

European structured securities market reports lower turnover despite higher volume

European structured product exchanges generate turnover of EUR 22.8 billion / new issuance almost unchanged

Exchange turnover in investment products and leverage products on Europe's financial markets was down at the end of the third quarter. Compared with the first half of 2018, turnover fell by 11.0 percent to EUR 22.8 billion. This also represented a 9.0 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 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 the European exchanges amounted to EUR 8.2 billion, 36.0 percent of the total. Exchange turnover was down 19.0 percent on the previous quarter and also down 19.0 percent on the same quarter of the previous year.

In the period from July to September, turnover in the leverage products segment (Warrants, Knock-Out Warrants, Factor Certificates etc.) totalled EUR 14.6 billion, 64.0 percent of the total. Turnover decreased by 6.0 percent from the previous quarter and 2.0 percent year on year.

At the end of September, trading venues located in EUSIPA member countries were offering 516,498 investment products and 1,231,390 leverage products. This means there was a slight increase (1.0 percent) in the total offer of listed products from the previous quarter. The offer grew 4.0 percent year on year.

Banks issued a total of 1,127,704 new investment and leverage products in the third quarter of 2018. Issuance was unchanged from the April-June period, but there was a significant year-on-year increase of 20.0 percent. In total, 166,155 new investment products were launched, accounting for 14.7 percent of all new issues. 961,549 new leverage products were listed, representing 85.3 percent of the aggregate number of new issues.

At the end of the third quarter, in Austria, Belgium, Germany and Switzerland, the market volume of investment and leverage products recognised as securities stood at EUR 261.6 billion – a 5.0 percent increase on the previous quarter. Volume grew 2.0 percent from the same quarter of 2017.

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At the end of September the market volume of investment products totalled EUR 253.8 billion – up 4.0 percent on the figure recorded at the end of the previous quarter. Market volume was up 14.0 percent on a year-on-year basis.

The outstanding volume of leverage products stood at EUR 7.8 billion at the end of September. This represented an increase of 13.0 percent on the volume reported for the second quarter and a drop of 77.0 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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