

European structured securities market reports strong turnover growth

European structured product exchanges generate EUR 27.8 billion turnover / new issuance significantly higher

Exchange turnover in investment products and leverage products on Europe's financial markets was up at the end of the fourth quarter 2018. Compared with the third quarter, turnover rose 22.0 percent to EUR 27.8 billion. However, this represented a 4.0 percent decrease year on year. This is one of the outcomes of an analysis by Derivative Partners AG of the latest market data collected by the European Structured Investment Products Association (EUSIPA) from its members.

The members of EUSIPA, who provide the figures for the market report, include: Zertifikate Forum Austria (ZFA), Belgian Structured Investment Products Association (BELSIPA), Association française des produits d'investissement de détail et de bourse (AFPDB), Deutscher Derivate Verband (DDV), Associazione Italiana Certificati e Prodotti di Investimento (ACEPI), Swedish Exchange Traded Investment Products Association (SETIPA), Swiss Structured Products Association (SSPA) and the Netherlands Structured Investment Products Association (NEDSIPA).

Fourth-quarter turnover in investment products recorded by the European exchanges amounted to EUR 10.0 billion – 36.0 percent of the total. The figure was 22.0 percent higher than the previous quarter, but down 29.0 percent year on year.

Turnover in the leverage products segment (Warrants, Knock-Out Warrants, Factor Certificates, etc.) totalled EUR 17.8 billion in the period from October to December. This corresponded to 64.0 percent of aggregate turnover. Leverage product turnover grew 21.0 percent quarter on quarter, and 20.0 percent year on year.

At the end of December, exchanges located in EUSIPA member countries were offering 557,105 investment products and 1,274,323 leverage products. The total listed products offering grew by a slight 5.0 percent quarter on quarter, and 7.0 percent year on year.

Banks issued 1,453,226 new investment and leverage products in the fourth quarter. This was a 29.0 percent increase in new issuance on the July to September period and a full 48.0 percent increase year on year. In total, 209,001 new investment products were launched, accounting for 14.4 percent of new issuance; 1,244,225 new leverage products were listed, accounting for 85.6 percent of the total.

At the end of the fourth quarter, in Austria, Belgium, Germany and Switzerland, the market volume of investment and leverage products recognised as securities totalled EUR 250.3 billion – a 4.0 percent decline both on the previous quarter and year on year.

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At the end of December, the market volume of investment products was EUR 243.7 billion, a decrease of 4.0 percent on the previous quarter. However, volume was up 8.0 percent year on year.

The outstanding volume of leverage products totalled EUR 6.6 billion at the end of December, down 15.0 percent on the third quarter and 81.0 percent year on year.

About EUSIPA

EUSIPA represents the interests of the European structured investment products business. The focal point of its activities are derivative instruments such as structured investment products and warrants. EUSIPA makes efforts to create an attractive and fair regulatory framework for these financial products.

The umbrella association acts as a contact for politicians and the European Securities and Markets Authority (ESMA) in all questions concerning structured products. Whenever the need arises, the association is at hand to provide expert advice and opinions, thus playing an active role in the opinion process on the political level.

Greater protection for investors as well as more comprehensible and transparent products are important concerns for the association. Together with its members, it is actively engaged in promoting Europe-wide standards throughout the sector. These include clear product classification, standardised technical terms and a broad commitment among the member associations to abide by a code of practice for the sector.

The members of EUSIPA that provide the information for the market report are:



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EUSIPA Market Report on structured investment products

Q4/2018



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1. Highlights

Exchange Turnover: Increasing turnover

The overall exchange turnover increased to 27.79 bn EUR in the fourth quarter of 2018, which is a plus of 22% compared to the last quarter (23 bn EUR in Q3/2018). Leverage Products accounted in Q4 2018 for a turnover of 17.8 bn EUR (an increase of 21% versus Q3 2018 and an increase of 20% compared to the equivalent last year quarter).

Outstanding Volume: Slightly decreasing volume

The Q4 2018 figures for the Austrian, Belgian, German and Swiss² markets indicate globally a total amount of 250.3 bn EUR, which is a decrease of 4% compared to the third quarter of 2018. The volume in leverage products which always is significantly smaller compared to the volume of investment products and more volatile, decreased by 81% compared with the equivalent fourth year quarter in 2017 and 15% compared with preceding Q3 2018. While it seems an overall trend throughout the past quarters, the high decrease on an annual basis can be mainly attributed to the leverage products market in Switzerland.

