

European structured securities market volume increases, despite lower turnover

Investment on European structured product exchanges approaches EUR 270 billion / More listed products on offer

Europe's financial markets experienced a general decline in **exchange-based turnover in investment and leverage products** at the end of the first quarter of 2019. Turnover fell 7.0 percent to EUR 25.7 billion from the fourth quarter of 2018, a drop of 21.0 percent 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).

First-quarter turnover in investment products recorded on European exchanges amounted to EUR 12.3 billion, 47.9 percent of the total. Although turnover was up 23.0 percent on the previous quarter, it was down 8.0 percent on the same quarter of the previous year.

Turnover in leverage products (Warrants, Knock-Out Warrants, Factor Certificates etc.) stood at EUR 13.4 billion, 52.1 percent of the total. Exchange-based turnover decreased 25.0 percent from the fourth quarter of 2018 and was down 30.0 percent year on year.

At the end of March, trading venues located in EUSIPA member countries were offering 572,501 investment products and 1,340,687 leverage products. The aggregate listed products offering rose 4.0 percent from the previous quarter and 10.0 percent year on year.

Banks issued 1,242,592 new investment and leverage products in the first quarter of 2019, a 14.0 percent downturn from the fourth quarter of 2018. However, this still meant a year-on-year increase of 8.0 percent. In total, 176,206 new investment products were launched, accounting for 14.2 percent of new issuance; the 1,066,386 new leverage products represented 85.8 percent of the total.

At the end of the first quarter, in Austria, Belgium, Germany and Switzerland, the **market volume of investment and leverage products** recognised as securities stood at EUR 269.6 billion – an 8.0 percent increase from the previous quarter and a larger 13.0 percent rise year on year.

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At the end of March the market volume of investment products stood at EUR 261.5 billion – an increase of 7.0 percent quarter on quarter and 14.0 percent year on year.

The outstanding volume of leverage products totalled EUR 8.1 billion at the end of March. While this represented a 24.0 percent rise from the fourth quarter of 2018, it nevertheless meant a drop of 3.0 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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EUSIPA Market Report on structured investment products

Q1/2019



Contents

Highlights	2
Quarterly overview	3
Exchange turnover	5
Outstanding volume	6
Number of new listings on exchange	7
Number of exchanged listed products	8
Appendix	9

1. Highlights

Turnover: Decreasing in some markets and product segments

The turnover on trading venues decreased to 25.71 bn EUR in the first quarter of 2019, which is a minus of 7% compared to the last quarter (27.79 bn EUR in Q4/2018). Investment products accounted in Q1 2019 for a turnover of 12.32 bn EUR (an increase of 23% versus Q4 2018 and a slight decrease of 8% compared to the equivalent last year quarter). The overall turnover decrease in Q1 is driven predominantly by the leverage products market which fell on both scales, year-on-year (-30%) and in comparison with the preceding reporting period (-25%).

Outstanding Volume: Increasing volume

The Q1 2019 figures for the Austrian, Belgian, German¹ and Swiss² markets indicate globally a total amount of 269.6 bn EUR, which is an increase of almost 8% compared to the fourth quarter of 2018. It also is an increase of 13% compared to the last year equivalent quarter Q1 2018. The volume in leverage products increased by 24% compared with the previous quarter Q4 2018. Investment products also increased by 7% compared to Q4 2018. The downward move in outstanding volumes which could be observed in Q4 2018 seems thus reversed.

Number of New Listings: Decreasing issuance activity

Compared to the fourth quarter of 2018 the number of new listings during Q1 2019 are decreasing (1'242'592 products in Q1 2019 versus 1'453'226 products in Q4 2018). Whereas 86% of all new listed products were issued in the leveraged product segment, investment products obtained a share of 14%. For leverage products, the number of new listings increased by 8% on a year-to-year basis but decreased by 14% quarter-on-quarter. For investment products, the number of new listings decreased by 16% compared to the previous quarter and increased by 9% compared to the equivalent last year quarter.










Number of Products: Slightly increasing number of listed products

1'913'188 products were listed in Q1 2019 in EUSIPA member countries, which is a slight increase by 4% compared to the fourth quarter of 2018 and by 10% seen year-on-year. The number of listed leverage products increased in this timeframe by 11% while the number of listed investment products increased by 7%.

