

## European structured securities market reports turnover growth in leverage products

Aggregate investment on European structured product exchanges reaches almost EUR 257 billion / product issuance up markedly

**Exchange turnover in structured investment and leverage products** on Europe's financial markets stood at EUR 27.6 billion at the end of September 2017. This represents a significant 6.0 percent increase year on year. Turnover fell 5.0 percent from the second quarter of the year. This is one of the outcomes of Derivative Partners AG's analysis of the latest market data collected by the European Structured Investment Products Association (EUSIPA) from its members.

The EUSIPA members providing information for the market report are: Zertifikate Forum Austria (ZFA), Belgian Structured Investment Products Association (BELSIPA), Association Française des Produits Dérivés 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).

Third-quarter turnover in investment products trading on European exchanges amounted to EUR 10.2 billion, 37.0 percent of the total. Exchange turnover was down 19.0 percent quarter on quarter, but up 4.0 percent on the same quarter of 2016.

Leverage product turnover (Warrants, Knock-Out Warrants, Factor Certificates, etc) totalled EUR 17.4 billion from July to September. This corresponded to 63.0 percent of aggregate turnover. Leverage product turnover was up 6.0 percent on the second quarter of 2017 and 7.0 percent year on year.

At the end of September, exchanges located in EUSIPA member countries were offering 565,533 investment products and 1,127,562 leverage products. The total listed products offering rose 7.0 percent quarter on quarter, and a significant 23.0 percent year on year.

Banks issued 944,879 new investment and leverage products in the third quarter of the year, up 8.0 percent on April-June 2017 and 13.0 percent year on year. In total, 160,426 new investment products were launched, accounting for 17.0 percent of all new issues; the 784,453 new leverage products accounted for 83.0 percent of aggregate new listings.

At the end of the third quarter, in Austria, Belgium, Germany and Switzerland, **the market volume of investment and leverage products** recognised as securities came in at EUR 256.6 billion – a 1.0 percent drop on the previous quarter, though stable in comparison with the third quarter of 2016.

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At the end of September, the market volume of investment products amounted to EUR 222.1 billion, a 1.0 percent decrease from the end of the prior quarter. On a year-on-year basis, however, market volume was up 3.0 percent.

The outstanding volume of leverage products totalled EUR 34.5 billion at the end of September, down 4.0 percent from the previous quarter and down 13.0 percent on the same period of 2016.

## About EUSIPA

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

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

Greater protection for investors and 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 sector code of practice.

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



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# EUSIPA Market Report

## on structured investment products

Q3/2017



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# 1. Highlights

## Exchange Turnover: Increasing turnover year-to-year

On year-to-year basis the overall exchange turnover increased to 27.59 bn EUR in the third quarter of 2017, which is a plus of 6% compared on a year-to-year basis (26 bn EUR in Q3/2016). Leverage Products accounted in Q3 2017 for a turnover of 17.39 bn EUR (an increase of 7% versus Q3 2016). The turnover in Investment products amounted to 10.20 bn EUR, which is an increase of 4% compared to the third quarter of 2016.

## Outstanding Volume: Slightly decreasing volume year-to-year

The Q3 2017 figures for the Austrian, Belgian, German<sup>1</sup> and Swiss<sup>2</sup> markets indicates globally no changes compared to the third quarter of 2016. On a year-to-year basis the volume of investment products increased by 3% but remained largely stable compared to the previous quarter Q2 2017. The volume in leverage products which always is significantly smaller compared to the volume of investment products, decreased by 13% compared with the previous year and by 4% compared with preceding Q2 2017.

## Number of New Listings: Lower issuance activity

Compared to the second quarter of 2017 the number of new listings during Q3 2017 has risen slightly by 13% (944'879 products in Q3 2017 versus 878'000 products in Q2 2017). Whereas 83% of all new listed products were issued in the leveraged product segment, investment products obtained a share of 17%. For leverage products, the number of new listings increased by 7% compared to the previous quarter and by 21% on a year-to-year basis. For investment products, the number of new listings increased by 9% compared to the previous quarter.










## Number of Products: Slightly increasing numbers

At the end of Q3 2017 a total of 1'693'095 products were listed in EUSIPA member countries, resulting in an increase of 7% compared to the second quarter of 2017 and by 23% compared on a year-to-year basis. Measured on a year-to-year basis the number of listed leverage products increased by 36% while the number of listed investment products increased slightly by 3%.

