

Increase in turnover in leverage products on the European market for structured securities

Number of new issues considerably higher/ European structured products market generates turnover of 34.7 billion

Exchange turnover in investment products and leverage products decreased on Europe's financial markets in the third quarter of 2015. Compared with the period from April to June of the year, the volume went down by 10.0 percent to EUR 34.7 billion. However, there was a significant increase of 32.0 percent 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 include: Zertifikate Forum Austria (ZFA), 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 trading volume of investment products on the European exchanges stood at EUR 9.0 billion in the third quarter of the year, accounting for a share of 25.9 percent of the total turnover. Exchange turnover dropped by 35.0 percent compared with the previous quarter. This represented a slight decrease (of 2.0 percent) compared with the same period of the preceding year.

The trading volume of leverage products such as Warrants, Knock-Out Warrants and Factor Certificates totalled EUR 25.7 billion in the period from July to September. They therefore accounted for 74.1 percent of the total turnover. The exchange-traded volume increased by 4.0 percent compared with the second quarter of 2015. This represented a strong year-on-year growth of 50.0 percent.

At the end of September the exchanges of EUSIPA member countries were offering 595,225 investment products and 817,158 leverage products. The number of products listed went up by 1.0 percent in comparison with the preceding quarter and increased by 18.0 percent year on year.

Banks issued a total of 933,963 new investment products and leverage products in the third quarter of the year. Compared to the period from April to June, the new issues activity recorded growth of 15.0 percent. This was a significant 57.0 percent increase year on year. A total of 178,460 new investment products were launched, accounting for 19.1 percent of all new issues. All in all, 755,503 new leverage products were listed. They therefore accounted for 80.9 percent of the aggregate volume of new issues.

At the end of the third quarter, the **market volume of investment and leverage products** in Austria, Germany and Switzerland stood at EUR 220.1 billion – down 21.0 percent on the second quarter of the year. The volume fell by 13.0 percent compared with the third quarter of the previous year.

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At the end of September the market volume of investment products amounted to approximately EUR 211.0 billion and thus was 10.0 percent lower than in the same quarter of the previous year. When compared with the second quarter of 2015, there was also a decrease of 10.0 percent.

The outstanding volume of leverage products at the end of September was EUR 9.1 billion. This represents a decline of 79.0 percent when compared with the second quarter of 2015 and 48.0 percent in comparison with the third quarter of 2014. However, according to the latest figures provided, there has been a particularly sharp decline in the outstanding volume for leverage products in Switzerland. These figures are currently being checked again by the Swiss National Bank.

About EUSIPA

EUSIPA represents the interests of the European structured investment products business. The focal point of our 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 are:



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EUSIPA Market Report on structured investment products

Q3/2015



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1. Highlights

Exchange Turnover: Increasing Turnover (Year-to-Year)

In the third quarter of 2015 the overall exchange turnover decreased to 34.67 bn EUR which is a minus of 10% compared to the previous quarter (where it stood at 38.59 bn EUR). On a year-to-year basis the turnover increased by 32%. Leverage Products accounted in Q3 2015 for a turnover of 25.67 bn EUR with an increase of 50% (on a year-to-year basis) and investment products for 9.01 bn EUR, which is a minus of 2% compared to the equivalent last year quarter.

Outstanding Volume: Decreasing Volume

The Q3 2015 figures for the Austrian, German¹ and Swiss² markets show volumes falling by 13% to 220 bn EUR, measured on a year- to-year basis, and also a decrease of 21% compared to the preceding quarter Q2 2015. The volume in leverage products, which is overall rather small compared to the volume of investment products, is 48% lower than in the equivalent quarter Q3 2014.

Number of New Listings: Increasing Numbers

Compared to the second quarter of 2015 the number of new listings between July and September 2015 increased by 15% to a total of 933'963 products. Whereas 81% of all new listed products were issued in the leveraged product segment, investment products obtain a share of 19%. For leverage products the number of new listings increased by 65% on a year-to-year basis and increased by 19 % compared to the previous quarter. As for investment products, the number of new listings also increased strongly by 29%, measured on a year-to-year basis.

Number of Products: Increasing Numbers

At the end of September 2015 a total of 1'412'383 products were listed in EUSIPA member countries. This is an increase of 1% compared to the second quarter of 2015 (where the number stood at 1'409'416). Measured on a year-to-year basis the number of listed investment products accounted for an increase of 21%. Leverage products saw an increase of 16% for the same quarter comparison.

