

European structured securities market reports investment growth

Aggregate investment on European structured product exchanges at nearly EUR 270 billion / overall offer of listed products increased

Exchange turnover in investment products and leverage products increased on Europe's financial markets in the first quarter of 2017. Compared with the fourth quarter of 2016, turnover rose by 8.0 percent to stand at EUR 30.5 billion. However, this represents still a 9.0 percent decrease year on year. Those are some 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 providing input to the 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 first-quarter turnover in investment products trading recorded on European exchanges amounted to EUR 12.4 billion. This represented a 40.7 percent share of the total turnover. Exchange turnover was up 14.0 percent on the prior quarter's level and 21.0 percent above the figure achieved in the same quarter of the previous year.

In the period from January to March, turnover in the leverage products segment (Warrants, Knock-Out Warrants, Factor Certificates etc.) totalled EUR 18.1 billion. This corresponded to 59.3 percent of the total turnover. The figure increased by 5.0 percent on the fourth quarter of 2016 and lost 22.0 percent year on year.

At the end of March, trading venues located in contributing EUSIPA markets registered a product offering of 584,814 investment products and 951,453 leverage products. The aggregate offer of listed products rose by 6.0 percent in comparison with the prior quarter. The figure was up by 9.0 percent on the same period of 2016.

Banks issued a total of 902,710 new investment and leverage products in the first quarter of the year. Compared to the period from October to December 2016, new issues activities remained at the same level. The figure decreased by 5.0 percent when seen on a year-on-year basis. In total 189,115 new investment products were launched, accounting for 20.9 percent of all new issues. 713,595 new leverage products were listed, accounting for 79.1 percent of the aggregate number of new issues.

At the end of the first quarter, the market volume of note-based investment and leverage products in Austria, Belgium, Germany and Switzerland came in at nearly EUR 269.5 billion – a 4.0 percent increase on the figure recorded for the previous quarter. The volume rose by even 12.0 percent when compared with the first quarter of 2016.

At the end of March the **market volume of investment products** amounted to EUR 231.8 billion – an increase of 5.0 percent on the figure recorded at the end of the

Contact:

Thomas Wulf
Secretary General

EUSIPA - European
Structured Investment
Products Association

Phone: 0032(0) 2550 3415
Mobile: 0032(0) 475 251599

wulf@eusipa.org
www.eusipa.org

previous quarter. This means that market volume was also up by 5.0 percent on a year-over-year basis.

The outstanding volume of leverage products slightly increased since the last quarter of 2016 and stood at EUR 37.6 billion at the end of March. This represented a slight increase of 1.0 percent on the outstanding volume reported for the prior quarter. Compared with the figure reported for the same period of the previous year, there was a strong upsurge of 93.0 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.

The members of EUSIPA contributing to the report are:



Contact:

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Phone: 0032(0) 2550 3415
Mobile: 0032(0) 475 251599

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EUSIPA Market Report on structured investment products

Q1/2017



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

Exchange Turnover: Increasing turnover

In the first quarter of 2017 the overall exchange turnover increased to 30.52 bn EUR, which is a plus of 8% compared to the previous quarter. Leverage Products accounted in Q1 2017 for a turnover of 18.11 bn EUR (an increase of 5% versus Q4 2016). The turnover in investment products amounted to 12.41 bn EUR, which is an increase of 14% compared to the previous quarter.

Outstanding Volume: Increasing volume

The Q1 2017 figures for the Austrian, Belgian, German¹ and Swiss² markets show an increase of 4% for the outstanding volume compared to the preceding quarter Q4 2016. On a year-to-year basis the volume increased by 12%. The volume in leverage products, which is overall rather small compared to the volume of investment products, increased by 1% compared with the previous quarter Q4 2016.

Number of New Listings: High issuance activity

Compared to the fourth quarter of 2016 the number of new listings during Q1 2017 remained almost at the same level (902'710 products in Q1 2017 versus 899'259 products in Q4 2016). Whereas 79% of all new listed products were issued in the leveraged product segment, investment products obtained a share of 21%. For leverage products, the number of new listings increased by 2% compared to the previous quarter but decreased by 3% on a year-to-year basis. For investment products, the number of new listings decreased by 9% on a year-to-year basis and by 7% compared to the previous quarter.










