

A CLASSIC WIN-WIN SITUATION

By Gianluca Parenti, Head of Digital Division & Advisory, Intermonte SIM, Italia



At the end of last month, we announced our new membership with Spectrum Markets. In this month's issue of Spectrum Spotlight, I would like to share some background to this announcement from Intermonte's perspective.

We're the leading Italian independent investment bank for Italian SMEs and for local and international institutional clients since 1995. Our business covers brokerage, investment banking, global markets, and digital and advisory services, supported by a top quality research department.

Besides the broad range of services that we provide for institutional investors and for listed and non-listed companies, it would not be overdone to call us one of Italy's first Fintechs: with 'Webism' we had built a platform back in 2001 whose vision & mission has been to provide a permanent window to capital markets for retail investors. In that it combines information from Intermonte's professional research and near-real-time company news with recommendations based on technical and fundamental analyses, it is a true investment advice hub for retail investors that seek to act on the same facts that lead the investment decisions of professional investors. Reinforcing our presence among retail investors, we launched TIE – The Intermonte Eye – an area reserved for financial consultants and private bankers, specialising in exclusive content and outlooks on financial markets and investment solutions.

One of our key strengths is a presence on the retail market that dates back over twenty years, during which we have been able to combine our product analysis capabilities with the opportunities stemming from our broad partners franchise and our tailored retail offering. We have been at the forefront, having the privilege to look change in the eye.

We've been seeing an evolution in retail investors' profiles and needs, they are more sophisticated, better educated, more ambitious and exacting, with increasing expectations on what their trading experience should be like.

In that context, we've been seeing multiple points of reference with Spectrum Markets. One product category that has been quickly gaining popularity among retail investors is certificates and this is true for Italy as well. You may be surprised to hear that Italy was the first European country to introduce certificates trading in 1989. It has to be admitted, though, that there was hardly any demand for the product at the time and while the German certificates market grew steadily since inception in the late nineties of the last century, the Italian market saw strong growth only subsequent to the financial crisis of 2008/ 2009. Today, however, the Italian market for securitised derivatives is the third largest in Europe measured by exchange turnover, according to figures released by EUSIPA¹.



The overall market growth has been impressive, also on the offer side.

Indeed, despite some consolidation throughout Europe in 2021, issuers of these products have printed more than **4,400 new products** over the course of last year.

This is an impressive number and it indicates the direction of the market for the years to come: Issuers will become more and more attentive to investors' needs, offering notable diversification in underlying assets and innovative pay-off structures. The market will continue to grow together with interest in these products, which are increasingly carving out their own place within investment portfolios.

On top of that, the aftermath of the Covid-pandemic and recent political turmoil will certainly continue to weigh on financial markets. All the more, this suggests that certificates, due to their intrinsic characteristics, including the possibility to protect invested capital, will remain a valid investment opportunity, steadily becoming a genuine asset class of their own.

Having developed an extensive expertise that puts us among the leaders of the derivatives market, we detected a gap needing to be filled. As much as we grew as pioneers in providing content and analysis aimed at increasing investors' understanding and familiarity with certificates, we have been seeing room for improvement in terms of meeting an advanced retail client demand throughout Europe for more sophisticated trading technology and better, cost-efficient services. It is even fair to say that the trend towards more informed individual trading decisions is something that can be observed on a global basis, with Italy being no exception.

We found in Spectrum Markets the perfect matching companion to tackle these needs. We have decided to become a member of Spectrum Markets, enabling our vast network of more than 650 financial institutions and Italian banks to offer their retail clients the opportunity to trade securitised derivatives there – thereby creating a liquidity win-win in that our network brings a significant new source of trading volume to the venue and, at the same time, can enjoy the benefits of trading certificates on-venue on a pan-European basis and by the highest operational safety and transparency standards available.

We are convinced that this will be very well received by our network. Together with the commitment of all Intermonte's professionals and the strong positioning already achieved, the agreement with Spectrum Markets will support us on our growth course and will be beneficial for the achievement of the targets we have set for 2022-23.

¹ European Structured Investment Products Association

today to discuss how the seamless market access that our venue provides, can help to grow your retail client business.

Please don't hesitate to get in touch if you wish to receive further detail.

By phone
+49 69 4272991 80

By email
info@spectrum-markets.com