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 (Q3/2015)

	 Austria	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland*	 EUSIPA
Exchange Turnover (Mio. EUR)								
1 Investment Products	93	63	5'644	772	21	106	2'307	9'005
11 Capital Protected	n/a	0	224	n/a	n/a	n/a	104	328
12 Yield-Enhancement	n/a	30	2'599	n/a	9	n/a	795	3'432
13 Participation	n/a	34	2'759	n/a	12	n/a	1'370	4'174
199 Various	n/a	0	62	n/a	n/a	n/a	38	100
2 Leverage Products	14	1'725	6'640	8'264	2'354	4'124	2'546	25'666
21 Without Knock-Out	1	436	1'977	n/a	n/a	52	n/a	2'467
22 With Knock-Out	12	724	3'236	n/a	2'352	1'757	n/a	8'082
23 Constant Leverage	n/a	565	1'426	n/a	2	2'266	n/a	4'259
Various	n/a	n/a	n/a	n/a	n/a	49	n/a	49
Total	107	1'788	12'284	9'036	2'375	4'230	4'853	34'672
Total change - Δ in % to Q3/14**	111	22	20	55	16	132	0	32
Total change - Δ in % to Q2/15***	-24	-14	-7	5	2	28	-46	-10
Outstanding Volume (Mio. EUR)								
1 Investment Products	10'338	n/a	61'791	n/a	n/a	n/a	138'845	210'974
11 Capital Protected	n/a	n/a	30'928	n/a	n/a	n/a	41'609	n/a
12 Yield-Enhancement	n/a	n/a	6'680	n/a	n/a	n/a	49'792	n/a
13 Participation	n/a	n/a	17'837	n/a	n/a	n/a	45273	n/a
199 Various	n/a	n/a	6'346	n/a	n/a	n/a	2'171	n/a
2 Leverage Products	62	n/a	1'497	n/a	n/a	n/a	7'579†	9'138
21 Without Knock-Out	n/a	n/a	642	n/a	n/a	n/a	n/a	n/a
22 With Knock-Out	n/a	n/a	564	n/a	n/a	n/a	n/a	n/a
23 Constant Leverage	n/a	n/a	291	n/a	n/a	n/a	n/a	n/a
Various	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	10'400	n/a	63	n/a	n/a	n/a	146'424	220'112
Total change - Δ in % to Q3/14**	-10	n/a	-17	n/a	n/a	n/a	-11	-13
Total change - Δ in % to Q2/15***	-5	n/a	-5	n/a	n/a	n/a	-27	-21

* 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'.

** Field indicates per cent change between Q3/2015 and equivalent last year quarter Q3/2014.

*** Field indicates per cent change between reporting quarter Q3/2015 and previous quarter Q2/2015.

† As a result of the significant deviation from the previous report, the accurateness of the numbers is currently being investigated by the Swiss National Bank.

Source: Country Associations, Derivative Partners

2. Quarterly overview (Q3/2015)

	 Austria	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland*	 EUSIPA
Number of New Listings on Exchange								
1 Investment Products	142	484	175'651	116	16	123	1'928	178'460
11 Capital Protected	n/a	n/a	43	n/a	n/a	n/a	34	77
12 Yield-Enhancement	n/a	481	134'186	n/a	n/a	n/a	1'756	136'423
13 Participation	n/a	3	89'219	n/a	16	n/a	115	89'353
199 Various	n/a	n/a	83	n/a	n/a	n/a	23	106
2 Leverage Products	898	36'671	691'733	966	11'126	6'019	8'090	755'503
21 Without Knock-Out	144	6'941	148'124	n/a	n/a	2'886	n/a	158'095
22 With Knock-Out	754	29'680	543'468	n/a	11'109	3'058	n/a	588'069
23 Constant Leverage	n/a	50	141	n/a	17	56	n/a	264
Various	n/a	n/a	n/a	n/a	n/a	19	n/a	19
Total	1'040	37'155	867'384	1'082	11'142	6'142	10'018	933'963
Total change - Δ in % to Q3/14**	11	26	57	-25	n/a	123	3	57
Total change - Δ in % to Q2/15***	-34	18	15	-49	34	2	5	15
Number of Exchange Listed Products								
1 Investment Products	1'995	1'496	573'275	1'226	177	5'037	12'019	595'225
11 Capital Protected	n/a	n/a	2'494	n/a	n/a	n/a	805	3'299
12 Yield-Enhancement	n/a	1'320	277'839	n/a	96	n/a	8'608	287'863
13 Participation	n/a	175	291'784	n/a	81	n/a	2'111	294'151
199 Various	n/a	n/a	1'158	n/a	n/a	n/a	495	1'653.00
2 Leverage Products	4'217	26'752	735'351	4'554	14'432	9'646	22'206	817'158
21 Without Knock-Out	1'692	11'576	398'259	n/a	10	4'441	n/a	415'978
22 With Knock-Out	2'525	14'819	333'222	n/a	14'358	3'614	n/a	368'538
23 Constant Leverage	n/a	357	3'870	n/a	64	1'364	n/a	5'655
Various	n/a	n/a	n/a	n/a	n/a	227	n/a	227
Total	6'212	28'248	1'308'626	5'780	14'609	14'683	34'225	1'412'383
Total change - Δ in % to Q3/14**	1	8	18	13	n/a	16	1	18
Total change - Δ in % to Q2/15***	-5	-6	0	-3	84	8	-3	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'.