Number of New Listings: Increasing activity

Compared to the third quarter of 2018 the number of new listings during Q4 2018 are increasing (1'453'226 products in Q4 2018 versus 1'127'704 products in Q3 2018). Whereas 86% of all new listed products were issued in the leveraged product segment, investment products obtained a share of 14%. For leverage products, the number of new listings increased by 48% on a year-to-year basis and 29% quarter-on-quarter. For investment products, the number of new listings increased by 26% compared to the previous quarter and 47% compared to the equivalent last year quarter.










Number of Products: Slightly Increasing for number of listed products

1'831'428 products were listed in Q4 2018 in EUSIPA member countries, which is a slight increase by 5% compared to the third quarter of 2018 and by 7% seen on year-to-year. The number of listed leverage products increased in this timeframe by 8% while the number of listed investment products increased by 7%.

¹ The German figures are sourced in from the 16 issuers assembled under the roof of Deutsche Derivate Verband (DDV) and entail assets from the sales of listed note-based structured retail products to customers based in Germany. The 16 issuers cover more than 90% of the German market in these products.

² The Swiss figures are sourced in from the Swiss National Bank and represent all assets in listed note-based structured retail products held in Swiss depots of issuers domiciled in Switzerland. The figures include therefore, to a small extent, also assets from product sales of these issuers outside Switzerland. The Swiss National Bank has extended the circle of the reportable institutions for the statistics of the securities held in bank's client deposits. The survey group consists now also of institutions with a special field of business. In case of such institutions with a special field of business and especially for deposits which are stored centrally there are only securities included that are not already stored at another reportable bank and reported by it.

2. Quarterly overview (Q4/2018)

	 Austria	 Belgium	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland ¹	 EUSIPA
Exchange Turnover (Mio. EUR)									
1 Investment Products	186	1'121	62	4'339	1'417	20	254	2'606	10'004
11 Capital Protected	n/a	n/a	0	49	n/a	0	1	34	84
12 Yield-Enhancement	n/a	n/a	42	2'177	n/a	18	0	744	2'982
13 Participation	n/a	n/a	20	2'079	n/a	2	232	1'794	4'127
199 Various	n/a	n/a	0	33	n/a	0	21	33	88
2 Leverage Products	9	40	1'281	5'830	3'400	1'463	4'190	1'568	17'781
21 Without Knock-Out	n/a	n/a	323	1'504	n/a	20	24	n/a	1'871
22 With Knock-Out	n/a	n/a	725	3'587	n/a	1'430	1'558	n/a	7'300
23 Constant Leverage	n/a	n/a	233	739	n/a	12	2'608	n/a	3'592
Various	n/a	n/a	0	n/a	n/a	0	0	n/a	0
Total	195	1'161	1'343	10'168	4'817	1'483	4'444	4'174	27'785
Total change - Δ in % to Q4/17 ²	48	20	32	2	-31	13	-11	16	-4
Total change - Δ in % to Q3/18 ³	27	75	53	12	9	16	17	61	22
Outstanding Volume (Mio. EUR)									
1 Investment Products	13'379	15'156	n/a	61'583	n/a	n/a	n/a	153'597	243'714
11 Capital Protected	n/a	n/a	n/a	25'175	n/a	n/a	n/a	48'561	73'736
12 Yield-Enhancement	n/a	n/a	n/a	26'537	n/a	n/a	n/a	59'199	85'736
13 Participation	n/a	n/a	n/a	4'613	n/a	n/a	n/a	43'896	48'509
199 Various	n/a	n/a	n/a	5'258	n/a	n/a	n/a	1'941	7'199
2 Leverage Products	122	2	n/a	1'383	n/a	n/a	n/a	5'084	6'591
21 Without Knock-Out	n/a	n/a	n/a	544	n/a	n/a	n/a	n/a	544
22 With Knock-Out	n/a	n/a	n/a	595	n/a	n/a	n/a	n/a	595
23 Constant Leverage	n/a	n/a	n/a	245	n/a	n/a	n/a	n/a	245
Various	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
Total	13'500	15'158	n/a	62'966	n/a	n/a	n/a	158'681	250'305
Total change - Δ in % to Q4/17 ²	6	5	n/a	-1	n/a	n/a	n/a	-7	-4
Total change - Δ in % to Q3/18 ³	0	2	n/a	-5	n/a	n/a	n/a	-5	-4










¹ Please note that the product category 'Investment Products with Reference Entities' exists only in Switzerland. Values for this category are therefore shown as 'Various Investment Products'.