<sup>1</sup> 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.

<sup>2</sup> 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 (Q3/2017)

	 Austria	 Belgium	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland <sup>1</sup>	 EUSIPA
<b>Exchange Turnover (Mio. EUR)</b>									
1 Investment Products	92	637	62	4'413	2'845	12	284	1'850	10'195
11 Capital Protected	n/a	n/a	0	54	n/a	0	0	23	76
12 Yield-Enhancement	n/a	n/a	43	2'383	n/a	8	0	889	3'323
13 Participation	n/a	n/a	19	1'947	n/a	4	275	903	3'148
199 Various	n/a	n/a	0	30	n/a	0	9	35	74
2 Leverage Products	9	15	980	4'666	3'843	1'147	5'386	1'348	17'394
21 Without Knock-Out	n/a	n/a	232	1'307	n/a	27	69	n/a	1'634
22 With Knock-Out	n/a	n/a	566	2'775	n/a	1'118	1'835	n/a	6'294
23 Constant Leverage	n/a	n/a	183	584	n/a	2	3'301	n/a	4'069
Various	n/a	n/a	0	n/a	n/a	0	182	n/a	182
<b>Total</b>	<b>101</b>	<b>652</b>	<b>1'042</b>	<b>9'079</b>	<b>6'688</b>	<b>1'158</b>	<b>5'671</b>	<b>3'198</b>	<b>27'590</b>
Total change - Δ in % to Q3/16 <sup>2</sup>	5	-26	12	-3	29	10	15	-10	6
Total change - Δ in % to Q2/17 <sup>3</sup>	-32	-32	-14	-10	-6	-13	27	-15	-5
<b>Outstanding Volume (Mio. EUR)</b>									
1 Investment Products	11'955	14'184	n/a	62'287	n/a	n/a	n/a	133'667	222'093
11 Capital Protected	n/a	n/a	n/a	22'699	n/a	n/a	n/a	37'819	60'518
12 Yield-Enhancement	n/a	n/a	n/a	27'363	n/a	n/a	n/a	50'895	78'258
13 Participation	n/a	n/a	n/a	5'777	n/a	n/a	n/a	43'474	49'251
199 Various	n/a	n/a	n/a	6'448	n/a	n/a	n/a	1'479	7'927
2 Leverage Products	145	3	n/a	2'052	n/a	n/a	n/a	32'251	34'451
21 Without Knock-Out	n/a	n/a	n/a	739	n/a	n/a	n/a	n/a	739
22 With Knock-Out	n/a	n/a	n/a	970	n/a	n/a	n/a	n/a	970
23 Constant Leverage	n/a	n/a	n/a	343	n/a	n/a	n/a	n/a	343
Various	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
<b>Total</b>	<b>12'100</b>	<b>14'187</b>	<b>n/a</b>	<b>64'339</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>165'918</b>	<b>256'544</b>
Total change - Δ in % to Q3/16 <sup>2</sup>	19	2	n/a	2	n/a	n/a	n/a	-2	0
Total change - Δ in % to Q2/17 <sup>3</sup>	16	-2	n/a	1	n/a	n/a	n/a	-3	-1










<sup>1</sup> 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'.

<sup>2</sup> Field indicates per cent change between Q3/2017 and equivalent last year quarter Q3/2016.

<sup>3</sup> Field indicates per cent change between reporting quarter Q3/2017 and previous quarter Q2/2017.

