

Turnover grows in Q4 on European market for structured securities

European structured products exchanges record turnover of EUR 28.2 billion / European market volume amounts to EUR 258.4 billion at the end of 2016

Exchange turnover in investment products and leverage products increased on Europe's financial markets in the fourth quarter of 2016. Compared with the third quarter of the year, turnover rose by 8.0 percent to stand at EUR 28.2 billion. However, this represented a 3.0 percent decrease 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. For the first time, additional trading data from the Italian exchange segment Certix EuroTLX was included in this report.

The members of EUSIPA 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).

Fourth-quarter turnover in investment products trading recorded on European exchanges amounted to EUR 10.9 billion. This represented a 38.7 percent share of total turnover. Exchange turnover was up 11 percent on the previous quarter's level and 28.0 percent above the figure achieved in the previous year.

In the period October to December, turnover in the leverage products segment (Warrants, Knock-Out Warrants, Factor Certificates etc.) totalled EUR 17.3 billion. This corresponded to 61.3 percent of the total turnover volume. The figure increased by 7.0 percent on the third quarter of 2016 and fell 16.0 percent year on year.

At the end of December, trading venues located in EUSIPA member countries were offering 555,997 investment products and 890,018 leverage products. The number of products listed rose by 5.0 percent from the previous quarter. The figure was up by 4.0 percent on the same period of 2015.

Banks issued a total of 899,259 new investment and leverage products in the fourth quarter of the year. Compared to the period from July to September, new issues activities charted growth of 7.0 percent. The figure increased by 9.0 percent when seen on a year-on-year basis. In total 202,396 new investment products were launched, accounting for 22.5 percent of all new issues. 696,863 new leverage products were listed, accounting for 77.5 percent of the aggregate number of new issues.

At the end of the fourth quarter, the **market volume of investment and leverage products** in Austria, Belgium, Germany and Switzerland came in at EUR 258.4 billion – a 1 percent increase on the figure recorded for the previous quarter. The volume rose by 9.0 percent from the fourth quarter of 2015.

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At the end of December the market volume of investment products amounted to EUR 221.3 billion - an increase of 2.0 percent on the figure recorded at the end of September. However, volume fell 2.0 percent year on year.

The outstanding volume of leverage products declined to EUR 37.1 billion in the fourth quarter of the year. The figure was 7 percent lower than in the third quarter of 2016. Outstanding volume increased by 255.0 percent year on year.

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 attempts 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.

The members of EUSIPA contributing to the report are:



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EUSIPA Market Report on structured investment products

Q4/2016



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1. Highlights

Exchange Turnover: Increasing turnover

In the fourth quarter of 2016 the overall exchange turnover increased to 28.17 bn EUR, which is a plus of 8% compared to the previous quarter. Leverage Products accounted in Q4 2016 for a turnover of 17.30 bn EUR. The turnover in Investment products amounted to 10.87 bn EUR, which is an increase by 11% compared to the previous quarter.

Outstanding Volume: Increasing volume

The Q4 2016 figures for the Austrian, Belgian, German¹ and Swiss² markets show an increase by 1% for the outstanding volume compared to the preceding quarter Q3 2016. On a year-to-year basis the volume increased by 9%. The volume in leverage products, which is overall rather small compared to the volume of investment products, decreased by 7% compared with the previous quarter Q3 2016.

Number of New Listings: High issuance activity

Compared to the third quarter of 2016 the number of new listings during Q4 2016 increased by 7% to 899'259 products. Whereas 77% of all new listed products were issued in the leveraged product segment, investment products obtained a share of 23%. For leverage products, the number of new listings increased by 8% compared to the previous quarter and by 9% on a year-to-year basis. For investment products, the number of new listings increased by 8% on a year-to-year basis and by 5% compared to the previous quarter.










