaced at current market prices.
Source: 2019 ECMI Statistical Package.

Notional amounts outstanding of EUR-denominated interest rate contracts fell marginally by 2% in 2018 and stood at €99.6 trillion (Figure 15). USD- and GBP-denominated contracts, in turn, increased by 13.2% and 10%, respectively. Since 2013, when EUR-denominated IR derivatives reached a record amount of €180 trillion – representing the largest currency segment – they have declined by more than 44% and fell below USD contracts, which are the most actively traded IRD instruments.[15]

Figure 15. Notional amount outstanding of OTC IRD, by currency (€ trillion)

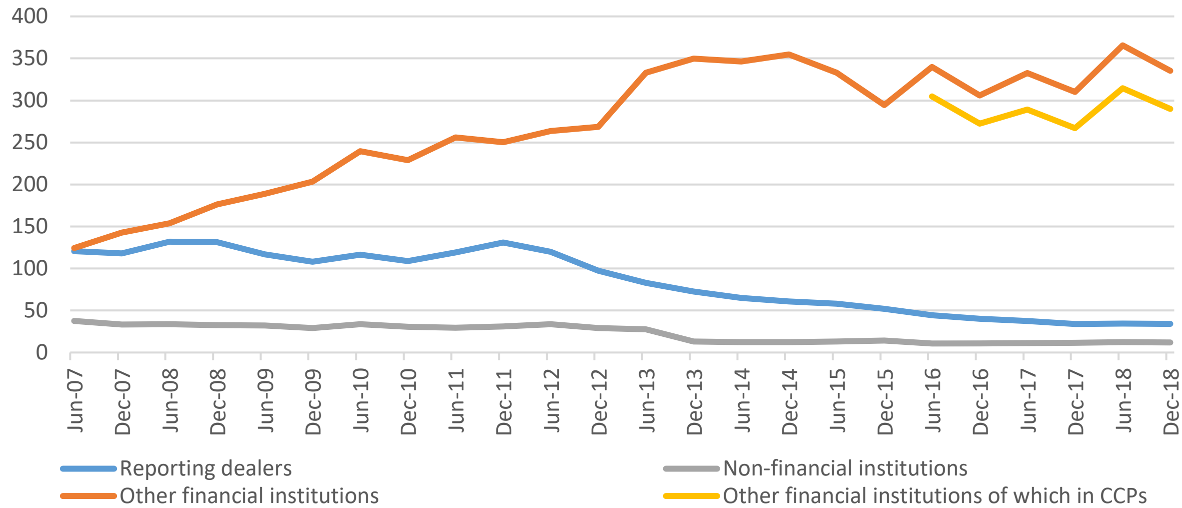


Source: 2019 ECMI Statistical Package

[15] Several reasons contribute to this development, such as regulatory reforms in the derivatives market aiming to increase transparency and financial stability, the low interest rates environment, and the market infrastructure in the US that is more beneficial to IRD growth (Thomadakis, 2018). The increased trading in US dollar-denominated

The role of central clearing counterparties (CCPs) in OTC derivatives markets since the global financial crisis has been amplified significantly (Figure 16). A factor that contributed to that development – and even enhanced it – is the increase in trade compression, which had an impact on interest rate contracts and drove down their market values (BIS, 2019).[16] Maintaining the momentum of 2017 (Gleisner and Thomadakis, 2018), central clearing increased by 8.6% to €290 trillion at December 2018, and it now represents 76.1% of IRD outstanding amounts.

Figure 16. Notional amount outstanding of OTC IRD, by sector of counterparty (€ trillion)



Notes: For the first time, in June 2016, BIS captured comprehensive data on positions with CCPs. Whereas in previous years details about financial counterparties were collected only for CDS, at end-June 2016 CCPS were separately identified for all types of OTC derivatives. Previously, CCPs were grouped indistinguishably with all financial institutions other than dealers.
Source: 2019 ECMI Statistical Package.