² Field indicates per cent change between Q4/2018 and equivalent last year quarter Q4/2017.

³ Field indicates per cent change between reporting quarter Q4/2018 and previous quarter Q3/2018.

Source: Country Associations, Derivative Partners

2. Quarterly overview (Q4/2018)

	 Austria	 Belgium	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland ¹	 EUSIPA
Number of New Listings on Exchange									
1 Investment Products	714	101	501	204'094	692	217	21	2'661	209'001
11 Capital Protected	n/a	n/a	0	45	n/a	0	0	34	79
12 Yield-Enhancement	n/a	n/a	468	107'627	n/a	164	8	2'520	110'787
13 Participation	n/a	n/a	33	96'335	n/a	53	9	90	96'520
199 Various	n/a	n/a	0	87	n/a	0	4	17	108
2 Leverage Products	1'006	835	44'447	1'158'361	2'333	18'706	9'762	8'775	1'244'225
21 Without Knock-Out	335	n/a	11'660	239'243	n/a	146	3'084	n/a	254'468
22 With Knock-Out	671	n/a	32'640	912'090	n/a	18'538	6'267	n/a	970'206
23 Constant Leverage	0	n/a	147	7'028	n/a	22	411	n/a	7'608
Various	0	n/a	0	n/a	n/a	0	0	n/a	0
Total	1'720	936	44'948	1'362'455	3'025	18'923	9'783	11'436	1'453'226
Total change - Δ in % to Q4/17 ²	228	76	97	47	-40	104	90	24	48
Total change - Δ in % to Q3/18 ³	4	20	-13	31	-8	50	60	27	29
Number of Exchange Listed Products									
1 Investment Products	3'502	1'537	1'640	530'073	3'750	408	574	15'621	557'105
11 Capital Protected	n/a	n/a	0	1'082	n/a	7	94	551	1'734
12 Yield-Enhancement	n/a	n/a	1'510	315'955	n/a	256	77	13'037	330'835
13 Participation	n/a	n/a	130	211'412	n/a	145	349	1'663	213'699
199 Various	n/a	n/a	0	1'624	n/a	0	54	370	2'048
2 Leverage Products	4'033	834	43'725	1'157'142	6'966	19'746	16'258	25'619	1'274'323
21 Without Knock-Out	1'822	n/a	20'492	634'932	n/a	263	4'135	n/a	661'644
22 With Knock-Out	2'211	n/a	22'459	496'737	n/a	19'213	7'702	n/a	548'322
23 Constant Leverage	0	n/a	774	25'473	n/a	270	4'396	n/a	30'913
Various	0	n/a	0	n/a	n/a	0	25	n/a	25
Total	7'535	2'371	45'365	1'687'215	10'716	20'154	16'832	41'240	1'831'428
Total change - Δ in % to Q4/17 ²	-7	2	14	7	22	1	24	30	7
Total change - Δ in % to Q3/18 ³	-7	3	4	5	-5	3	9	16	5

¹ Please note that the product category 'Investment Products with Reference Entities' exists only in Switzerland. Values for this category are therefore shown as 'Various Investment Products'.

² Field indicates per cent change between Q4/2018 and equivalent last year quarter Q4/2017.