Source: Country Associations, Derivative Partners

## 2. Quarterly overview (Q3/2017)

	 Austria	 Belgium	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland <sup>1</sup>	 EUSIPA
<b>Number of New Listings on Exchange</b>									
1 Investment Products	342	62	230	156'729	332	57	25	2'649	160'426
11 Capital Protected	n/a	n/a	0	13	n/a	2	n/a	11	26
12 Yield-Enhancement	n/a	n/a	220	74'986	n/a	30	n/a	2'552	77'788
13 Participation	n/a	n/a	10	81'669	n/a	25	0	83	81'787
199 Various	n/a	n/a	0	61	n/a	0	25	3	89
2 Leverage Products	578	275	19'037	741'420	614	8'325	8'021	6'183	784'453
21 Without Knock-Out	324	n/a	7'145	209'930	n/a	206	3'366	n/a	220'971
22 With Knock-Out	254	n/a	11'840	531'054	n/a	8'113	4'322	n/a	555'583
23 Constant Leverage	0	n/a	52	436	n/a	6	333	n/a	827
Various	0	n/a	0	n/a	n/a	0	0	n/a	0
<b>Total</b>	<b>920</b>	<b>337</b>	<b>19'267</b>	<b>898'149</b>	<b>946</b>	<b>8'382</b>	<b>8'046</b>	<b>8'832</b>	<b>944'879</b>
Total change - Δ in % to Q3/16 <sup>2</sup>	-58	-9	-28	15	-42	12	-11	3	13
Total change - Δ in % to Q2/17 <sup>3</sup>	-52	23	-36	11	-72	-26	-27	-2	8
<b>Number of Exchange Listed Products</b>									
1 Investment Products	3'953	1'397	1'596	542'641	2'860	209	648	12'229	565'533
11 Capital Protected	n/a	n/a	0	1'279	n/a	2	0	505	1'786
12 Yield-Enhancement	n/a	n/a	1'439	297'711	n/a	94	0	9'508	308'752
13 Participation	n/a	n/a	156	242'195	n/a	113	243	1'732	244'439
199 Various	n/a	n/a	0	1'456	n/a	0	405	484	2'345
2 Leverage Products	5'380	868	35'956	1'018'161	5'908	19'019	22'428	19'842	1'127'562
21 Without Knock-Out	2'760	n/a	18'097	571'071	n/a	204	9'479	n/a	601'611
22 With Knock-Out	2'620	n/a	17'208	435'983	n/a	18'593	8'271	n/a	482'675
23 Constant Leverage	0	n/a	651	11'107	n/a	222	4'398	n/a	16'378
Various	0	n/a	0	n/a	n/a	0	280	n/a	280
<b>Total</b>	<b>9'333</b>	<b>2'265</b>	<b>37'551</b>	<b>1'560'802</b>	<b>8'768</b>	<b>19'228</b>	<b>23'076</b>	<b>32'071</b>	<b>1'693'094</b>
Total change - Δ in % to Q3/16 <sup>2</sup>	35	23	12	24	5	30	26	2	23
Total change - Δ in % to Q2/17 <sup>3</sup>	-9	1	2	7	-7	5	4	4	7

<sup>1</sup> 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'.

<sup>2</sup> Field indicates per cent change between Q3/2017 and equivalent last year quarter Q3/2016.

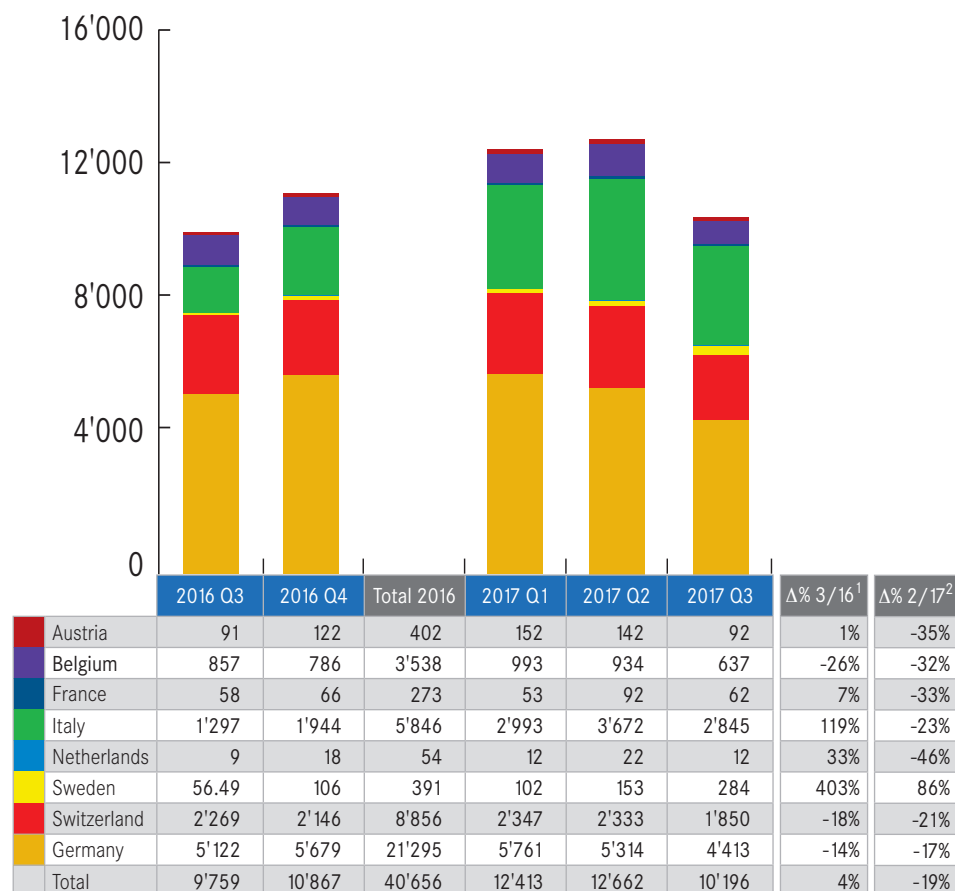
<sup>3</sup> Field indicates per cent change between reporting quarter Q3/2017 and previous quarter Q2/2017.

