### **Market Notes:**

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| --- | --- | --- |
| **Average Fee:** | 74.9 bps | * +93.8% |
| **Average Utilization:** | 7.11% | * +0.11% |
| **On Loan Value:** | $3.05T | * +1.02% |
| **Total Lendable Value:** | $42.9T | * +0.90% |

Major Headlines & What Our Data Shows:

**Oil Prices Decline Amid OPEC+ Production and Demand Concerns**

Crude oil prices have fallen, with reports indicating that profit for major energy companies like Exxon Mobil and Chevron have dropped to their lowest levels in four years. This is occurring as OPEC+ ramps up production and concerns about a slowing global economy may be signalling a reduction in demand. This dynamic highlights the potential for a softening global economic environment impacting commodity markets.

* **What our data shows:** With the middle eastern conflict generating oil supply concerns and the added effect of tariffs, the energy sector as a whole has been notably volatile throughout the past few months. Our data highlights this, with a 2-year high in on loan quantity being reached at the start of July at 8.57 billion shares globally. In turn, as these geopolitical and tariff issues have reduced, we have since seen this loan volume begin to fall, with a reduction of 15% compared to the early July heights to 7.27 billion shares.

**Chips and Semiconductors Underdogs Struggle to Keep Pace**

With uncertainty surrounding access for semiconductor producers to key markets such as China, smaller players in the field are increasingly struggling to compete with market leaders like Nvidia. Tariffs on semiconductors will be announced within the next week or so but in the meantime, companies including Super Micro and Advanced Micro Devices have lowered fiscal year sales forecasts and are falling in extended trading.

* **What our data shows:** In contrary, some firms are clearly benefitting from opening gaps in the semiconductor market, with others struggling and tariffs to be imposed on overseas opposition. Wall Street analysts appear bullish regarding Rigetti Computing (RGTI) in particular, with strong buy recommendations. Consequently, we have seen a downfall in short interest in RGTI in our data, with borrowing costs hitting a two-year low at 44 bps, a significant fall from over 640 bps at the start of April.

**European Equities Rise in spite of fresh tariff threats**

The STOXX 600 index continues to rise as investors ‘bought the dip’ created by recent market weakness, in spite of the announcement from Trump that markets such as semiconductors and pharmaceuticals will have fresh tariffs announced in ‘the next week or so’.

* **What our data shows:** In response to the worst of the tariff fallout between the E.U. and the U.S. being in the past, our data shows an expected cooling in the European equity market. Short interest in this field has declined significantly as the volume of shares on loan has reduced to 190 billion, from the peak tariff values around 250 billion. In parallel, following fluctuation throughout the tariff discussions, borrowing costs have returned to ~40 bps, the same fee see as this time last year.

### **Key Takeaways**

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