Number of Products: Increasing numbers

At the end of Q4 2016 a total of 1'446'015 products were listed in EUSIPA member countries, resulting in an increase of 5% compared to the third quarter of 2016. Measured on a year-to-year basis the number of listed leverage products also increased by 12%, while the number of listed investment products decreased 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 (Q4/2016)

	 Austria	 Belgium	 France	 Germany	 Italy ⁵	 Netherlands	 Sweden ⁶	 Switzerland ¹	 EUSIPA
Exchange Turnover (Mio. EUR)									
1 Investment Products	122	786	66	5'679	1'944	18	106	2'146	10'867
11 Capital Protected	n/a	n/a	0	78	n/a	0	n/a	39	117
12 Yield-Enhancement	n/a	n/a	34	3'095	n/a	10	n/a	755	3'893
13 Participation	n/a	n/a	32	2'449	n/a	8	78	1'309	3'876
199 Various	n/a	n/a	0	56	n/a	0	28	43	128
2 Leverage Products	8	13	1'060	4'982	4'094	1'288	4'473	1'384	17'303
21 Without Knock-Out	n/a	n/a	302	1'286	n/a	0	116	n/a	1'704
22 With Knock-Out	n/a	n/a	538	2'983	n/a	1'288	1'396	n/a	6'205
23 Constant Leverage	n/a	n/a	220	714	n/a	1	2'906	n/a	3'842
Various	n/a	n/a	n/a	n/a	n/a	0	55	n/a	55
Total	131	799	1'126	10'661	6'038	1'306	4'579	3'530	28'170
Total change - Δ in % to Q4/15 ²	38	n/a ⁴	-20	-1	n/a	-30	n/a	-9	-3
Total change - Δ in % to Q3/16 ³	35	-9	21	13	16	24	-7	0	8
Outstanding Volume (Mio. EUR)									
1 Investment Products	10'098	13'852	n/a	59'900	n/a	n/a	n/a	137'405	221'255
11 Capital Protected	n/a	n/a	n/a	22'962	n/a	n/a	n/a	40'982	63'944
12 Yield-Enhancement	n/a	n/a	n/a	23'785	n/a	n/a	n/a	48'896	72'681
13 Participation	n/a	n/a	n/a	6'149	n/a	n/a	n/a	46'112	52'261
199 Various	n/a	n/a	n/a	7'005	n/a	n/a	n/a	1'415	8'420
2 Leverage Products	102	3	n/a	1'700	n/a	n/a	n/a	35'322	37'127
21 Without Knock-Out	n/a	n/a	n/a	634	n/a	n/a	n/a	n/a	634
22 With Knock-Out	n/a	n/a	n/a	715	n/a	n/a	n/a	n/a	715
23 Constant Leverage	n/a	n/a	n/a	351	n/a	n/a	n/a	n/a	351
Various	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	10'200	13'855	n/a	61'600	n/a	n/a	n/a	172'727	258'382
Total change - Δ in % to Q4/15 ²	-1	-7	n/a	-2	n/a	n/a	n/a	16	9
Total change - Δ in % to Q3/16 ³	0	0	n/a	-2	n/a	n/a	n/a	2	1

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 Q4/2016 and equivalent last year quarter Q4/2015.

³ Field indicates per cent change between reporting quarter Q4/2016 and previous quarter Q3/2016.










⁴ The Belgian member association BELSIPA started with quarterly reporting only in January 2016. Before the reporting was done on a half-year basis which results in the absence of some quarterly figures.

⁵ Numbers for the Italian market have been retroactively updated as of Q1 2016 with information on products listed and trades executed on the exchange segment Certix EuroTLX (in addition to the SEDEX segment).

⁶ Numbers for the Swedish market entail as of January 2016 also the trade data of NASDAQ Stockholm, next to NGM Stockholm.