Number of Products: Increasing numbers

At the end of Q1 2017 a total of 1'536'267 products were listed in EUSIPA member countries, resulting in an increase of 6% compared to the fourth quarter of 2016. Measured on a year-to-year basis the number of listed leverage products also increased by 18%, while the number of listed investment products decreased by 2%.

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 (Q1/2017)

	 Austria	 Belgium	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland ¹	 EUSIPA
Exchange Turnover (Mio. EUR)									
1 Investment Products	152	993	53	5'761	2'993	12	102	2'347	12'413
11 Capital Protected	n/a	n/a	0	88	n/a	0	0	42	130
12 Yield-Enhancement	n/a	n/a	30	3'341	n/a	7	0	902	4'280
13 Participation	n/a	n/a	23	2'289	n/a	5	87	1'367	3'772
199 Various	n/a	n/a	0	43	n/a	0	15	36	93
2 Leverage Products	7	25	1'049	5'400	3'629	1'446	5'180	1'376	18'112
21 Without Knock-Out	n/a	n/a	342	1'343	n/a	103	112	n/a	1'900
22 With Knock-Out	n/a	n/a	553	3'377	n/a	1'342	1'246	n/a	6'518
23 Constant Leverage	n/a	n/a	155	680	n/a	1	3'746	n/a	4'581
Various	n/a	n/a	0	0	n/a	0	76	n/a	76
Total	159	1'018	1'102	11'161	6'621	1'458	5'282	3'723	30'525
Total change - Δ in % to Q1/16 ²	51	0	-20	-1	-20	-8	-5	-14	-9
Total change - Δ in % to Q4/16 ³	22	27	-2	5	10	12	15	5	8
Outstanding Volume (Mio. EUR)									
1 Investment Products	10'385	14'583	n/a	61'956	n/a	n/a	n/a	144'915	231'839
11 Capital Protected	n/a	n/a	n/a	22'539	n/a	n/a	n/a	40'816	63'355
12 Yield-Enhancement	n/a	n/a	n/a	26'077	n/a	n/a	n/a	52'993	79'070
13 Participation	n/a	n/a	n/a	6'499	n/a	n/a	n/a	49'556	56'055
199 Various	n/a	n/a	n/a	6'841	n/a	n/a	n/a	1'550	8'391
2 Leverage Products	116	3	n/a	1'899	n/a	n/a	n/a	35'596	37'613
21 Without Knock-Out	n/a	n/a	n/a	703	n/a	n/a	n/a	n/a	703
22 With Knock-Out	n/a	n/a	n/a	833	n/a	n/a	n/a	n/a	833
23 Constant Leverage	n/a	n/a	n/a	362	n/a	n/a	n/a	n/a	362
Various	n/a	n/a	n/a	0	n/a	n/a	n/a	n/a	0
Total	10'501	14'586	n/a	63'855	n/a	n/a	n/a	180'511	269'452
Total change - Δ in % to Q1/16 ²	2	4	n/a	2	n/a	n/a	n/a	17	12
Total change - Δ in % to Q4/16 ³	3	5	n/a	4	n/a	n/a	n/a	5	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 Q1/2017 and equivalent last year quarter Q1/2016.

³ Field indicates per cent change between reporting quarter Q1/2017 and previous quarter Q4/2016.