Source: Country Associations, Derivative Partners

### 3. Exchange turnover

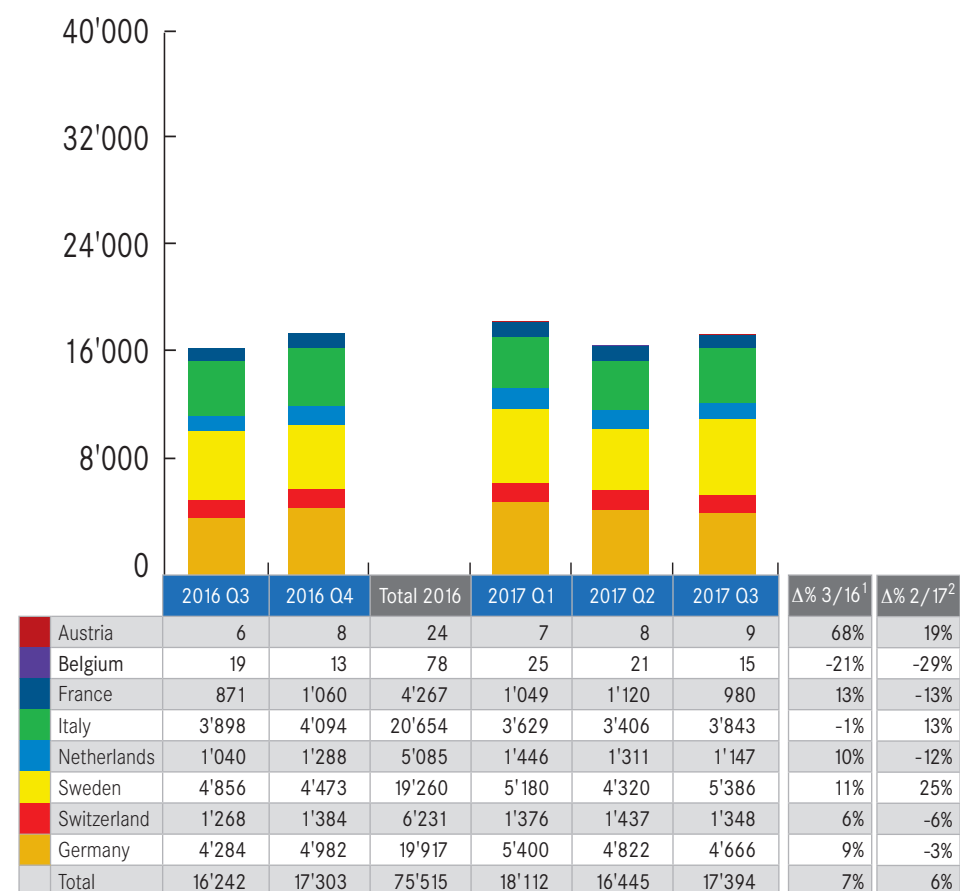
#### Investment Products

in Mio. EUR



#### Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

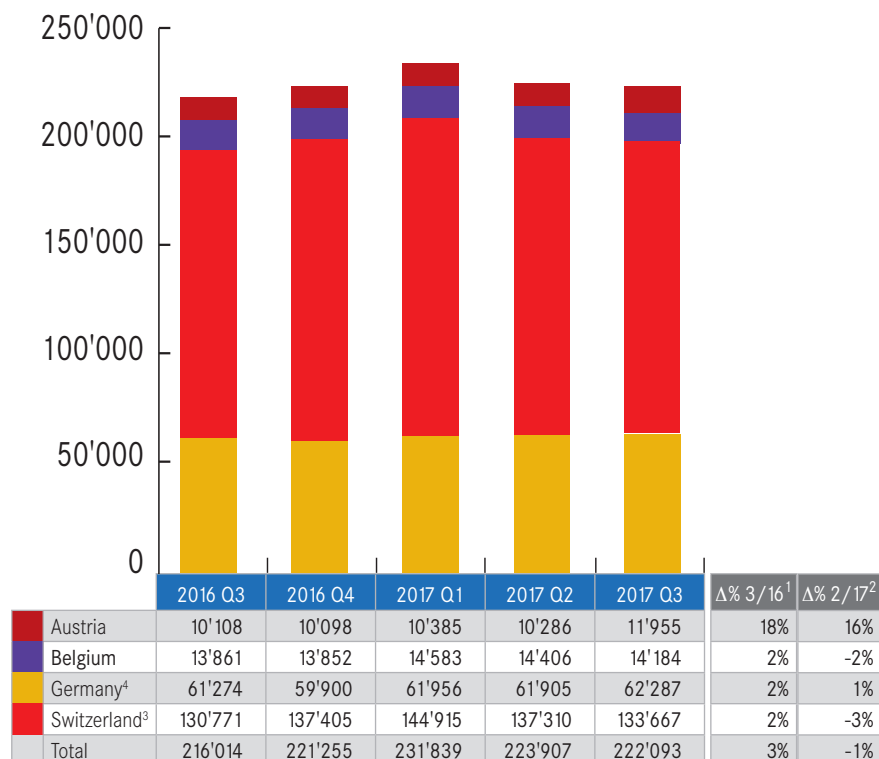
<sup>1</sup> Field indicates per cent change between Q3/2017 and equivalent last year quarter Q3/2016.