Source: Country Associations, Derivative Partners

2. Quarterly overview (Q4/2016)

	 Austria	 Belgium	 France	 Germany	 Italy ⁵	 Netherlands	 Sweden ⁶	 Switzerland ¹	 EUSIPA
Number of New Listings on Exchange									
1 Investment Products	366	71	585	198'825	233	22	17	2'277	202'396
11 Capital Protected	n/a	n/a	0	19	n/a	0	n/a	16	35
12 Yield-Enhancement	n/a	n/a	549	106'706	n/a	15	n/a	2'011	109'281
13 Participation	n/a	n/a	36	92'075	n/a	7	n/a	239	92'357
199 Various	n/a	n/a	0	25	n/a	0	17	11	53
2 Leverage Products	851	470	22'254	648'438	2'388	7'253	8'965	6'244	696'863
21 Without Knock-Out	297	n/a	7'333	212'420	n/a	0	4'872	n/a	224'922
22 With Knock-Out	554	n/a	14'838	438'801	n/a	7'251	3'799	n/a	465'243
23 Constant Leverage	n/a	n/a	83	1'217	n/a	2	288	n/a	1'590
Various	n/a	n/a	0	n/a	n/a	0	6	n/a	6
Total	1'217	541	22'839	847'263	2'621	7'275	8'982	8'521	899'259
Total change - Δ in % to Q4/15 ²	15	n/a ⁴	-25	10	n/a	-36	n/a	-7	9
Total change - Δ in % to Q3/16 ³	-45	47	-15	8	60	-3	0	-1	7
Number of Exchange Listed Products									
1 Investment Products	2'457	1'232	1'119	535'846	2'606	172	720	11'845	555'997
11 Capital Protected	n/a	n/a	0	1'692	n/a	0	0	538	2'230
12 Yield-Enhancement	n/a	n/a	925	278'363	n/a	60	2	8'940	288'290
13 Participation	n/a	n/a	194	254'370	n/a	112	290	1'869	256'835
199 Various	n/a	n/a	0	1'421	n/a	0	428	498	2'347
2 Leverage Products	4'501	690	31'926	795'373	5'643	15'034	19'405	17'446	890'018
21 Without Knock-Out	2'010	n/a	14'239	449'896	n/a	10	10'133	n/a	476'288
22 With Knock-Out	2'491	n/a	17'237	339'791	n/a	14'925	5'872	n/a	380'316
23 Constant Leverage	n/a	n/a	450	5'686	n/a	99	2'060	n/a	8'295
Various	n/a	n/a	0	n/a	n/a	0	340	n/a	340
Total	6'958	1'922	33'045	1'331'219	8'249	15'206	20'125	29'291	1'446'015
Total change - Δ in % to Q4/15 ²	17	14	10	3	n/a	11	n/a	-8	4
Total change - Δ in % to Q3/16 ³	0	4	-2	5	-1	2	10	-7	5

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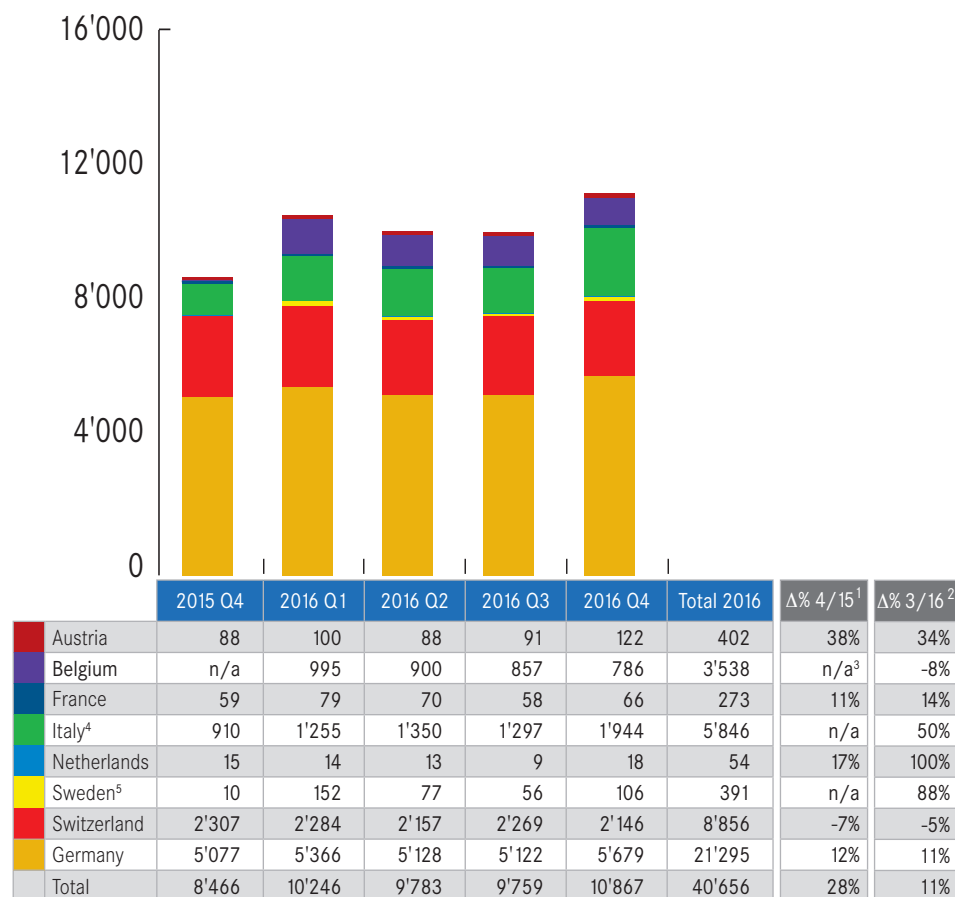
⁶ Numbers for the Swedish market entail as of January 2016 also the trade data of NASDAQ Stockholm, next to NGM Stockholm.