Source: Country Associations, Derivative Partners

2. Quarterly overview (Q1/2017)

	 Austria	 Belgium	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland ¹	 EUSIPA
Number of New Listings on Exchange									
1 Investment Products	2'101	66	547	183'577	489	40	13	2'282	189'115
11 Capital Protected	n/a	n/a	0	22	n/a	0	n/a	18	40
12 Yield-Enhancement	n/a	n/a	547	96'899	n/a	28	n/a	2'051	99'525
13 Participation	n/a	n/a	0	86'646	n/a	12	n/a	190	86'848
199 Various	n/a	n/a	0	10	n/a	0	13	23	46
2 Leverage Products	2'667	215	24'103	660'603	1'399	9'065	8'958	6'585	713'595
21 Without Knock-Out	1'915	n/a	9'449	191'206	n/a	8	4'617	n/a	207'195
22 With Knock-Out	752	n/a	14'510	465'259	n/a	8'886	3'980	n/a	493'387
23 Constant Leverage	0	n/a	144	4'138	n/a	171	358	n/a	4'811
Various	0	n/a	0	0	n/a	0	3	n/a	3
Total	4'768	281	24'650	844'180	1'888	9'105	8'971	8'867	902'710
Total change - Δ in % to Q1/16 ²	144	-60	-31	-3	-2	-28	1	-11	-5
Total change - Δ in % to Q4/16 ³	292	-48	8	0	-28	25	0	4	0
Number of Exchange Listed Products									
1 Investment Products	4'147	1'373	1'187	562'602	2'718	190	680	11'917	584'814
11 Capital Protected	n/a	n/a	0	1'536	n/a	0	0	540	2'076
12 Yield-Enhancement	n/a	n/a	1'009	301'730	n/a	71	0	8'989	311'799
13 Participation	n/a	n/a	178	257'922	n/a	119	249	1'882	260'350
199 Various	n/a	n/a	0	1'414	n/a	0	431	506	2'351
2 Leverage Products	6'179	786	32'253	850'622	5'677	17'017	20'368	18'551	951'453
21 Without Knock-Out	3'387	n/a	15'533	479'398	n/a	18	10'553	n/a	508'889
22 With Knock-Out	2'792	n/a	16'196	362'338	n/a	16'748	6'196	n/a	404'270
23 Constant Leverage	0	n/a	524	8'886	n/a	251	3'288	n/a	12'949
Various	0	n/a	0	0	n/a	0	331	n/a	331
Total	10'326	2'159	33'440	1'413'224	8'395	17'207	21'048	30'468	1'536'267
Total change - Δ in % to Q1/16 ²	65	22	3	9	17	5	19	-8	9
Total change - Δ in % to Q4/16 ³	48	12	1	6	2	13	5	4	6

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 Q1/2017 and equivalent last year quarter Q1/2016.

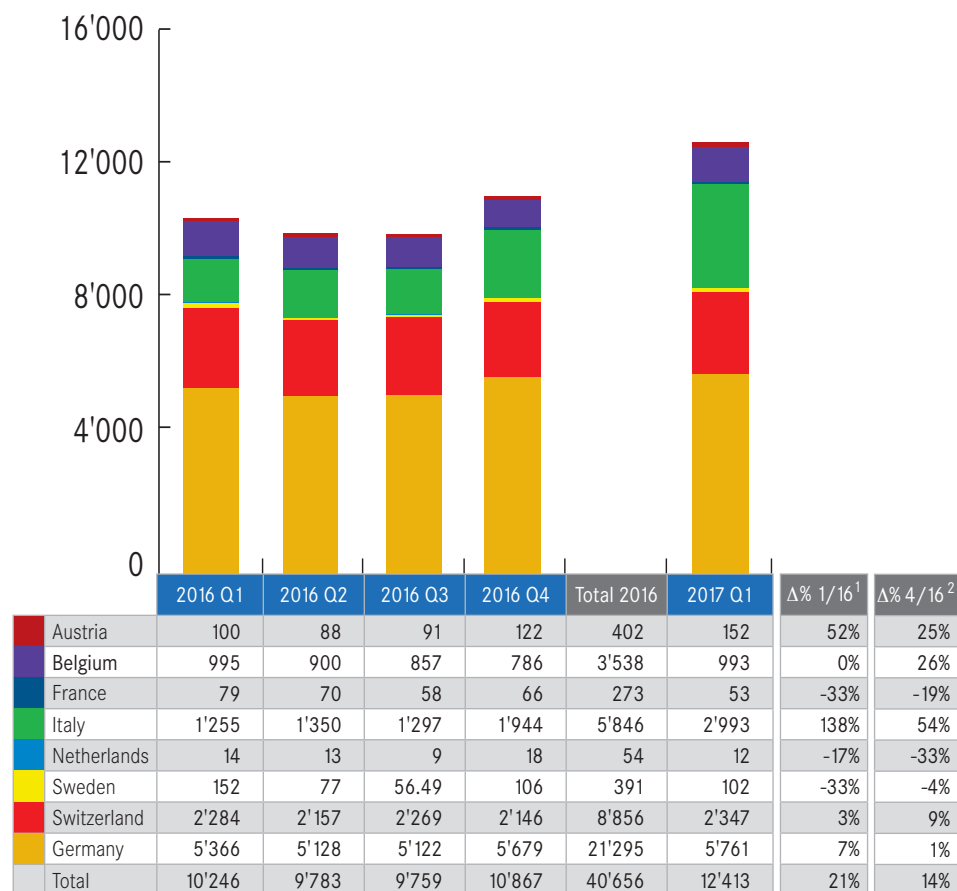
³ Field indicates per cent change between reporting quarter Q1/2017 and previous quarter Q4/2016.