<sup>2</sup> Field indicates per cent change between reporting quarter Q3/2017 and previous quarter Q2/2017.

## 4. Outstanding volume

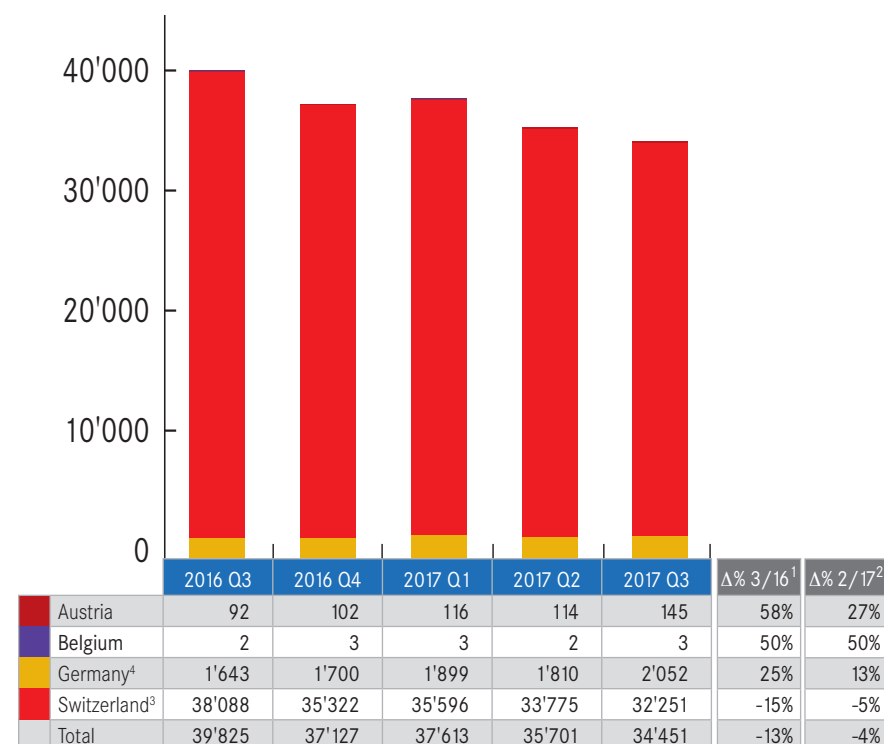
### Investment Products

in Mio. EUR



### Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

<sup>1</sup> Field indicates per cent change between Q3/2017 and equivalent last year quarter Q3/2016.