Source: Country Associations, Derivative Partners

3. Exchange turnover

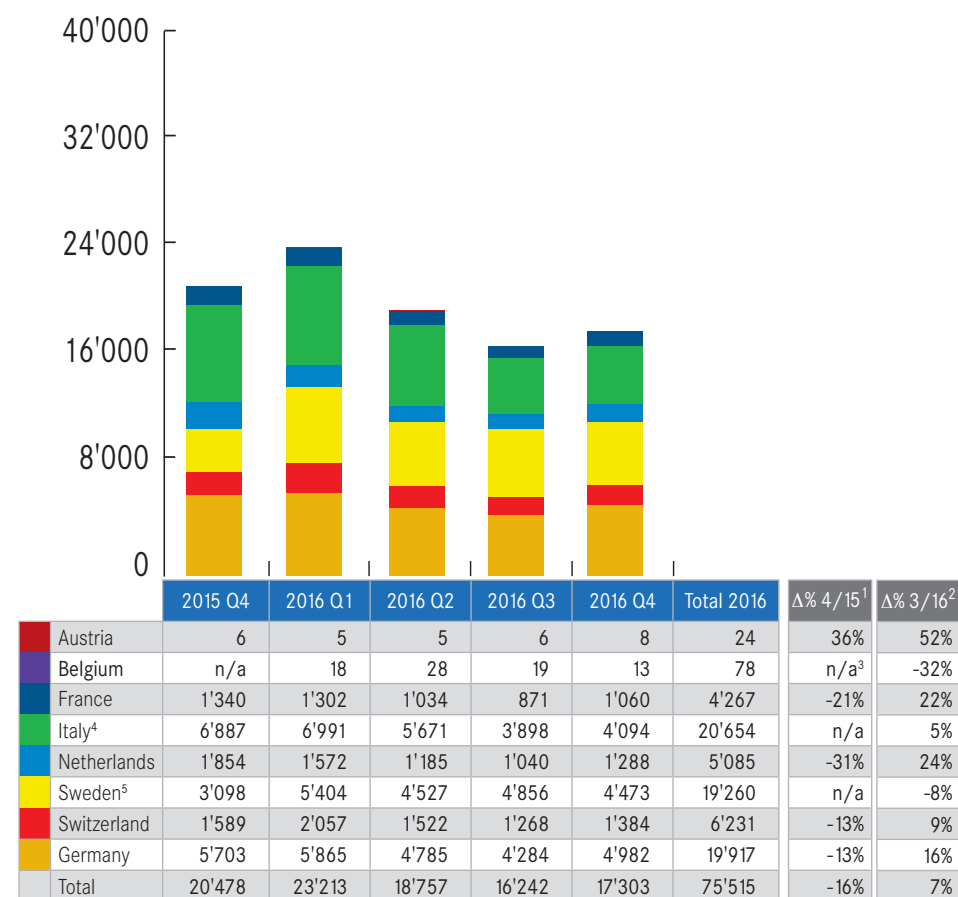
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