¹ 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.

² 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 (Q1/2019)

	 Austria	 Belgium	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland ¹	 EUSIPA
Exchange Turnover (Mio. EUR)									
1 Investment Products	166	1'140	48	4'245	3'145	17	150	3'409	12'320
11 Capital Protected	n/a	n/a	0	58	n/a	0	1	51	109
12 Yield-Enhancement	n/a	n/a	33	2'364	n/a	14	0	724	3'135
13 Participation	n/a	n/a	15	1'784	n/a	3	134	2'610	4'546
199 Various	n/a	n/a	0	39	n/a	0	15	24	78
2 Leverage Products	9	29	1'046	4'838	2'868	1'194	2'440	962	13'386
21 Without Knock-Out	n/a	n/a	282	1'225	n/a	106	19	n/a	1'632
22 With Knock-Out	n/a	n/a	618	3'047	n/a	1'084	849	n/a	5'598
23 Constant Leverage	n/a	n/a	146	566	n/a	4	1'570	n/a	2'286
Various	n/a	n/a	0	n/a	n/a	0	2	n/a	2
Total	175	1'169	1'094	9'083	6'013	1'211	2'590	4'371	25'706
Total change - Δ in % to Q1/18 ²	-5	50	-11	-21	-10	-30	-61	17	-21
Total change - Δ in % to Q4/18 ³	-10	1	-19	-11	25	-18	-42	5	-7
Outstanding Volume (Mio. EUR)									
1 Investment Products	14'157	15'676	n/a	64'348	n/a	n/a	n/a	167'285	261'466
11 Capital Protected	n/a	n/a	n/a	25'147	n/a	n/a	n/a	50'908	76'055
12 Yield-Enhancement	n/a	n/a	n/a	29'030	n/a	n/a	n/a	65'805	94'835
13 Participation	n/a	n/a	n/a	4'883	n/a	n/a	n/a	48'468	53'351
199 Various	n/a	n/a	n/a	5'288	n/a	n/a	n/a	2'104	7'392
2 Leverage Products	143	2	n/a	1'849	n/a	n/a	n/a	6'165	8'159
21 Without Knock-Out	n/a	n/a	n/a	742	n/a	n/a	n/a	n/a	742
22 With Knock-Out	n/a	n/a	n/a	803	n/a	n/a	n/a	n/a	803
23 Constant Leverage	n/a	n/a	n/a	304	n/a	n/a	n/a	n/a	304
Various	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
Total	14'300	15'678	n/a	66'197	n/a	n/a	n/a	173'450	269'625
Total change - Δ in % to Q1/18 ²	11	9	n/a	4	n/a	n/a	n/a	18	13
Total change - Δ in % to Q4/18 ³	6	3	n/a	5	n/a	n/a	n/a	9	8










¹ 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'.

² Field indicates per cent change between Q1/2019 and equivalent last year quarter Q1/2018.

³ Field indicates per cent change between reporting quarter Q1/2019 and previous quarter Q4/2018.