5. Investment Funds

2018 was a mixed year for the European investment fund industry. On the one hand, the number of investment funds reached its highest level at 57,471 funds (Figure 17, left-hand panel), which was fuelled by 1,259 more Undertakings for Collective Investment in Transferable Securities (UCITS) that reached the market, despite the decline at the number of Alternative Investment Funds (AIF).[17] However, total net assets fell for a second time since the financial crisis (after 2008 and 2011) and closed the year at €14.4 trillion with UCITS attracting 60% of that (Figure 17, right-hand panel).[18]

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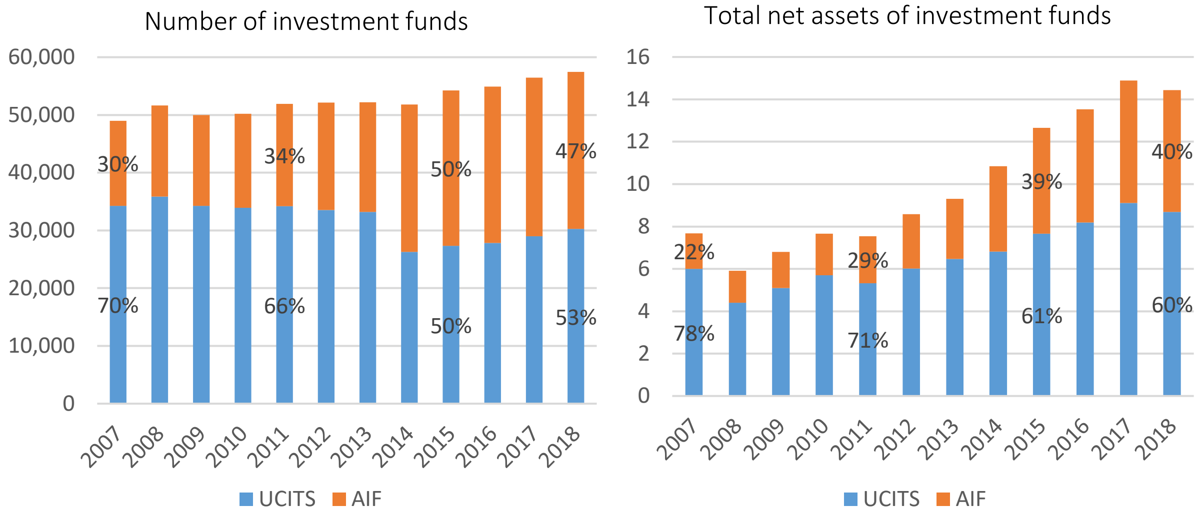
instruments was also driven by increased activity in overnight index swaps (OIS). For EUR contracts, the decline was due to a fall in both OIS and interest rate swaps (IRS). But also monetary policy, and the anticipation of interest rate increases (BIS, 2016a; BIS, 2016b). On the other hand, notional amounts outstanding of both short- and long-maturity EUR instruments declined, as European market participants did not expect rate changes to occur.

[16] Other reasons, such as settle-to-market practices, had also contributed to that.

[17] The increase in the number of UCITS can be attributed to the Commission's proposal on facilitating cross-border distribution of investment funds, which was adopted in April 2019 (EC, 2018). This type of funds can be sold to any investor within the EU under a harmonised regulatory regime.

[18] Due to economic slowdown, trade tensions, stock market volatility, and reduction of monetary policy stimulus (EFAMA, 2019).

Figure 17. Number of European investment funds (left-hand panel) and their total net assets in € trillion (right-hand panel)



Source: 2019 ECMI Statistical Package.

From a geographical perspective, the European investment fund market is fragmented, with the top five countries managing 81.9% of total assets, while 74.4% of the funds are domiciled in their country. The negative growth, compared to 2017, is due to economic slowdown, trade tensions, stock market volatility, and reduction of monetary policy stimulus (EFAMA, 2019).