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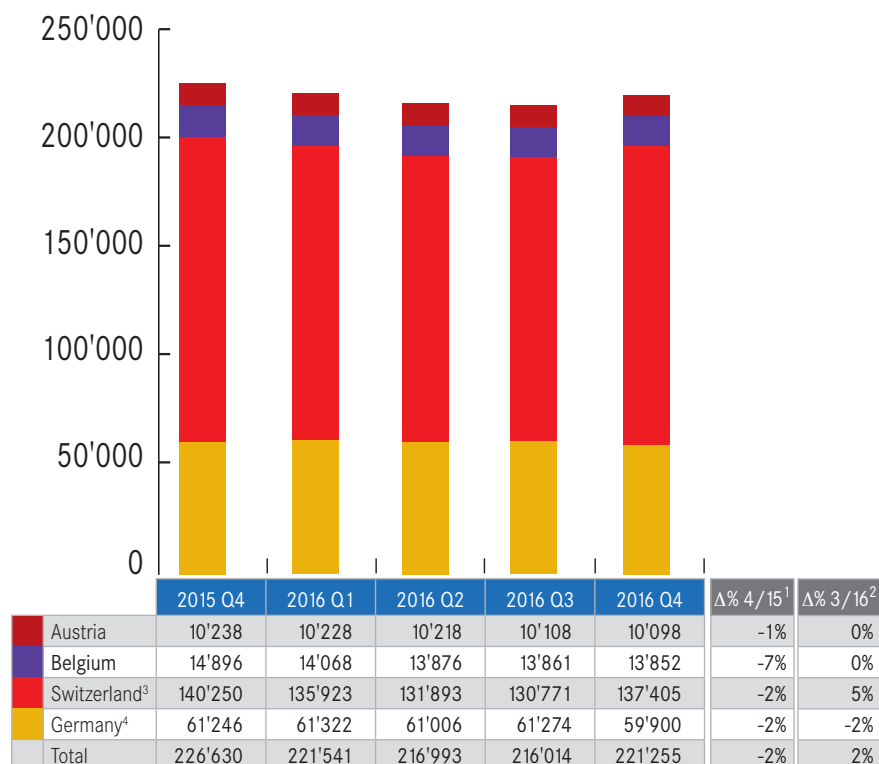
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Source: Country Associations, Derivative Partners

4. Outstanding volume

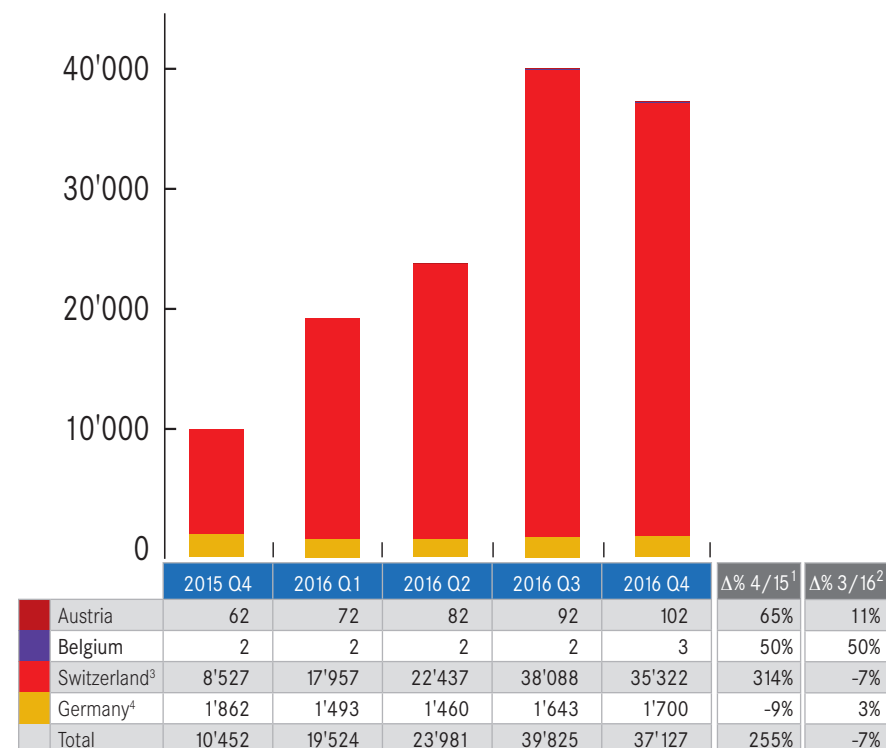
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