Source: Country Associations, Derivative Partners

2. Quarterly overview (Q1/2019)

	 Austria	 Belgium	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland ¹	 EUSIPA
Number of New Listings on Exchange									
1 Investment Products	802	94	1'291	170'789	530	52	34	2'614	176'206
11 Capital Protected	n/a	n/a	0	34	n/a	0	0	52	86
12 Yield-Enhancement	n/a	n/a	1'291	91'293	n/a	44	3	2'428	95'059
13 Participation	n/a	n/a	0	79'380	n/a	8	29	124	79'541
199 Various	n/a	n/a	0	82	n/a	0	2	10	94
2 Leverage Products	911	545	43'939	988'338	3'315	13'911	7'810	7'617	1'066'386
21 Without Knock-Out	373	n/a	14'032	271'554	n/a	95	2'698	n/a	288'752
22 With Knock-Out	538	n/a	29'884	709'646	n/a	13'816	4'565	n/a	758'449
23 Constant Leverage	0	n/a	23	7'138	n/a	0	547	n/a	7'708
Various	0	n/a	0	n/a	n/a	0	0	n/a	0
Total	1'713	639	45'230	1'159'127	3'845	13'963	7'844	10'231	1'242'592
Total change - Δ in % to Q1/18 ²	66	-20	46	7	92	4	2	5	8
Total change - Δ in % to Q4/18 ³	0	-32	1	-15	27	-26	-20	-11	-14
Number of Exchange Listed Products									
1 Investment Products	3'927	1'587	2'048	543'542	4'168	381	574	16'274	572'501
11 Capital Protected	n/a	n/a	0	1'061	n/a	7	83	583	1'734
12 Yield-Enhancement	n/a	n/a	1'935	328'075	n/a	239	73	13'709	344'031
13 Participation	n/a	n/a	113	212'738	n/a	135	365	1'645	214'996
199 Various	n/a	n/a	0	1'668	n/a	0	53	337	2'058
2 Leverage Products	4'155	699	46'704	1'218'814	8'254	20'468	16'577	25'016	1'340'687
21 Without Knock-Out	1'845	n/a	21'788	650'360	n/a	219	4'349	n/a	678'561
22 With Knock-Out	2'310	n/a	24'076	537'442	n/a	19'998	7'531	n/a	591'357
23 Constant Leverage	0	n/a	840	31'012	n/a	251	4'672	n/a	36'775
Various	0	n/a	0	n/a	n/a	0	25	n/a	25
Total	8'082	2'286	48'752	1'762'356	12'422	20'849	17'151	41'290	1'913'188
Total change - Δ in % to Q1/18 ²	3	2	25	9	14	5	17	25	10
Total change - Δ in % to Q4/18 ³	7	-4	7	4	16	3	2	0	4

¹ 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'.

² Field indicates per cent change between Q1/2019 and equivalent last year quarter Q1/2018.

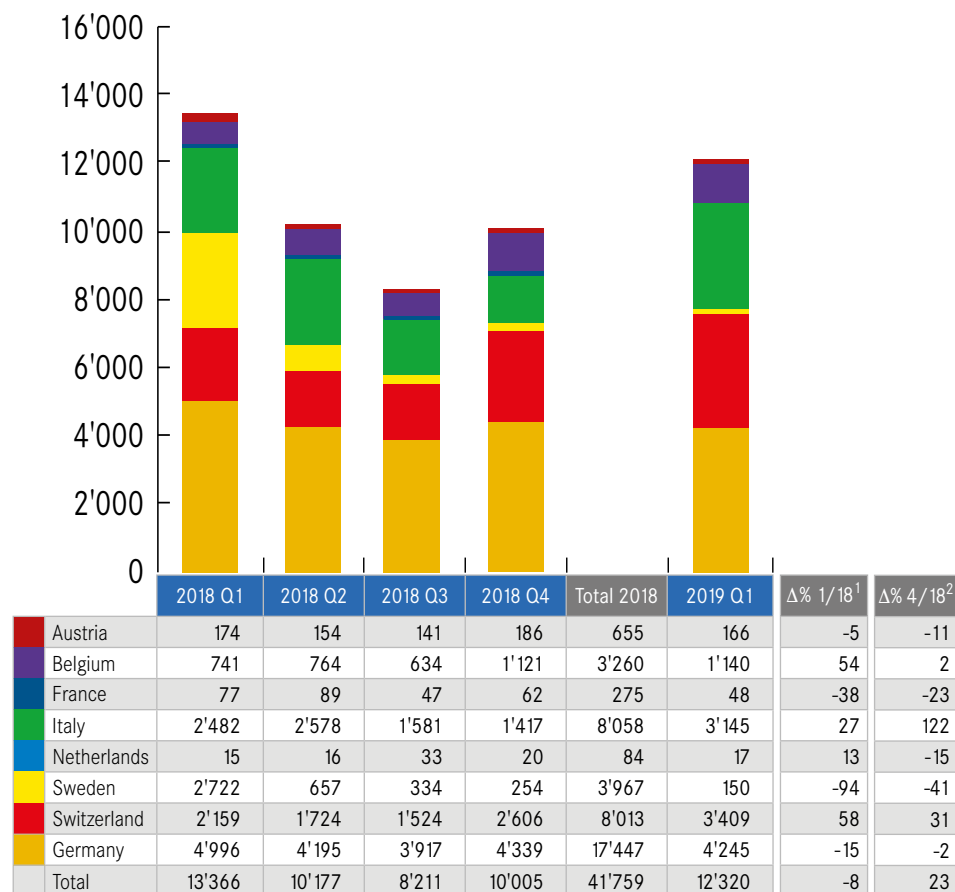
³ Field indicates per cent change between reporting quarter Q1/2019 and previous quarter Q4/2018.

Source: Country Associations, Derivative Partners

3. Exchange turnover

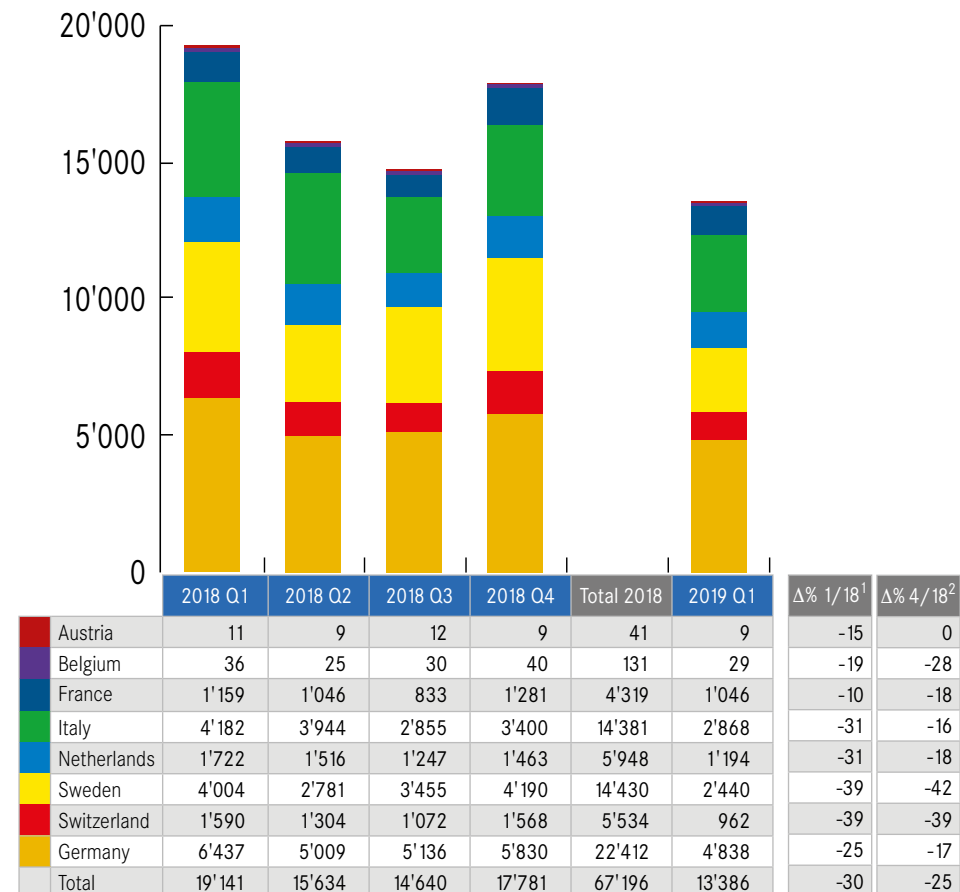
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

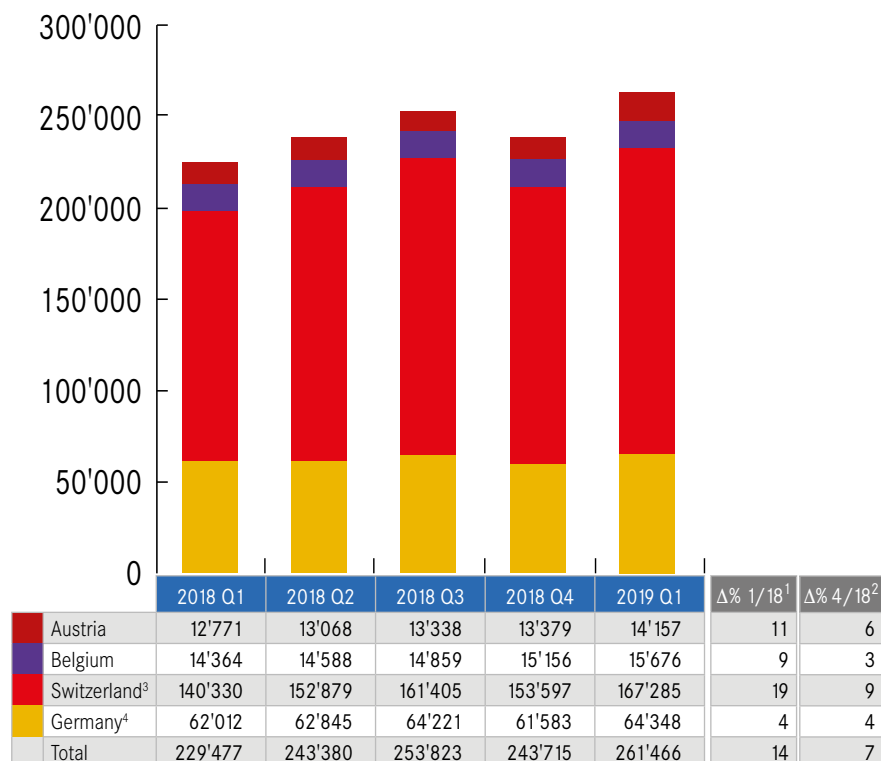
¹ Field indicates per cent change between Q1/2019 and equivalent last year quarter Q1/2018.

² Field indicates per cent change between reporting quarter Q1/2019 and previous quarter Q4/2018.

4. Outstanding volume

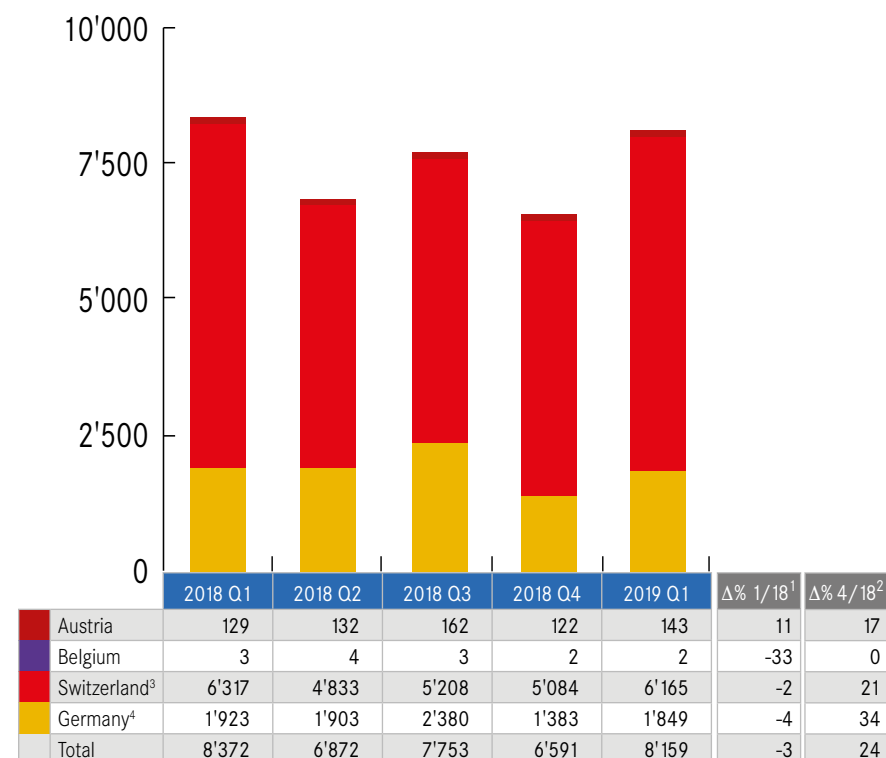
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

¹ Field indicates per cent change between Q1/2019 and equivalent last year quarter Q1/2018.

² Field indicates per cent change between reporting quarter Q1/2019 and previous quarter Q4/2018.

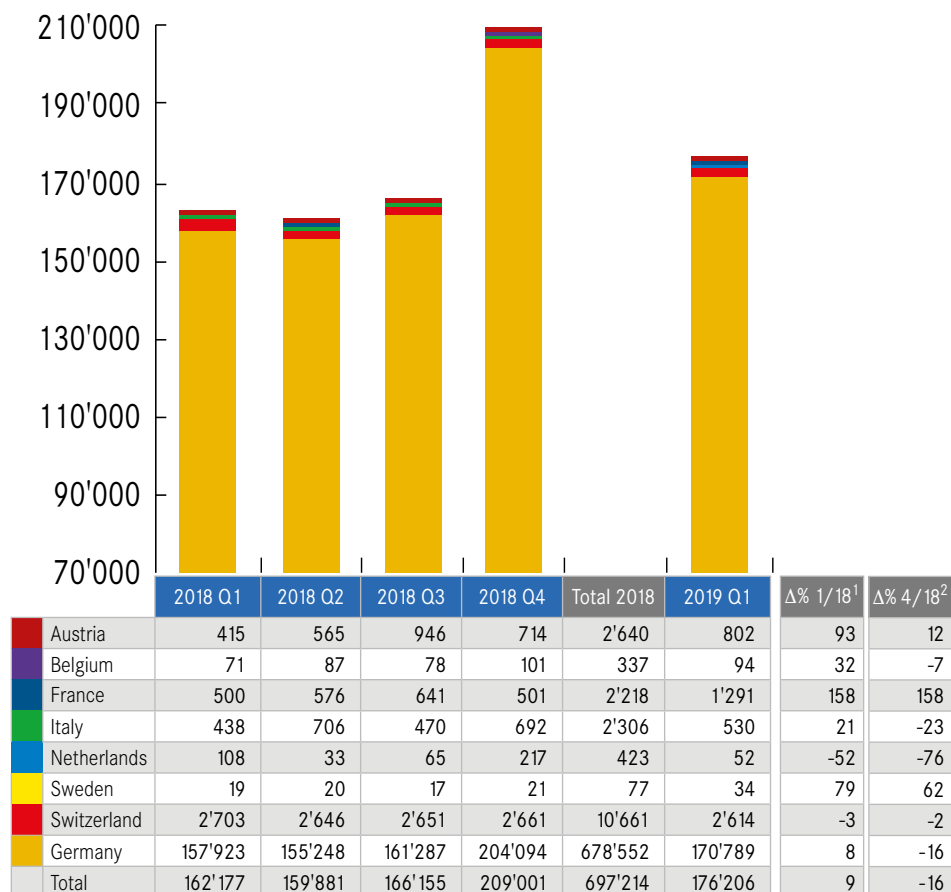
³ The Swiss figures are sourced in from the Swiss National Bank and represent all assets in listed note-based structured retail products held in Swiss depots of issuers domiciled in Switzerland.

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

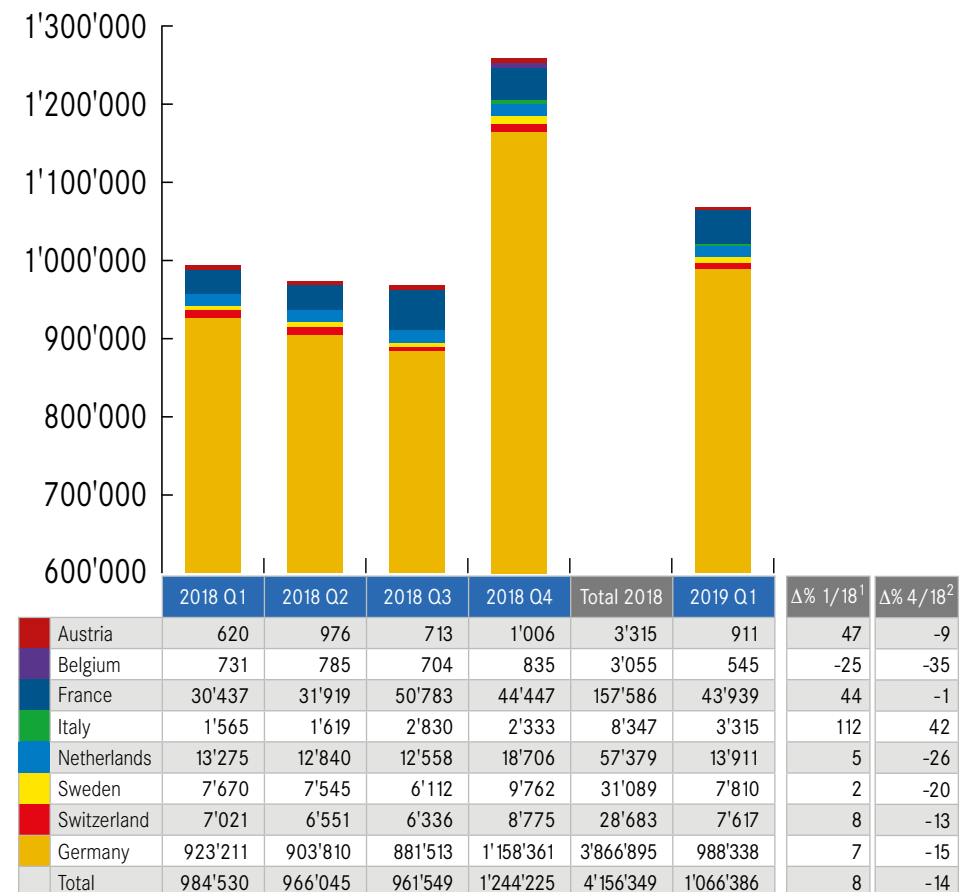
⁴ The German figures are sourced in from the 16 issuers assembled under the roof of Deutsche Derivate Verband (DDV) and entail assets from the sales of listed note-based structured retail products to customers based in Germany.

5. Number of new listings on exchange

Investment Products



Leverage Products



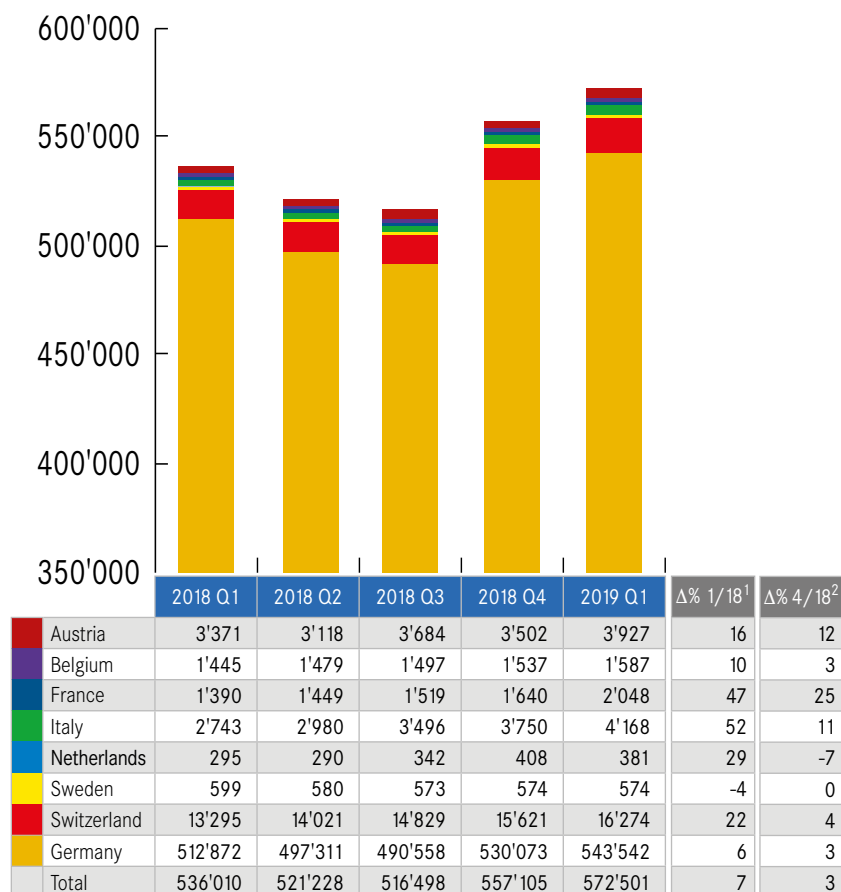
Source: Country Associations, Derivative Partners

¹ Field indicates per cent change between Q1/2019 and equivalent last year quarter Q1/2018.