Source: Country Associations, Derivative Partners

3. Exchange turnover

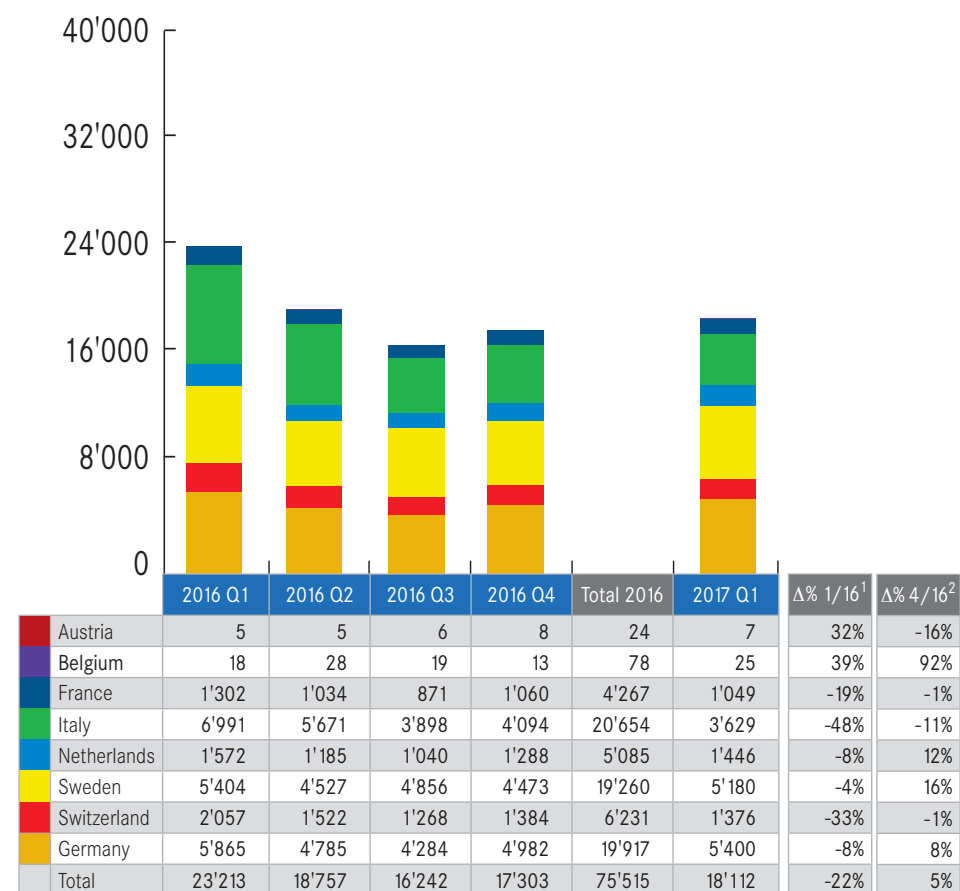
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