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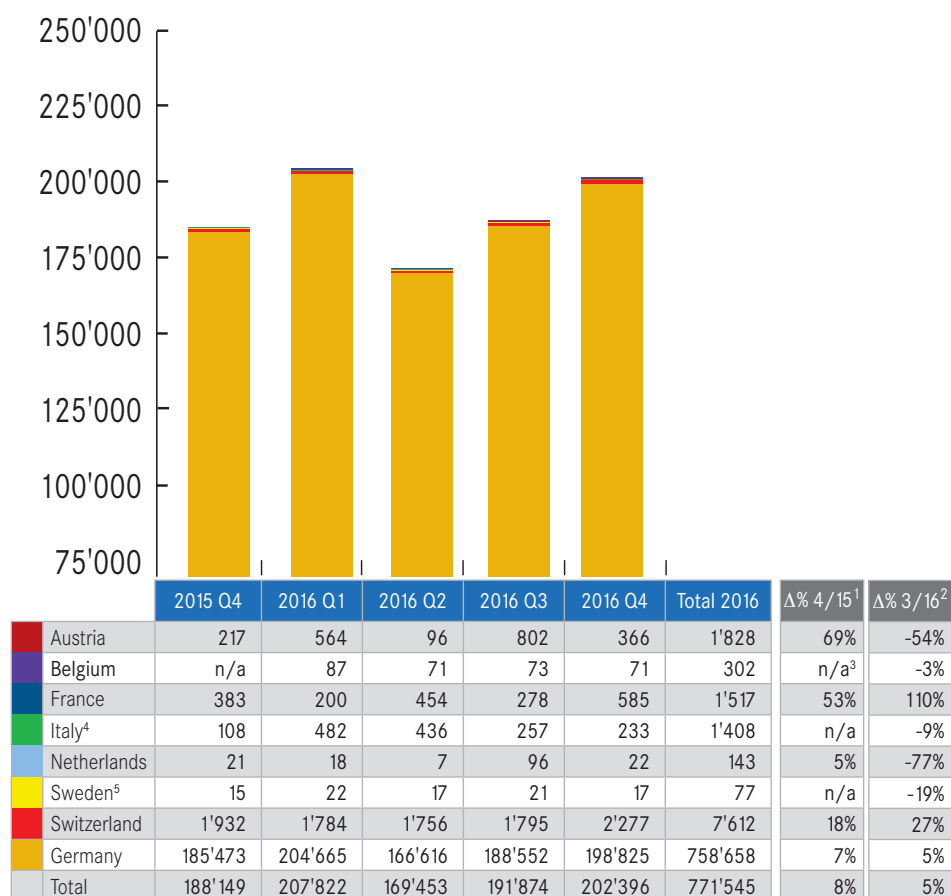
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The figures include therefore, to a small extent, also assets from product sales of these issuers outside Switzerland.

