

Product numbers rising while turnover falls on Europe's structured products markets

EUR 307 billion open interest across reporting markets / turnover falling

Turnover in investment and leverage products on reporting European financial markets was down 29 percent quarter on quarter and 10 percent year on year in the second quarter of 2022, 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 Evolution AG.

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 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), and the Swiss Structured Products Association (SSPA).

Second-quarter turnover in investment products on European trading venues amounted to EUR 9 billion, 28 percent of total traded volume. Investment product turnover decreased by 31 percent quarter on quarter and by 42 percent year on year. Turnover in leverage products (Warrants, Knock-Out Warrants, and Constant Leverage Certificates) reached EUR 22 billion in the period from April to June, representing 72 percent of total turnover. Turnover in leverage products increased by 15 percent year on year but decreased by 29 percent from Q1 2022.

At the end of June, trading venues located in reporting EUSIPA markets were offering 419,295 investment products and 1,574,181 leverage products. As such, the number of listed products increased by 2 percent on a quarterly basis and by 10 percent on the previous year.

Banks issued 1,711,316 new investment and leverage products in the second quarter of 2022, down 8 percent on the previous quarter and up 44 percent annually. In total, 135,808 new investment products were launched, accounting for 8 percent of new issues; the 1,575,508 new leverage products represent 92 percent of the total. There were 24 percent more investment products launched than in the same quarter of 2021. On the leverage products side, issuance decreased by 8 percent from Q1 2022 and increased by 46 percent on an annual basis.

For Austria, Belgium, Germany and Switzerland, the **market volume of investment and leverage products** issued as securities increased by 3 percent year on year but decreased by 6 billion (2 percent) from the previous quarter to a total of EUR 307 billion.

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At the end of June, the market volume of investment products stood at EUR 298 billion down 1 percent quarter on quarter and up 4 percent year on year.

The outstanding volume of leverage products totalled EUR 10 billion at the end of June. This represents a 21 percent decrease on a year-on-year basis.

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 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:

