



The Nordic warrant market 2005

- Warrant turnover in the Nordic region increased by 9% in 2005. Turnover rose by 33% in Finland and 57% in Norway; in Sweden it decreased by 9%.
- In Finland and Norway, turnover was at record levels.
- Handelsbanken Capital Markets was the largest player on the overall Nordic market, with a share of 42.5%. Handelsbanken Capital Markets had a market share of 43.2% in Sweden, 36.5% in Finland and 100% in Norway.
- Turnover was highest in Ericsson and OMXS30™ warrants in Sweden, in Nokia and DAX® warrants in Finland, and in Norsk Hydro and Tomra warrants in Norway.
- At year-end 2005, there were 2,694 warrants on the three markets – an increase of 39%. There were 2,269 warrants in Sweden, 342 in Finland and 83 in Norway.
- In total, 3,387 warrants were listed in 2005. This is a record, and an increase of 54%. There were 2,759 warrants listed in Sweden, 577 in Finland and 51 in Norway.

Stock market performance

In 2005, stock market performance in the Nordic region was very strong. In Sweden the OMXS30™ Index climbed 29.4%, in Norway the OBX Index was up 35.4%, and in Finland the OMXH25™ Index rose by 25.7%.

Warrant turnover in the Nordic region

Total turnover in the Nordic region in 2005 was SEK 15,472m*, compared with SEK 14,235m in 2004. Thus turnover rose by 9%. The breakdown of turnover by country is shown in Table 1.

Table 1: Warrant turnover by country, 2005

Country	Warrant turnover 2005	Warrant turnover 2004	Percentage change
Sweden, SEK m	8,321	9,104	-9%
Finland, EUR m	707	531	33%
Norway, NOK m	501	320	57%

Sources: OMX, Oslo stock exchange, NDX

In Finland and Norway, all-time high turnover figures were noted for the year. The Finnish warrant market was started up in 2000, and the Norwegian in 2001.

* EUR 1 = SEK 9.30, NOK 1 = SEK 1.15. These rate assumptions apply throughout this brochure.

Market shares in the Nordic region by issuer

In 2005, Handelsbanken was again the largest Nordic player by far. Handelsbanken Capital Markets was the largest player on the overall Nordic market, with a share of 42.5% – a small increase from 2004. Table 2 shows the overall market shares for all Nordic issuers in 2005.

Handelsbanken Capital Markets was twice the size of its closest competitor. The other Nordic banks again had very small market shares in 2005. Nordea, FöreningsSparbanken and SEB had a combined market share of 15.5%, compared with Handelsbanken Capital Markets' figure of 42.5%.

Table 2: Market shares in the Nordic region by issuer

Issuer	Market share 2005	Market share 2004	Change
Handelsbanken Capital Markets	42.5%	42.2%	0.3%
UBS	15.4%	21.2%	-5.8%
Société Générale	14.8%	11.7%	3.1%
Nordea	12.0%	5.3%	6.7%
Carnegie	8.0%	1.9%	6.1%
FöreningsSparbanken	3.4%	2.3%	1.1%
Alfred Berg	2.8%	10.3%	-7.5%
Evli	0.7%	0.7%	0.0%
Commerzbank	0.2%	3.6%	-3.4%
SEB	0.1%	0.9%	-0.8%
HQ	0.1%	-	0.1%

Source: OMX, Oslo stock exchange, NDX

Market shares in Sweden by issuer

For the fifth successive year, Handelsbanken Capital Markets was the largest issuer in Sweden, having gained market share during 2005. Carnegie also gained market share, while UBS, Commerzbank and Société Générale all saw their market share decline.

Table 3 shows market shares by issuer in Sweden.

Table 3: Market shares in Sweden by issuer

Issuer	Market share 2005	Market share 2004	Change
Handelsbanken Capital Markets	43.2%	40.8%	2.4%
UBS	28.7%	33.1%	-4.4%
Carnegie	14.8%	2.9%	11.9%
FöreningsSparbanken	6.4%	3.6%	2.8%
Société Générale	3.1%	11.0%	-7.9%
Nordea	2.5%	0.4%	2.1%
Alfred Berg	0.6%	1.2%	-0.6%
Commerzbank	0.4%	5.6%	-5.2%
SEB	0.2%	1.4%	-1.2%
HQ	0.1%	-	0.1%

Source: OMX, NDX

Market shares by issuer in Finland

Table 4 shows market shares by issuer in Finland. For the third successive year, Handelsbanken Capital Markets was the largest issuer in Finland. Alfred Berg saw its market share drop the most, while Société Générale and Nordea were gainers.