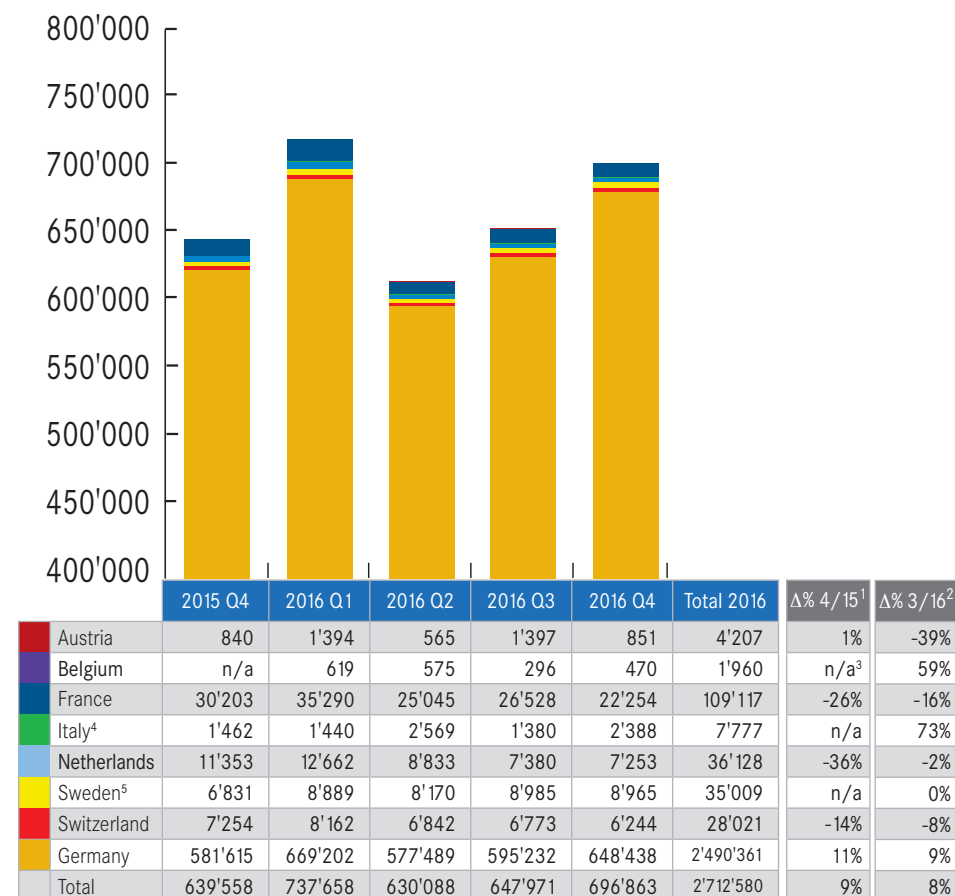
⁴ The German figures are sourced in from the 16 issuers assembled under the roof of Deutsche Derivate Verband (DDV) and entail assets from the sales of listed note-based structured retail products to customers based in Germany.