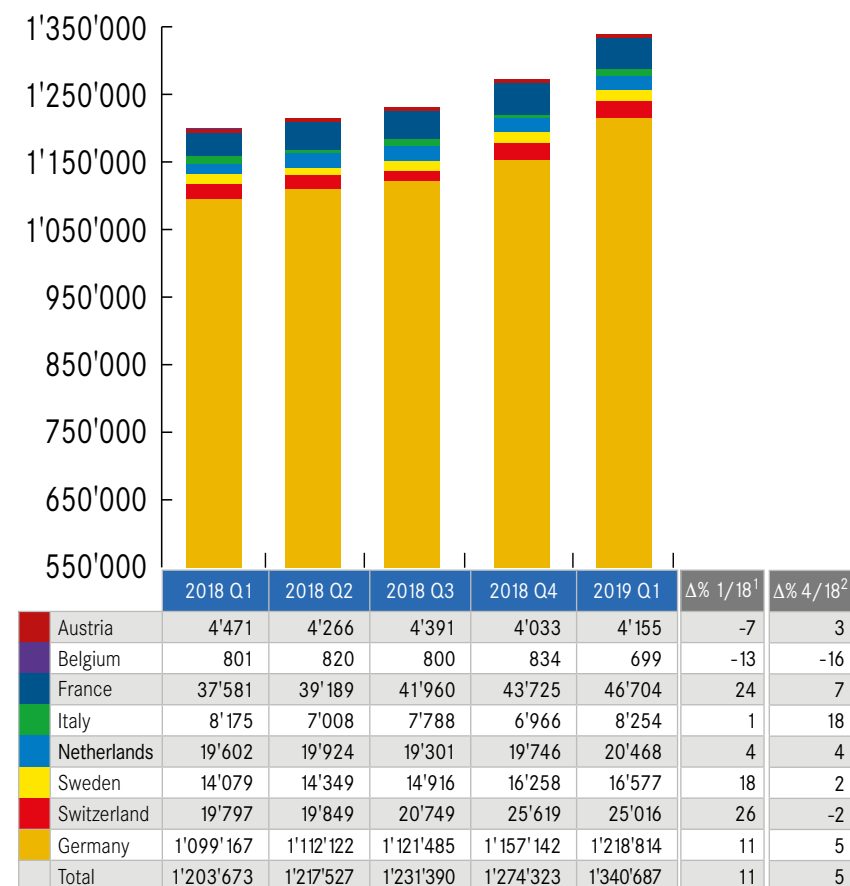
² Field indicates per cent change between reporting quarter Q1/2019 and previous quarter Q4/2018.

6. Number of exchange listed products

Investment Products



Leverage Products



Source: Country Associations, Derivative Partners

¹ Field indicates per cent change between Q1/2019 and equivalent last year quarter Q1/2018.

² Field indicates per cent change between reporting quarter Q1/2019 and previous quarter Q4/2018.

7. Appendix

Data sources

EUSIPA Members

Derivative Partners AG

Key date is 29th of March 2019. The exchange rates for CHF/EUR and SEK/EUR are defined at the last trading day of each quarter.

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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



France

Association française des produits d'investissement de détail et de bourse (AFPDB)

www.afpdb.org



Germany

Deutscher Derivate Verband (DDV)

www.derivateverband.de



Italy

Associazione Italiana Certificati e prodotti di Investimento (ACEPI)

www.acepi.it



Netherlands

Netherlands Structured Investment Products Association (NEDSIPA)

www.nedsipa.nl



Sweden

Swedish exchange-traded investment products association (SETIPA)

www.setipa.se



Switzerland

Swiss Structured Products Association (SSPA)

www.svsp-verband.ch



Belgium

Belgian Structured Investment Products Association (BELSIPA)

www.belsipa.be