<sup>2</sup> Field indicates per cent change between reporting quarter Q3/2017 and previous quarter Q2/2017.

<sup>3</sup> 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.

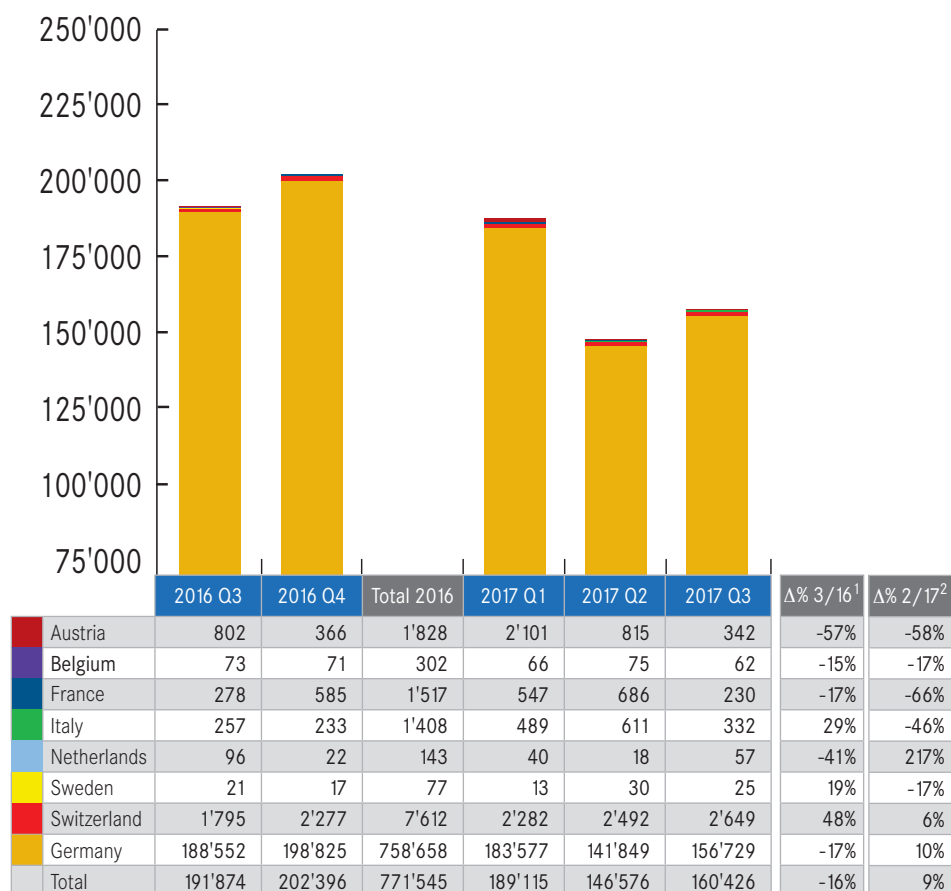
The figures include therefore, to a small extent, also assets from product sales of these issuers outside Switzerland.

<sup>4</sup> 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.

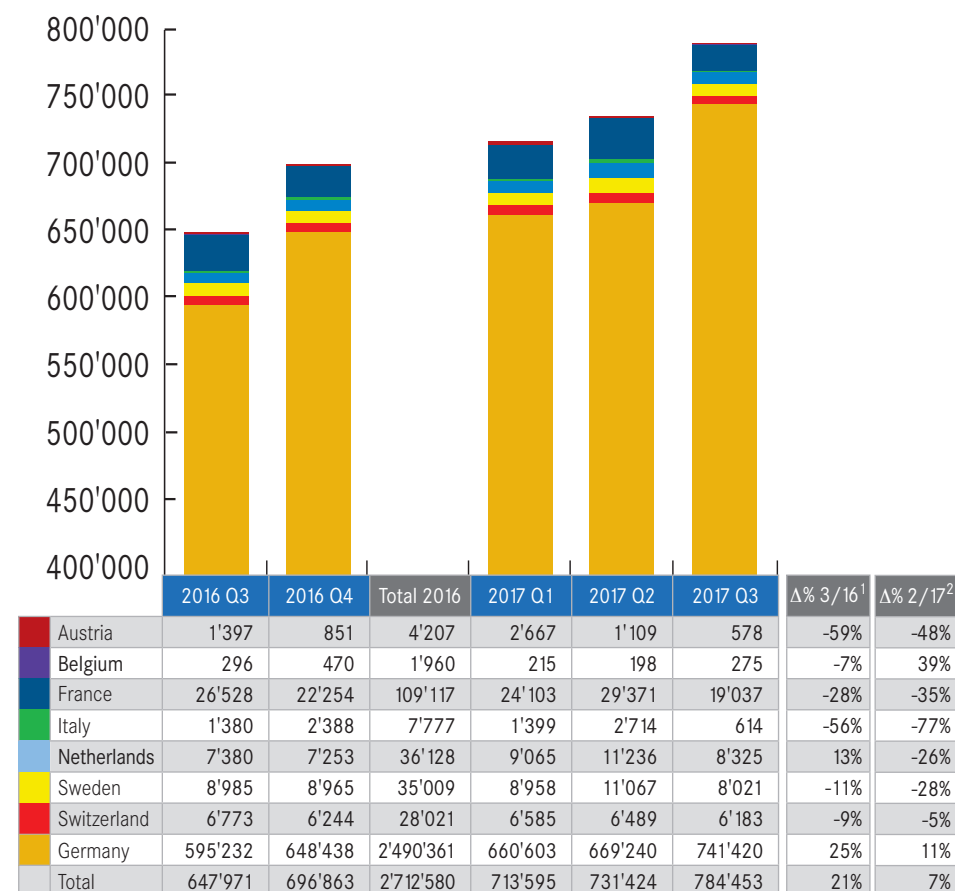


## 5. Number of new listings on exchange

### Investment Products



### Leverage Products



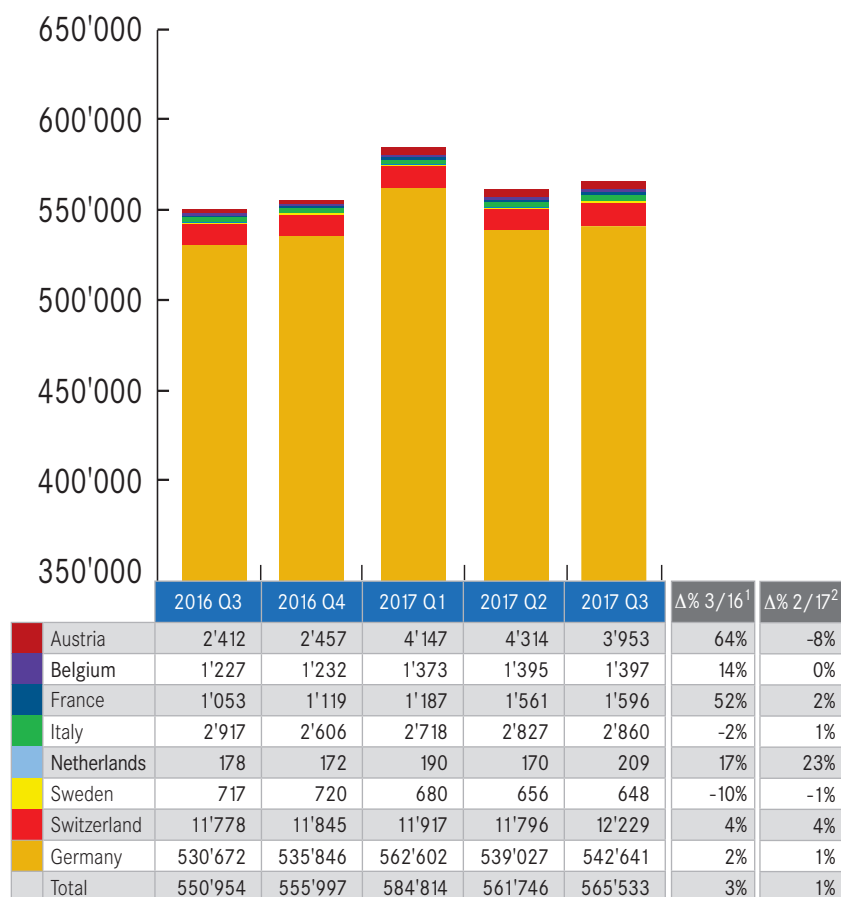
Source: Country Associations, Derivative Partners

<sup>1</sup> Field indicates per cent change between Q3/2017 and equivalent last year quarter Q3/2016.