5. Number of new listings on exchange

Investment Products



Leverage Products



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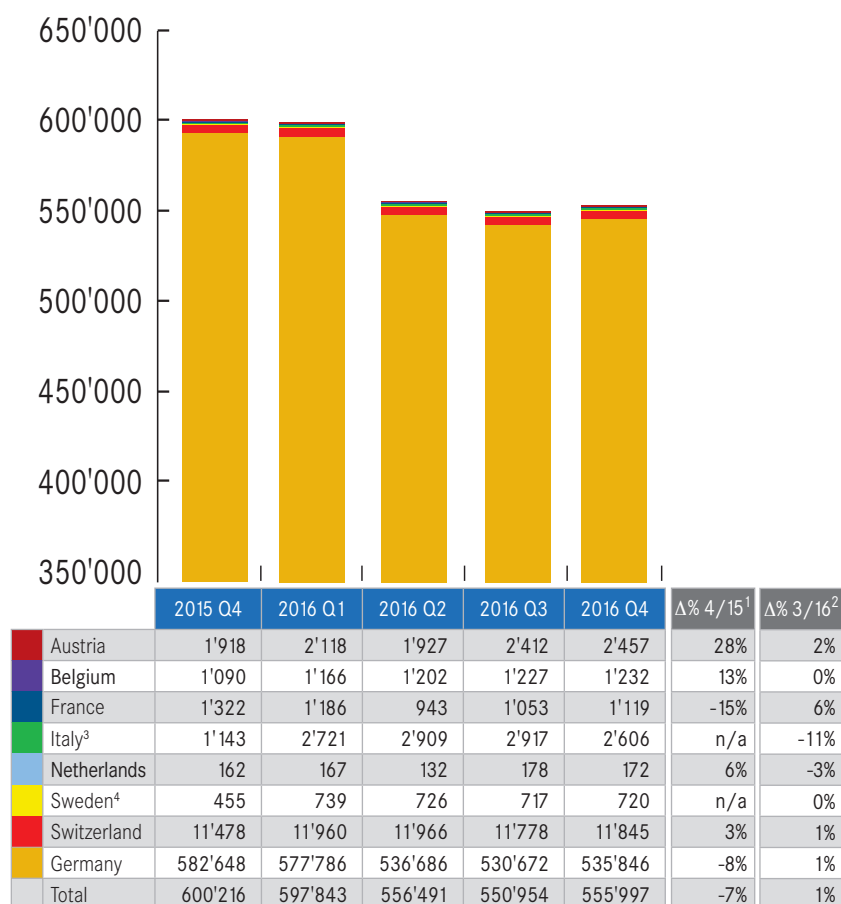
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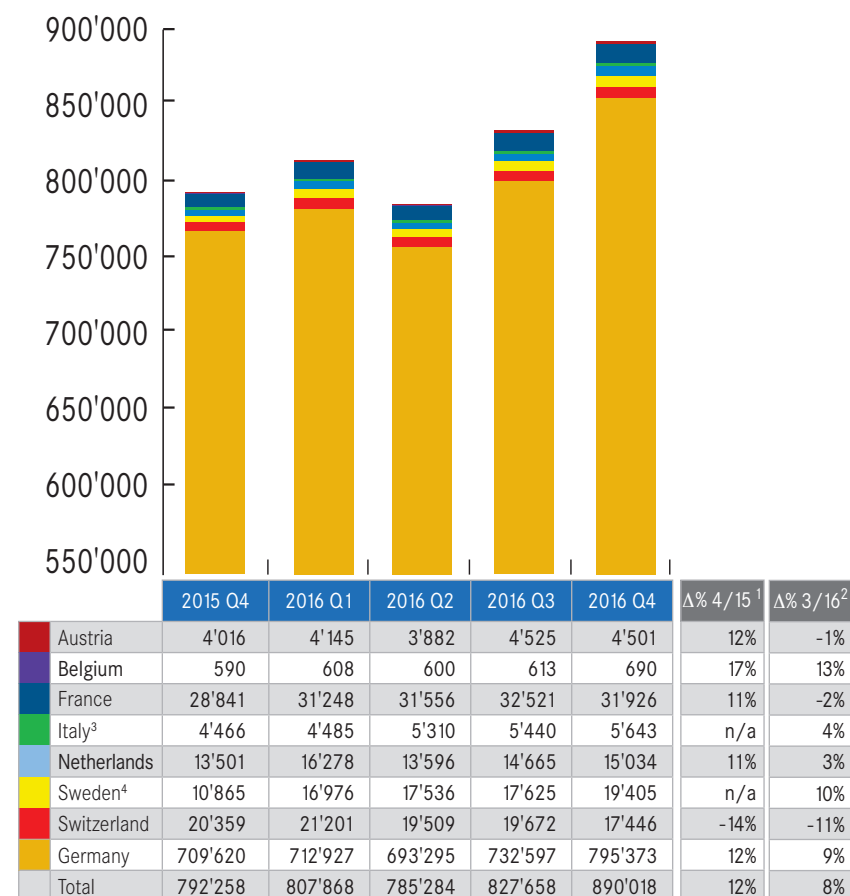
Source: Country Associations, Derivative Partners

6. Number of exchange listed products

Investment Products



Leverage Products



Source: Country Associations, Derivative Partners

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7. Appendix

Data sources

EUSIPA Members

Derivative Partners AG

Key date is 31 December 2016. 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 Dérivés de Bourse (AFPDB)

www.afpdb.fr



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