Table 4: Market shares by issuer in Finland

Issuer	Market share 2005	Market share 2004	Change
Handelsbanken Capital Markets	36.5%	40.7%	-4.2%
Société Générale	31.0%	13.9%	17.1%
Nordea	25.1%	15.1%	10.0%
Alfred Berg	5.7%	28.2%	-22.5%
Evli	1.7%	2.1%	-0.4%

Source: OMX

Market shares in Norway

Since 2001 Handelsbanken Capital Markets has been the sole issuer of warrants in Norway, and it thus has a 100% market share.

Market shares by stock exchange member in Sweden and Finland

Table 5 shows the market share of each stock exchange member. Here we look at the members which trade the most warrants. E*Trade, Avanza and Nordnet are in the upper reaches of the list. In 2005, E*Trade's market shares were 3.0% for equities and 11.6% for warrants. The corresponding figures for Avanza were 2.0% for equities and 10.3% for warrants. For Nordnet the figures were 1.6% for equities and 11.0% for warrants. This shows that warrants are most popular among private investors.

Table 5: Market shares in Sweden by stock exchange member

Exchange member	Market share 2005	Market share 2004	Change
Handelsbanken Capital Markets	26.7%	24.0%	2.7%
UBS	14.1%	16.2%	-2.1%
E*Trade	11.6%	12.3%	-0.7%
Nordnet	11.0%	9.6%	1.4%
Avanza	10.3%	10.8%	-0.5%
FöreningsSparbanken	7.9%	5.1%	2.8%
Carnegie	7.5%	1.7%	5.8%
Société Générale	2.9%	8.0%	-5.1%
Nordea	2.4%	1.4%	1.0%
Enskilda Securities	1.5%	2.6%	-1.1%
SkandiaBanken	1.4%	2.3%	-0.9%
Fischer Partners	1.2%	1.7%	-0.5%
Alfred Berg	0.3%	0.6%	-0.3%
Commerzbank	0.2%	1.7%	-1.5%
Kaupthing	0.2%	1.1%	-0.9%

Source: OMX, NDX

In Finland, eQ is the dominant player among the stock exchange members. In 2005, eQ's market share in Finland was 3.4% for equities, but 32.1% for warrants. Table 6 shows market shares by stock exchange member in Finland.

Table 6: Market shares in Finland by stock exchange member

Exchange member	Market share 2005	Market share 2004	Change
eQ	32.1%	26.7%	5.4%
Handelsbanken Capital Markets	17.4%	20.4%	-3.0%
Société Générale	16.0%	7.7%	8.3%
Nordnet	15.3%	10.2%	5.1%
FIM Securitates	4.7%	8.0%	-3.3%
Mandatum	4.1%	6.2%	-2.1%
Opstock	3.0%	1.3%	1.7%
Alfred Berg	2.7%	14.0%	-11.3%
Evli	1.5%	2.7%	-1.2%

Source: OMX

Most traded underlying assets

Table 7 shows the diversification of the warrant market in Sweden. Turnover in warrants with Ericsson and Nokia as the underlying assets decreased sharply. At the same time, there was increased interest in warrants on AstraZeneca, Lundin Petroleum and Volvo. Together, the ten underlying assets with the highest turnover made up 76.8% of total turnover in warrants in 2005.

Table 7: Most traded underlying assets in Sweden

Underlying asset	Proportion of total turnover 2005	Proportion of total turnover 2004
Ericsson B	19.7%	39.6%
OMXS30™	10.5%	4.5%
AstraZeneca	10.3%	4.8%
Hennes & Mauritz B	8.8%	8.1%
Nokia	5.4%	17.4%
Lundin Petroleum	5.3%	-
Volvo B	4.5%	-
Tele2 B	4.4%	3.4%
Skandia	4.2%	5.8%
Electrolux	3.7%	-

Source: Handelsbanken

In 2005, Nokia remained the most popular underlying asset in Finland, but interest in it declined sharply. The German DAX® Index, Sampo and Neste Oil became very popular underlying assets. Table 8 shows the most traded underlying assets in Finland.

Table 8: Most traded underlying assets in Finland

Underlying asset	Proportion of total turnover 2005	Proportion of total turnover 2004
Nokia	29.3%	74.1%
DAX® index	21.8%	-
Sampo	16.6%	-
Neste Oil	14.8%	-
UPM	3.8%	4.7%
TeliaSonera	3.6%	8.3%
StoraEnso	3.5%	7.9%

Source: Handelsbanken Capital Markets

In Norway, interest increased mainly in Norsk Hydro and Statoil warrants. Table 9 shows the most traded underlying assets in Norway.