** Field indicates per cent change between Q3/2015 and equivalent last year quarter Q3/2014.

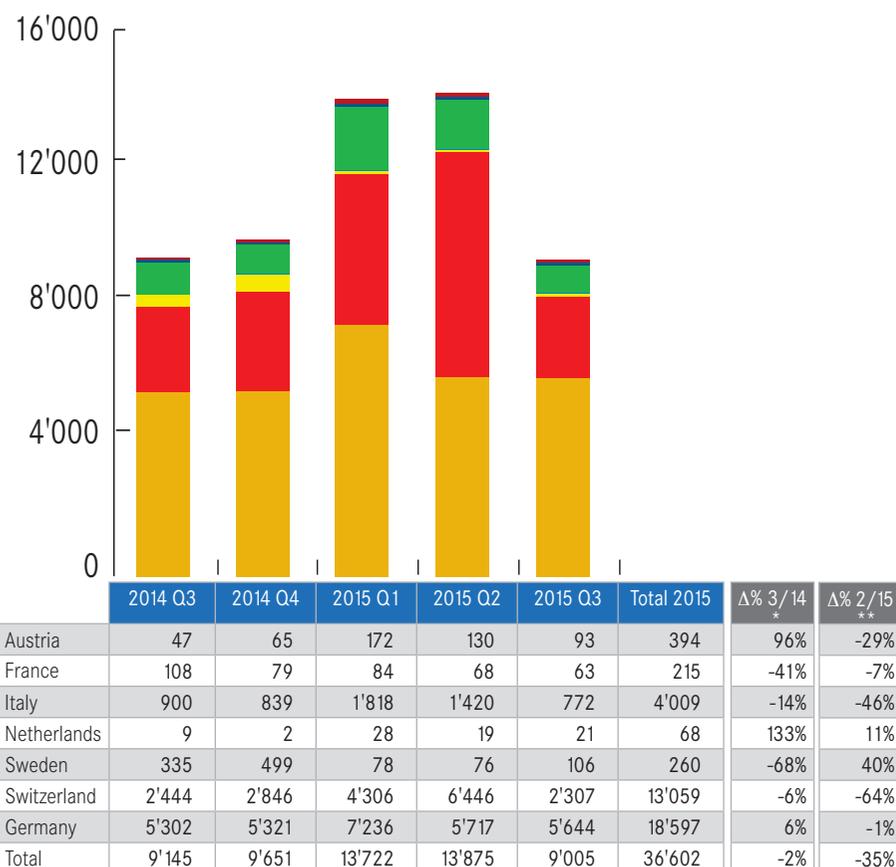
*** Field indicates per cent change between reporting quarter Q3/2015 and previous quarter Q2/2015.