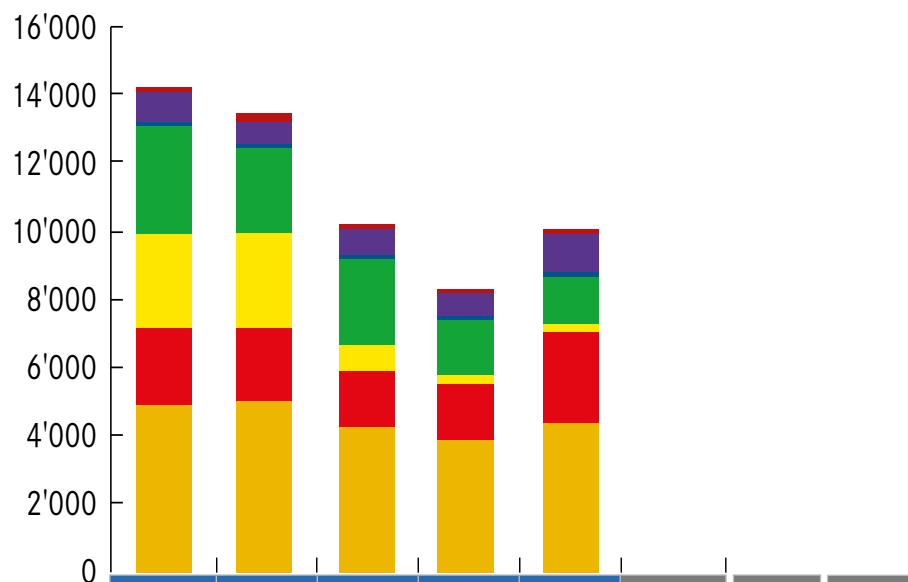
³ Field indicates per cent change between reporting quarter Q4/2018 and previous quarter Q3/2018.

Source: Country Associations, Derivative Partners

3. Exchange turnover

Investment Products

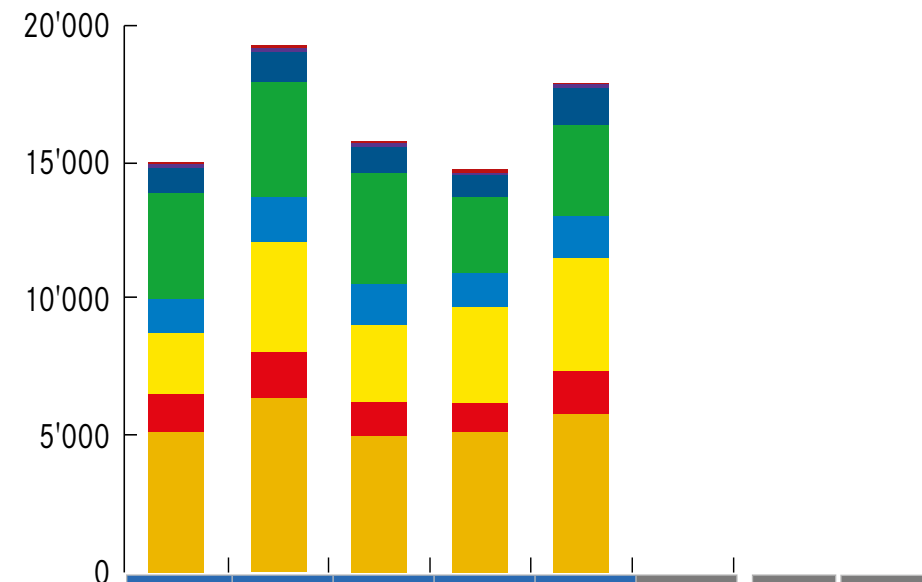
in Mio. EUR



	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Total 2018	Δ% 4/17 ¹	Δ% 3/18 ²
Austria	123	174	154	141	186	655	51%	32%
Belgium	949	741	764	634	1'121	3'260	18%	77%
France	83	77	89	47	62	275	-25%	32%
Italy	3'177	2'482	2'578	1'581	1'417	8'058	-55%	-10%
Netherlands	10	15	16	33	20	84	100%	-39%
Sweden	2'720	2'722	657	334	254	3'967	-91%	-24%
Switzerland	2'217	2'159	1'724	1'524	2'606	8'013	18%	71%
Germany	4'905	4'996	4'195	3'917	4'339	17'447	-12%	11%
Total	14'184	13'366	10'177	8'211	10'005	41'759	-29%	22%

Leverage Products

in Mio. EUR



	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Total 2018	Δ% 4/17 ¹	Δ% 3/18 ²
Austria	8	11	9	12	9	41	10%	-25%
Belgium	18	36	25	30	40	131	122%	33%
France	935	1'159	1'046	833	1'281	4'319	37%	54%
Italy	3'839	4'182	3'944	2'855	3'400	14'381	-11%	19%
Netherlands	1'308	1'722	1'516	1'247	1'463	5'948	12%	17%
Sweden	2'259	4'004	2'781	3'455	4'190	14'430	85%	21%
Switzerland	1'383	1'590	1'304	1'072	1'568	5'534	13%	46%
Germany	5'097	6'437	5'009	5'136	5'830	22'412	14%	14%
Total	14'847	19'141	15'634	14'640	17'781	67'196	20%	21%