Table 9: Most traded underlying assets in Norway

Underlying asset	Proportion of total turnover 2005	Proportion of total turnover 2004
Norsk Hydro	32.5%	21.9%
Tomra	26.4%	31.9%
Statoil	20.2%	4.8%
Norske Skog	7.0%	13.1%
Tandberg	4.1%	-
Orkla	2.9%	4.7%
Kvaerner	2.6%	7.7%

Source: Handelsbanken Capital Markets

The total numbers of warrants and new warrants during the year

The total number of warrants listed in Sweden during the year increased by 736, or 48%. On 1 January 2005 there were 1,533 warrants listed on stock markets in Sweden; on 31 December 2005 there were 2,269. Handelsbanken Capital Markets had most warrants listed, followed by Carnegie and UBS. Neither Alfred Berg nor SEB had any warrants at year-end, which meant that the number of warrant issuers in Sweden had dropped to eight. Table 10 shows the numbers of warrants by issuer in Sweden.

Table 10: Numbers of warrants by issuer in Sweden

Issuer	No. warrants as at 31 Dec 2005	No. warrants as at 31 Dec 2004	Change
Handelsbanken Capital Markets	813	358	455
Carnegie	742	102	640
UBS	407	599	-192
FöreningsSparbanken	181	152	29
Nordea	67	50	17
Société Générale	50	91	-41
Commerzbank	6	115	-109
HQ	3	0	3
SEB	0	42	-42
Alfred Berg	0	24	-24
Total	2,269	1,533	736

Source: OMX, NDX

The total number of warrants listed in Finland during the year increased by 13, or 4%. On 1 January 2005 there were 329 warrants listed on the Helsinki stock exchange; on 31 December 2005 there were 342. Handelsbanken Capital Markets had more than twice as many warrants as the number two issuer, Nordea. Table 11 shows the numbers of warrants by issuer in Finland.

Table 11: Numbers of warrants by issuer in Finland

Issuer	No. warrants as at 31 Dec 2005	No. warrants as at 31 Dec 2004	Change
Handelsbanken Capital Markets	160	139	21
Nordea	74	116	-42
Alfred Berg	69	27	42
Société Générale	32	40	-8
Evli	7	7	0
Total	342	329	13

Source: OMX

Handelsbanken Capital Markets had 83 warrants on the Oslo stock exchange at year-end.

Table 12: Numbers of warrants by issuer in Norway

Issuer	No. warrants as at 31 Dec 2005	No. warrants as at 31 Dec 2004	Change
Handelsbanken Capital Markets	83	71	12
Total	83	71	12

During 2005, 2,759 new warrants were issued in Sweden; this was a record, and a sharp increase from 2004. Handelsbanken Capital Markets and Carnegie issued most new warrants. HQ entered the warrant market during the year. At the same time, neither Alfred Berg nor SEB issued any new warrants. Table 13 shows the numbers of new warrants in Sweden.

Table 13: Numbers of new warrants in Sweden

Issuer	No. new warrants issued during 2005	No. new warrants issued during 2004	Change
Carnegie	1 088	140	948
Handelsbanken Capital Markets	968	366	602
FöreningsSparbanken	222	182	40
UBS	184	562	-378
Nordea	178	50	128
Société Générale	110	188	-78
Commerzbank	6	129	-123
HQ	3	0	3
Alfred Berg	0	45	-45
SEB	0	40	-40
Total	2,759	1,702	1,057

Source: OMX, NDX

In Finland, 577 new warrants were issued during 2005 – also a record.

Table 14: Numbers of new warrants in Finland

Issuer	No. new warrants issued during 2005	No. new warrants issued during 2004	Change
Handelsbanken Capital Markets	246	177	69
Alfred Berg	131	62	69
Société Générale	94	101	-7
Nordea	86	122	-36
Evli	20	0	20
Total	577	462	115

Source: OMX

Handelsbanken Capital Markets issued 51 new warrants in Norway in 2005.

Table 15: Numbers of new warrants in Norway

Issuer	No. new warrants issued during 2005	No. new warrants issued during 2004	Change
Handelsbanken Capital Markets	51	31	20
Total	51	31	20

Source: Handelsbanken

Summary

The turnover of warrants in the Nordic region increased during 2005. In Norway and Finland turnover went up sharply, while in Sweden it decreased slightly. For the fifth successive year Handelsbanken Capital Markets was the largest player on the Swedish warrant market, with a share of 43.2%. Handelsbanken Capital Markets was also the largest issuer in Finland and Norway, making it by far the largest warrant issuer in the Nordic region. The total numbers of warrants issued also increased in all the Nordic countries. During the year Alfred Berg and SEB ceased to be warrant issuers in Sweden, while HQ entered the market. Ericsson and Nokia remain the most popular underlying assets in Sweden. However, new underlying assets, particularly in Finland, have attracted a great deal of attention. In Norway, the oil-related stocks Norsk Hydro and Statoil accounted for half the turnover.

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Handelsbanken Capital Markets

Peter Frösell, Structured Derivatives, Tel: +46 8 701 31 22, e-mail: pefr10@handelsbanken.se, www.handelsbanken.se/warrants

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