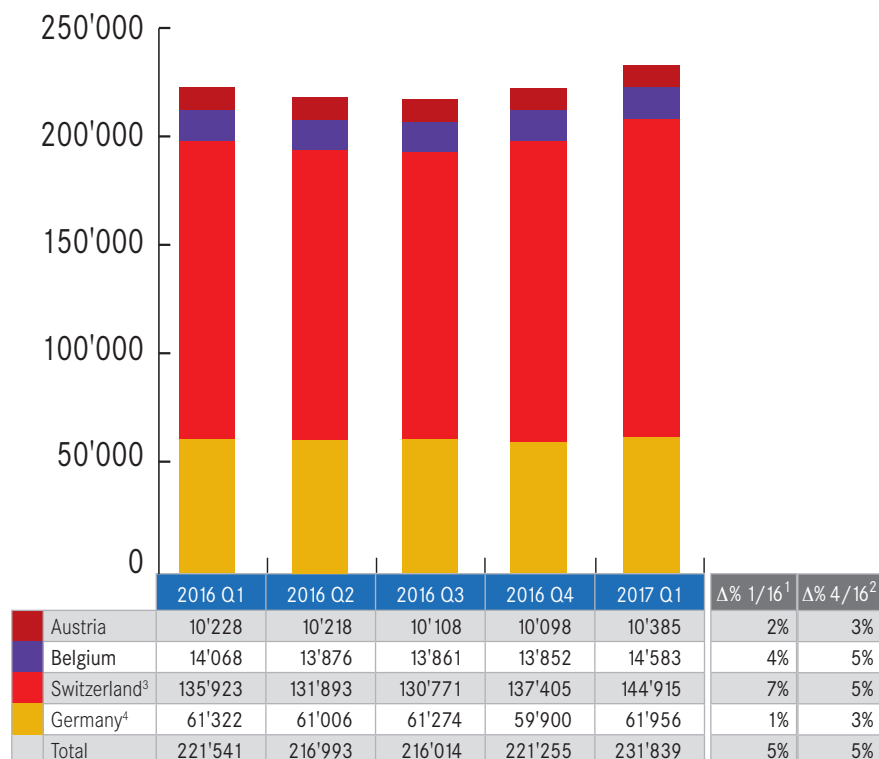
¹ Field indicates per cent change between Q1/2017 and equivalent last year quarter Q1/2016.

² Field indicates per cent change between reporting quarter Q1/2017 and previous quarter Q4/2016.

4. Outstanding volume

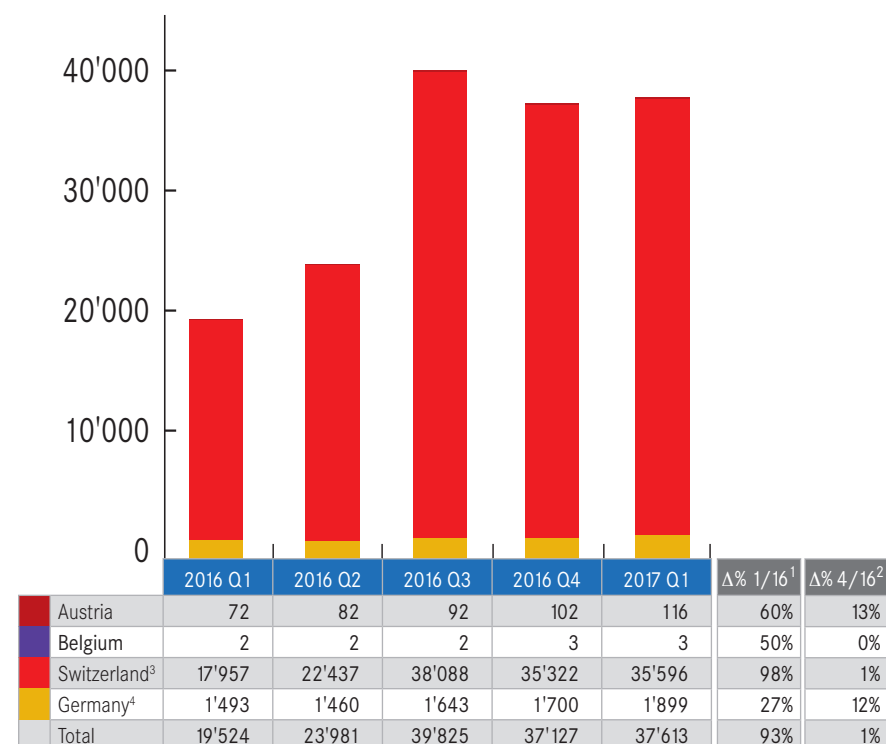
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

¹ Field indicates per cent change between Q1/2017 and equivalent last year quarter Q1/2016.