Source: Country Associations, Derivative Partners

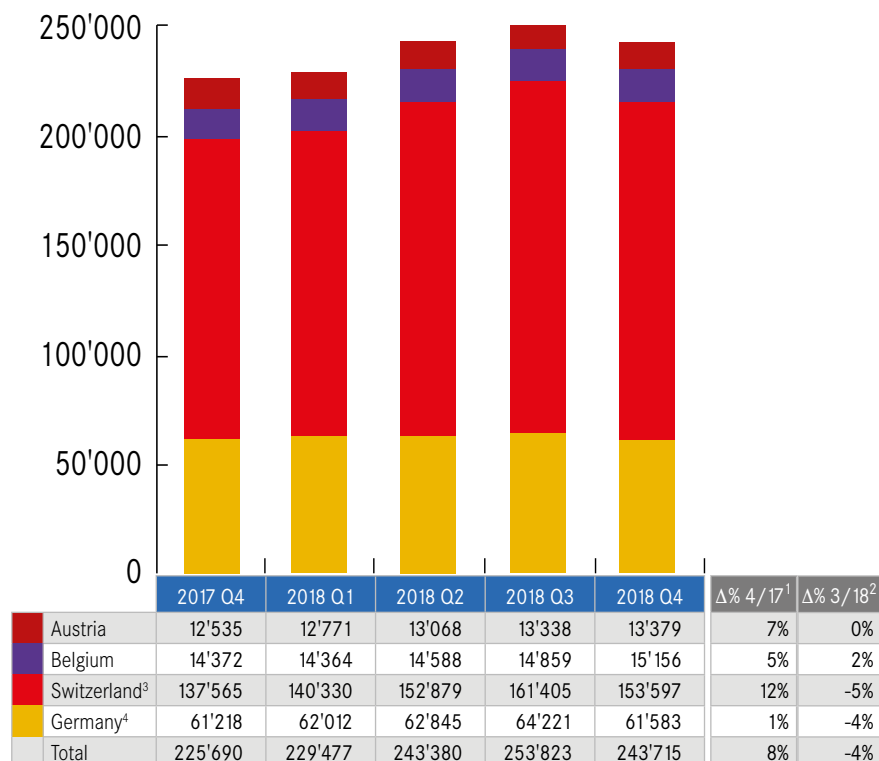
¹ Field indicates per cent change between Q4/2018 and equivalent last year quarter Q4/2017.

² Field indicates per cent change between reporting quarter Q4/2018 and previous quarter Q3/2018.

4. Outstanding volume

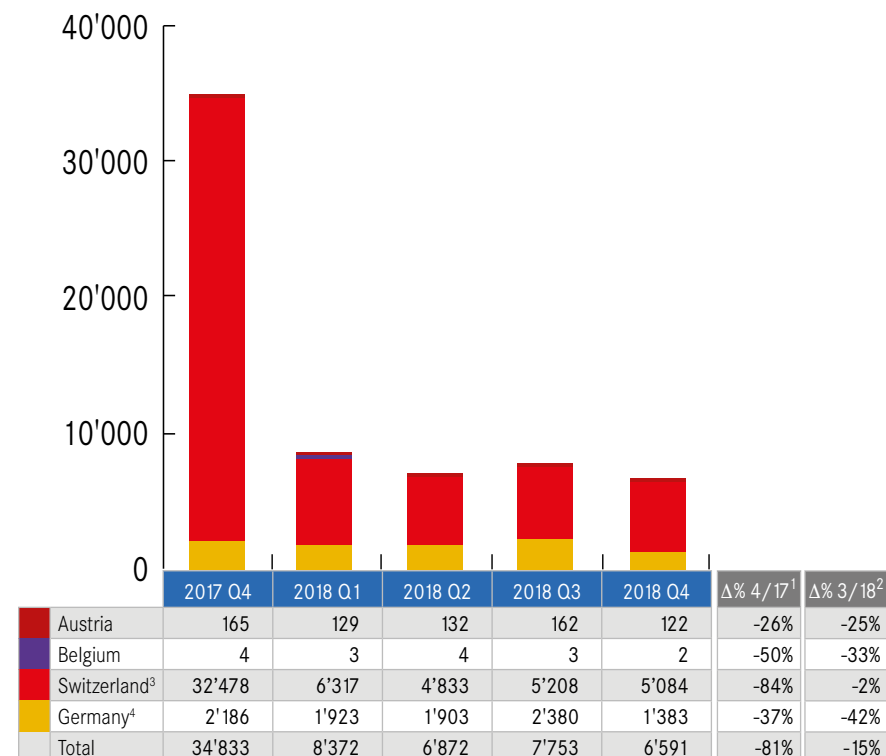
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

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² Field indicates per cent change between reporting quarter Q4/2018 and previous quarter Q3/2018.

