

European structured securities market reports turnover growth in investment products

Offer of listed products increased again / significantly higher market volume
year on year

Exchange turnover in investment products and leverage products slightly decreased on Europe's financial markets as at the end of June 2017. Compared with the first quarter of 2017, turnover fell by 5.0 percent to stand at EUR 29.1 billion. However, this represented a 2.0 percent increase year on year. That 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 that provide the 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). The second-quarter turnover in investment products trading recorded on European exchanges amounted to EUR 12.7 billion. This represented a 43.6 percent share of the total turnover. Exchange turnover was up 2.0 percent on the prior quarter's level, a marked increase of 29.0 percent compared to the figure recorded for the same quarter of the previous year.

In the period from April to June, turnover in the leverage products segment (Warrants, Knock-Out Warrants, Factor Certificates etc.) totalled EUR 16.4 billion. This corresponded to 56.4 percent of the aggregate turnover. The figure decreased by 9.0 percent on the first quarter of 2017 and lost 12.0 percent year on year.

At the end of June, exchanges located in EUSIPA member countries were offering 561,746 investment products and 1,027,365 leverage products. The total offer of listed products rose by 3.0 percent in comparison with the previous quarter. The figure was up by 18.0 percent on the same period of 2016.

Banks issued a total of 878,000 new investment and leverage products in the second quarter of the year. Compared to the period from January to March 2017, this means that there was a slight decrease of 3.0 percent in new issues activities. However, the figure increased by 10.0 percent when seen on a year-on-year basis. In total 146,576 new investment products were launched, accounting for 16.7 percent of all new issues, whereas 731,424 new leverage products were listed, accounting for 83.3 percent of the aggregate number of new issues.

At the end of the second quarter, in Austria, Belgium, Germany and Switzerland, the market volume of investment and leverage products recognised as securities came in at EUR 259.6 billion – a 4.0 percent decrease on the figure recorded for the previous quarter. However, the volume rose by 8.0 percent when compared with the second quarter of 2016.

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At the end of June, the **market volume of investment products** amounted to EUR 223.9 billion, corresponding to a decrease of 3.0 percent on the figure recorded at the end of the previous quarter. On a year-over-year basis, however, the market volume was up by 3.0 percent.

The outstanding volume of leverage products totalled EUR 35.7 billion at the end of June. This represented a decrease of 5.0 percent on the outstanding volume reported for the prior quarter. Compared with the figure recorded for the same period of the previous year, there was a strong upsurge of 49.0 percent.

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 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 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 code of practice for the sector.

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