

Increasing volume on Europe's structured products markets

EUR 355 billion open interest across reporting markets / turnover rising

Turnover in investment and leverage products on reporting European financial markets was up 31 percent quarter on quarter and down 28 percent year on year in the first quarter of 2023, bringing the total to EUR 32 billion. These and other market data were sourced by the European Structured Investment Products Association (EUSIPA) from its members and analysed by Avaloq Group Ltd.

The members of EUSIPA who provide the figures for the market report include Zertifikate Forum Austria (ZFA), the Belgian Structured Investment Products Association (BELSIPA), Association Française des Produits Dérivés de Détail et de Bourse (AFPDB), Deutscher Derivate Verband (DDV), Associazione Italiana Certificati e Prodotti di Investimento (ACEPI), the Netherlands Structured Investment Products Association (NEDSIPA), the Swedish Exchange Traded Investment Products Association (SETIPA), the Swiss Structured Products Association (SSPA), and the Luxembourg Structured Investment Products Association (LUXIPA).

First-quarter turnover in investment products on European trading venues amounted to EUR 11 billion, 35 percent of total traded volume. Investment product turnover increased by 37 percent quarter on quarter and decreased by 17 percent year on year. Turnover in leverage products (Warrants, Knock-Out Warrants, and Constant Leverage Certificates) reached EUR 21 billion in the period from January to March, representing 65 percent of total turnover. Turnover in leverage products decreased by 32 percent year on year and increased by 29 percent from Q4 2022.

At the end of March, trading venues located in reporting EUSIPA markets were offering 450,154 investment products and 1,680,225 leverage products. As such, the number of listed products increased by 1 percent on a quarterly basis and by 9 percent on the previous year.

Banks issued 1,667,178 new investment and leverage products in the first quarter of 2023, up 3 percent on the previous quarter and down 10 percent annually. In total, 171,633 new investment products were launched, accounting for 10 percent of new issues; the 1,495,545 new leverage products represent 90 percent of the total. There were 24 percent more investment products launched compared to Q4 2022.

For Austria, Belgium, Germany, Switzerland and Luxembourg, the **market volume of investment and leverage products** issued as securities increased by 14 percent year on year and by 14 percent from the previous quarter and now stands, including the newly added Italian numbers, at a total of EUR 355 billion. The Italian market figures on Open Interest will be included in the quarterly comparisons as of Q2 2023.

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At the end of March, the market volume of investment products stood at EUR 342 billion – up 14 percent quarter on quarter.

The outstanding volume of leverage products totalled EUR 13 billion at the end of March. This represents an 8 percent increase on a year-on-year basis.

About EUSIPA

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

The umbrella association acts as a contact for politicians, the EU Commission 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 policy dialogue.

Greater protection for investors as well as a comprehensible and transparent product landscape 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 conduct for the sector.

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