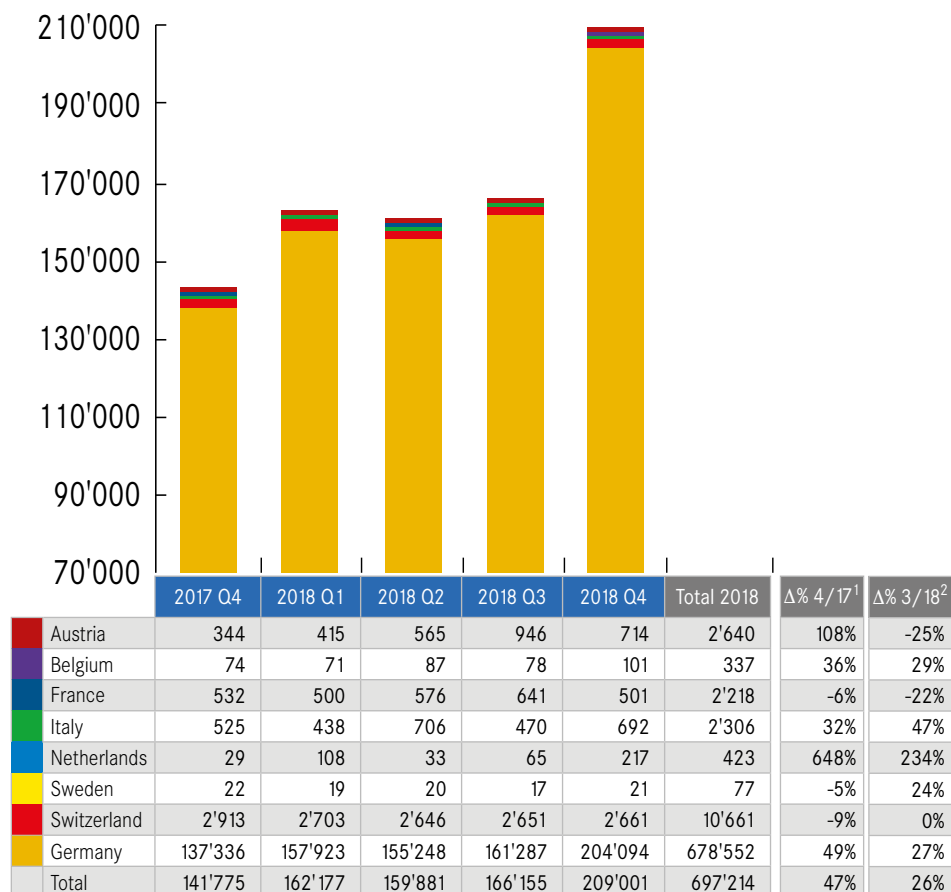
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The figures include therefore, to a small extent, also assets from product sales of these issuers outside Switzerland.