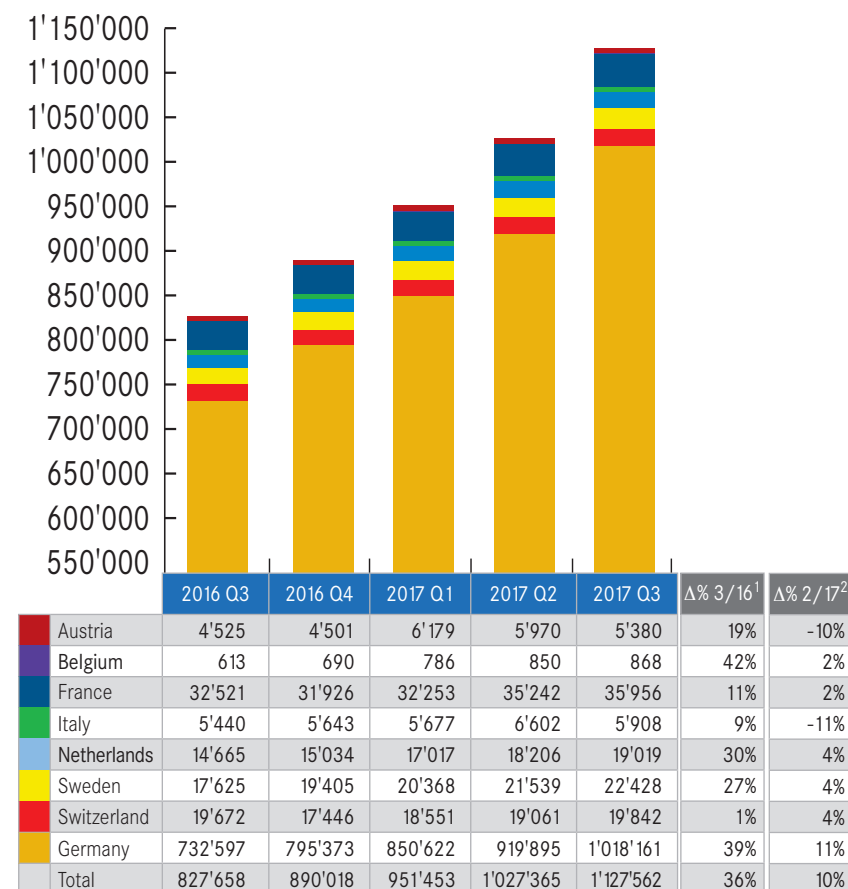
<sup>2</sup> Field indicates per cent change between reporting quarter Q3/2017 and previous quarter Q2/2017.

## 6. Number of exchange listed products

### Investment Products



### Leverage Products



Source: Country Associations, Derivative Partners

<sup>1</sup> Field indicates per cent change between Q3/2017 and equivalent last year quarter Q3/2016.

<sup>2</sup> Field indicates per cent change between reporting quarter Q3/2017 and previous quarter Q2/2017.

## 7. Appendix

### Data sources

EUSIPA Members

Derivative Partners AG

Key date is 29 September 2017. The exchange rates for CHF/EUR and SEK/EUR are defined at the last trading day of each quarter.

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### Disclaimer

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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](http://www.zertifikateforum.at)



#### France

Association Française des Produits Dérivés de Bourse (AFPDB)

[www.afpdb.fr](http://www.afpdb.fr)



#### Germany

Deutscher Derivate Verband (DDV)

[www.derivateverband.de](http://www.derivateverband.de)



#### Italy

Associazione Italiana Certificati e prodotti di Investimento (ACEPI)

[www.acepi.it](http://www.acepi.it)



#### Netherlands

Netherlands Structured Investment Products Association (NEDSIPA)

[www.nedsipa.nl](http://www.nedsipa.nl)



#### Sweden

Swedish exchange-traded investment products association (SETIPA)

[www.setipa.se](http://www.setipa.se)



#### Switzerland

Swiss Structured Products Association (SSPA)

[www.svsp-verband.ch](http://www.svsp-verband.ch)



#### Belgium

Belgian Structured Investment Products Association (BELSIPA)

[www.belsipa.be](http://www.belsipa.be)