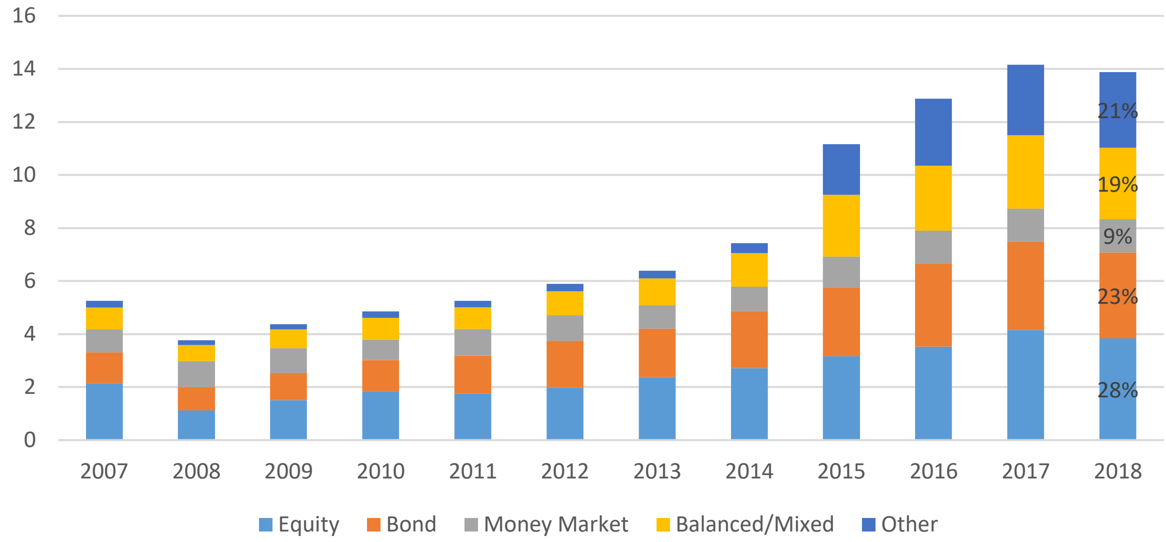
Table 1. Investment funds industry in EU28, by country domiciliation, end-2018 (€ trillion)

	# of UCITS	# of AIF	Net Assets € bn	% Δ in 2018[1]
Luxemburg	10,328	4,570	4,065	-2.3%
Ireland	4,508	2,777	2,421	1.1%
Germany	2,172	4,364	2,037	-0.04%
France	3,098	7,758	1,813	-6.0%
United Kingdom	2,193	1,001	1,493	-9.3%
Other	7,967	6,735	2,608	4.0%
EU28	30,266	27,205	14,437	-3.0%

Notes: The countries are presented in terms of net assets (UCITS and AIF). [1] End 2018 compared to end-2017.
Source: 2019 ECMI Statistical Package.

Regarding the investments in which European mutual fund portfolio managers invest, this has remained stable over the last four years (Figure 18). Equity and bonds remained the most preferred asset classes, albeit at a decreasing rate. Other types of assets (e.g. real estate, hedge funds, structured products and private equity), made further inroads during 2018, representing 21% (19% in 2017) of fund managers' portfolio allocation.

Figure 18. Net assets of investment funds by type, in EU28 (€ trillion)



Source: 2019 ECMI Statistical Package.

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Annex: Methodology and Data Sources 2019 ECMI Statistical Package

The ECMI Statistical Package retrieves, compiles and analyses data from publicly available sources and reports as follows: Section 1: WFE, FESE and trading venues; Section 2: BIS, ECB, ECBC, AFME, WFE, FESE and trading venues; Section 3: BIS, WFE, FESE and trading venues; Section 4: BIS and WFE; Section 5: EFAMA, OECD, Pensions Europe and Insurance Europe; Section 6 to 8: Eurostat, IMF and World Bank.

For more information and to obtain the ECMI Statistical Package 2019:

http://www.eurocapitalmarkets.org/statistical-packages

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