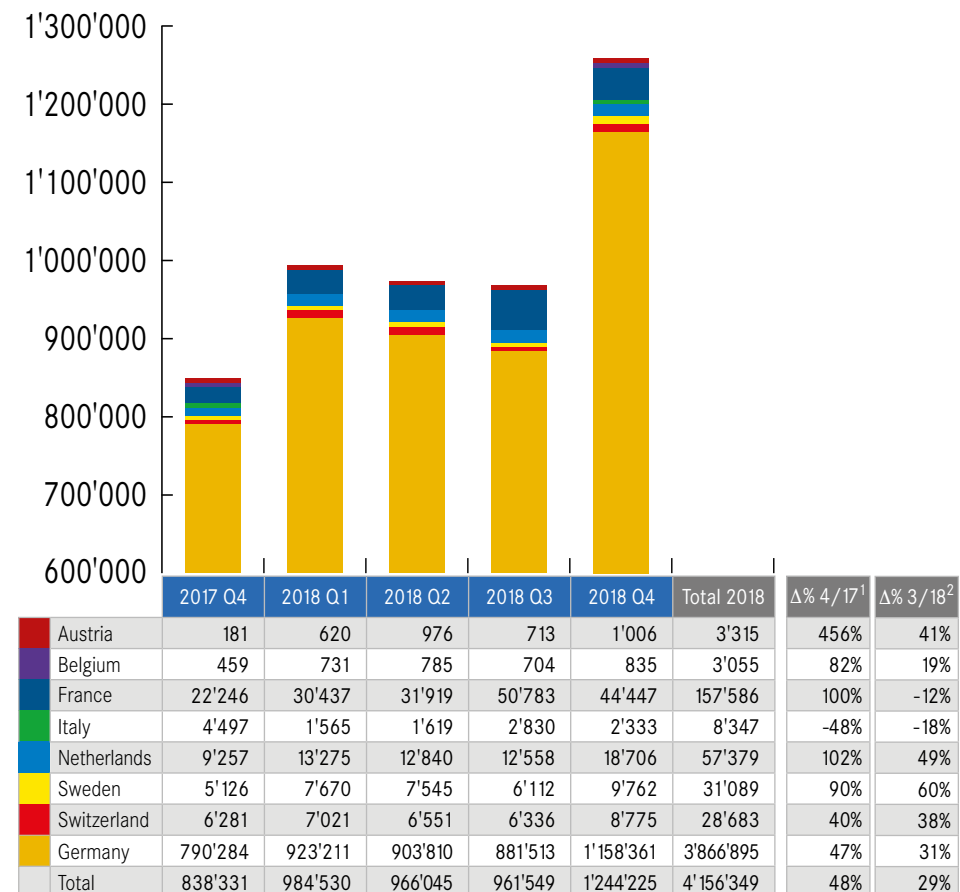
⁴ The German figures are sourced in from the 16 issuers assembled under the roof of Deutsche Derivate Verband (DDV) and entail assets from the sales of listed note-based structured retail products to customers based in Germany.

5. Number of new listings on exchange

Investment Products



Leverage Products



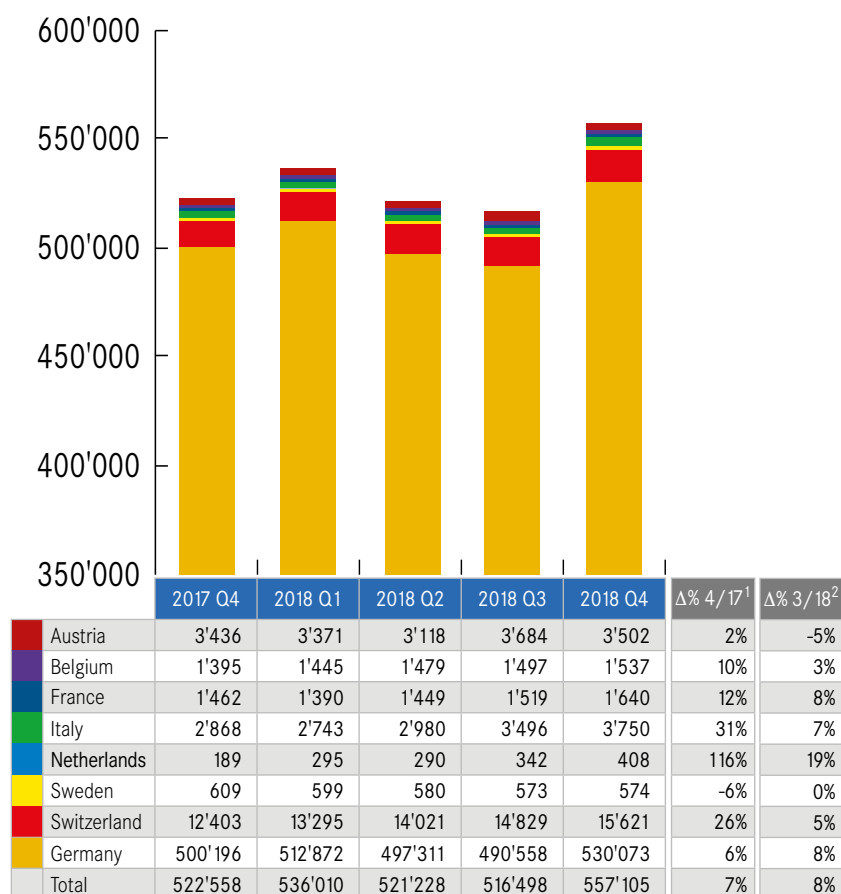
Source: Country Associations, Derivative Partners

¹ Field indicates per cent change between Q4/2018 and equivalent last year quarter Q4/2017.