² Field indicates per cent change between reporting quarter Q1/2017 and previous quarter Q4/2016.

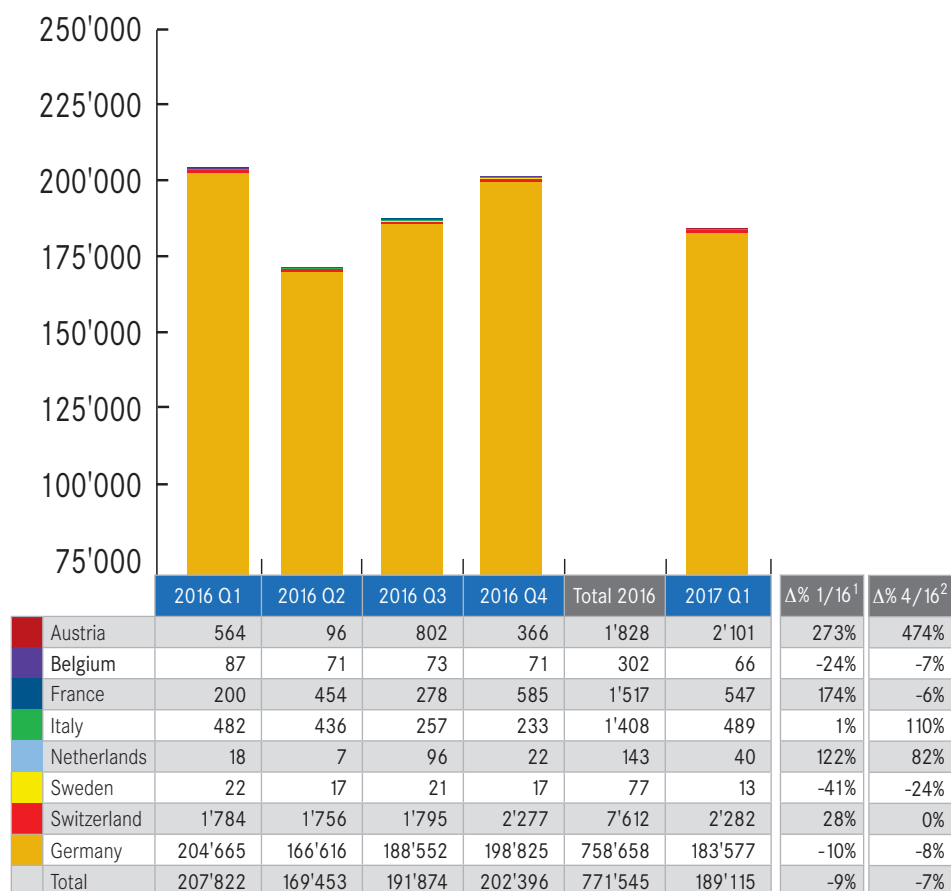
³ The Swiss figures are sourced in from the Swiss National Bank and represent all assets in listed note-based structured retail products held in Swiss depots of issuers domiciled in Switzerland.