Source: Country Associations, Derivative Partners

3. Exchange turnover

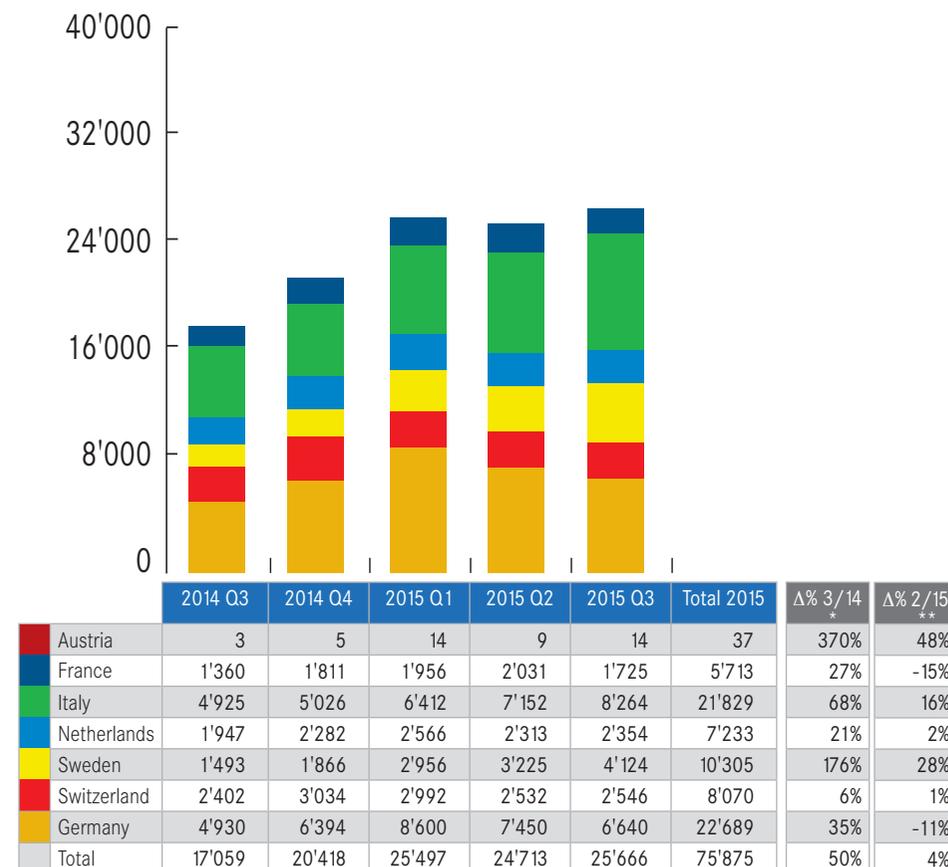
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

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** Field indicates per cent change between reporting quarter Q3/2015 and previous quarter Q2/2015.

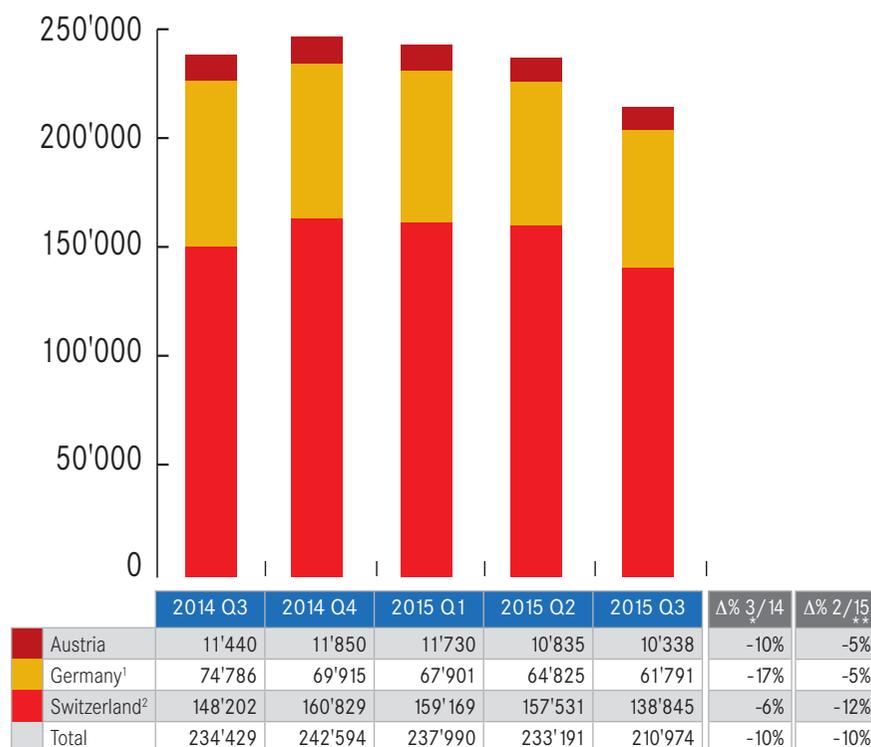
* Field indicates per cent change between Q3/2015 and equivalent last year quarter Q3/2014.