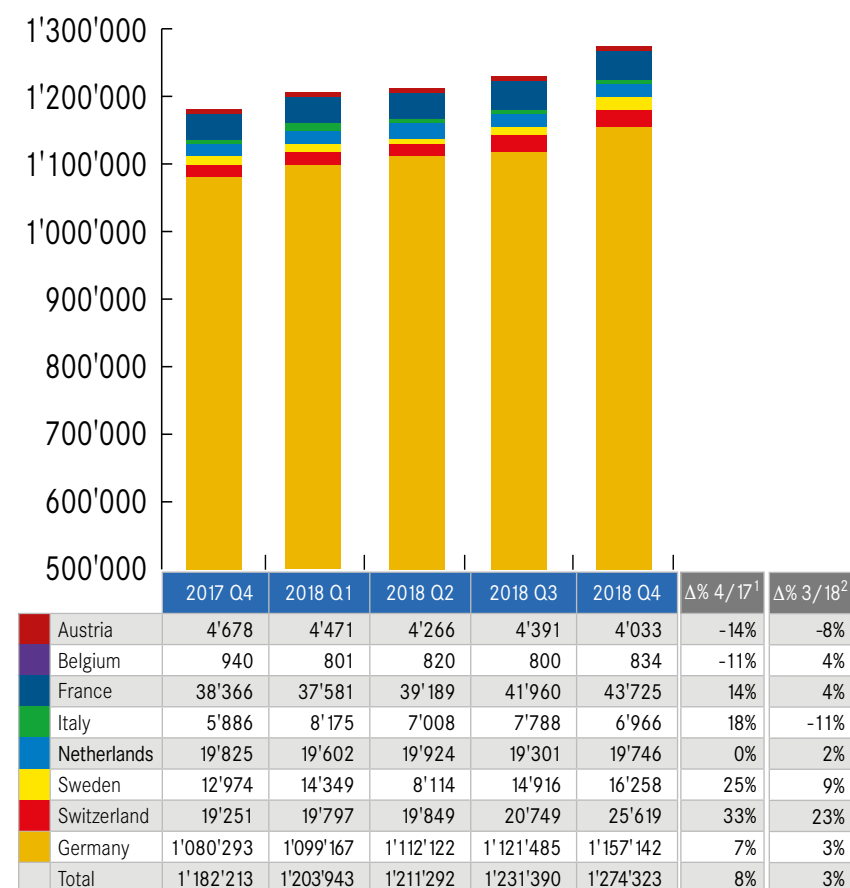
² Field indicates per cent change between reporting quarter Q4/2018 and previous quarter Q3/2018.

6. Number of exchange listed products

Investment Products



Leverage Products



Source: Country Associations, Derivative Partners

¹ Field indicates per cent change between Q4/2018 and equivalent last year quarter Q4/2017.

² Field indicates per cent change between reporting quarter Q4/2018 and previous quarter Q3/2018.

7. Appendix

Data sources

EUSIPA Members

Derivative Partners AG

Key date is 31 December 2018. The exchange rates for CHF/EUR and SEK/EUR are defined at the last trading day of each quarter.

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Further information about Structured Investment Products is provided by the country associations on their websites:

Austria

Zertifikate Forum Austria (ZFA)

www.zertifikateforum.at



France

Association française des produits d'investissement de détail et de bourse (AFPDB)

www.afpdb.org



Germany

Deutscher Derivate Verband (DDV)

www.derivateverband.de



Italy

Associazione Italiana Certificati e prodotti di Investimento (ACEPI)

www.acepi.it



Netherlands

Netherlands Structured Investment Products Association (NEDSIPA)

www.nedsipa.nl



Sweden

Swedish exchange-traded investment products association (SETIPA)

www.setipa.se



Switzerland

Swiss Structured Products Association (SSPA)

www.svsp-verband.ch



Belgium

Belgian Structured Investment Products Association (BELSIPA)

www.belsipa.be