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

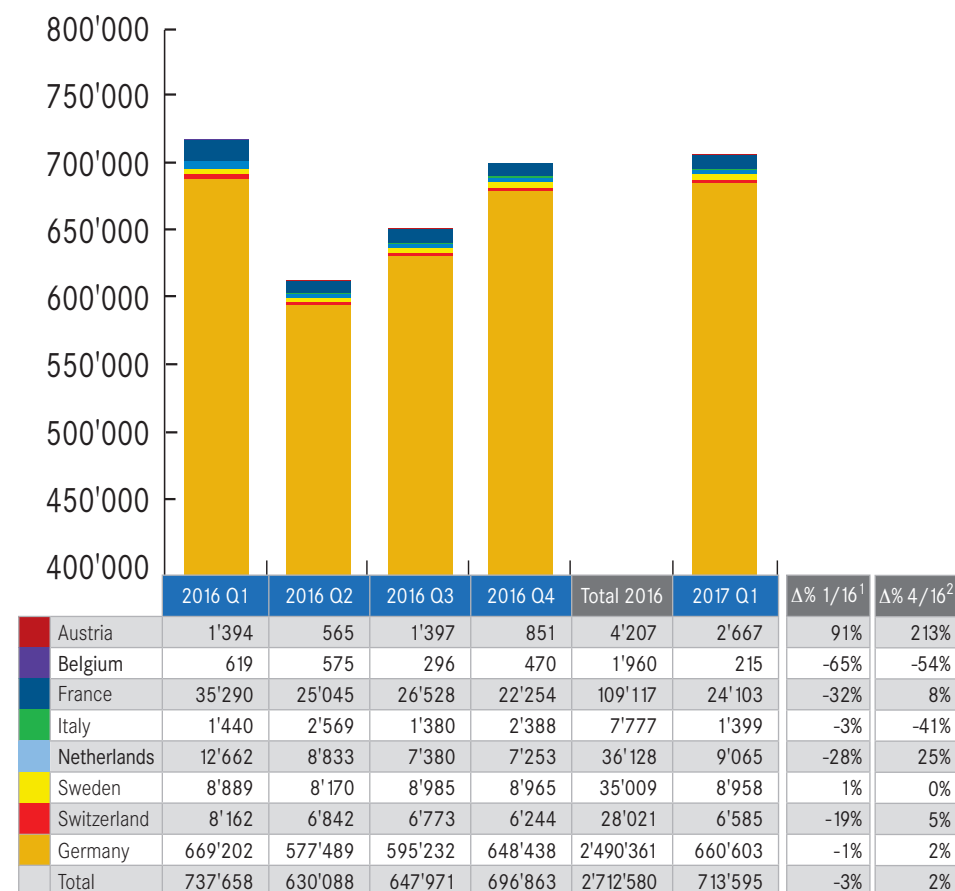
⁴ The German figures are sourced in from the 16 issuers assembled under the roof of Deutsche Derivate Verband (DDV) and entail assets from the sales of listed note-based structured retail products to customers based in Germany.

5. Number of new listings on exchange

Investment Products



Leverage Products



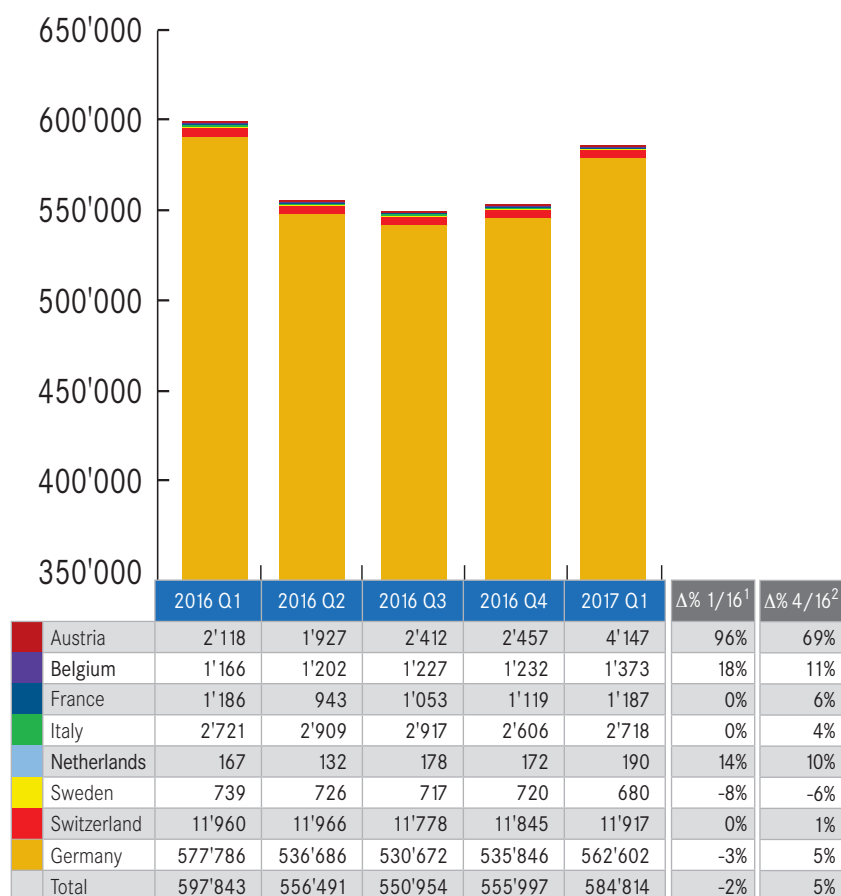
Source: Country Associations, Derivative Partners

¹ Field indicates per cent change between Q1/2017 and equivalent last year quarter Q1/2016.

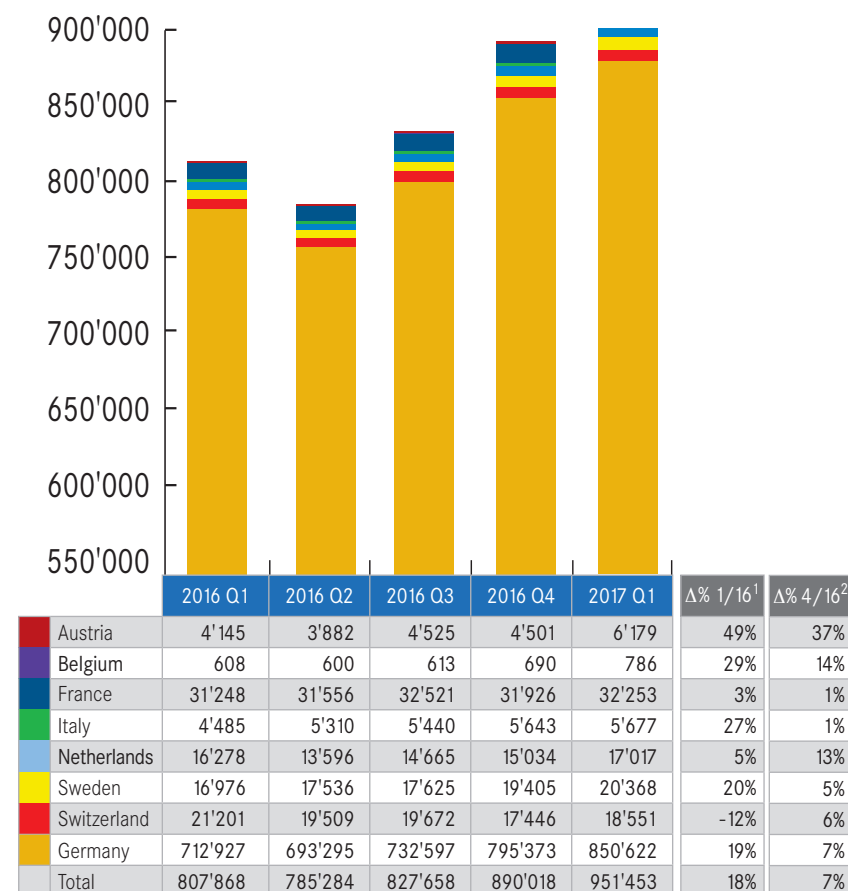
² Field indicates per cent change between reporting quarter Q1/2017 and previous quarter Q4/2016.

6. Number of exchange listed products

Investment Products



Leverage Products



Source: Country Associations, Derivative Partners

¹ Field indicates per cent change between Q1/2017 and equivalent last year quarter Q1/2016.

² Field indicates per cent change between reporting quarter Q1/2017 and previous quarter Q4/2016.

7. Appendix

Data sources

EUSIPA Members

Derivative Partners AG

Key date is 31 March 2017. The exchange rates for CHF/EUR and SEK/EUR are defined at the last trading day of each quarter.

Contact

Thomas Wulf | Secretary General

EUSIPA - European Structured Investment Products Association

Bastion Tower Level 20

5, Place du Champ de Mars

1050 Brussels | Belgium

Phone: +32 2 550 34 15

Mobile: +32 475 25 15 99

wulf@eusipa.org

www.eusipa.org

The data is collected by Derivative Partners AG.

Patrick Walther | Managing Director

Derivative Partners AG

Splügenstrasse 10

8002 Zurich | Switzerland

Phone: +41 43 305 00 55

Fax: +41 43 305 05 31

patrick.walther@derivativepartners.com

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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