** Field indicates per cent change between reporting quarter Q3/2015 and previous quarter Q2/2015.

4. Outstanding volume

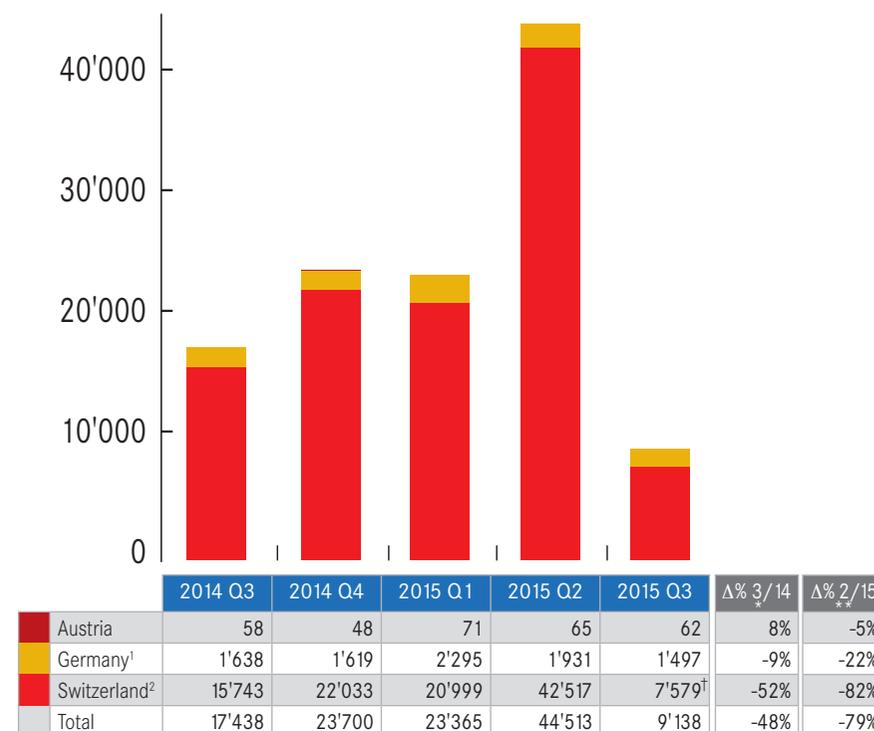
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

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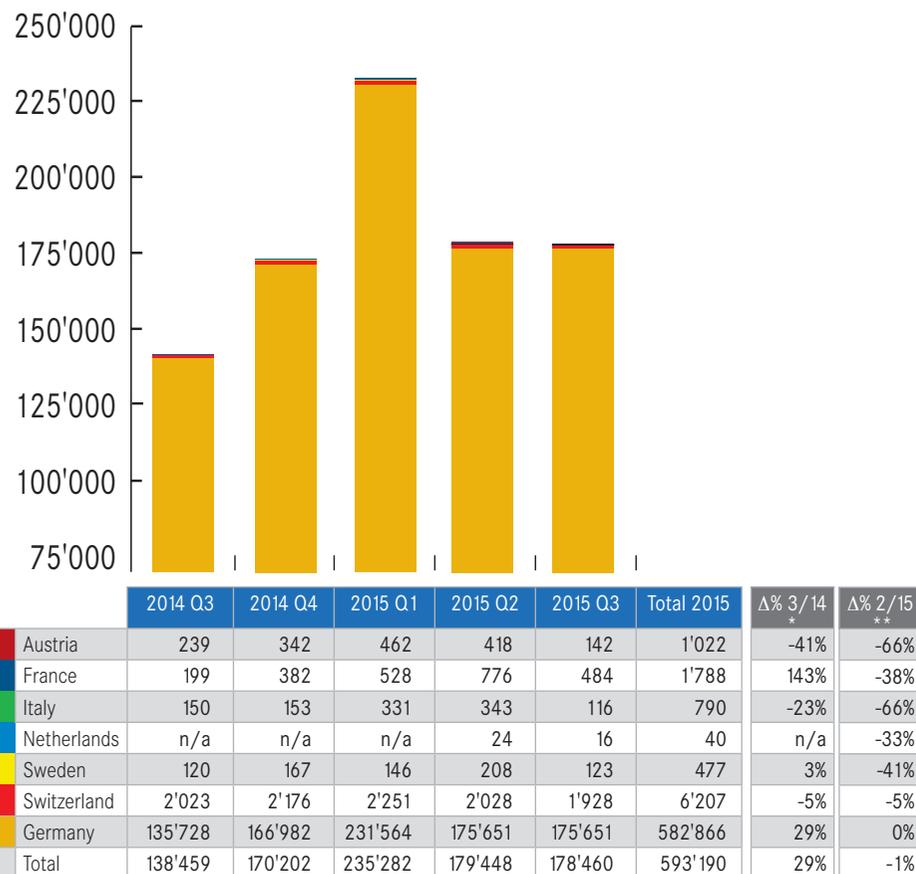
* Field indicates per cent change between Q3/2015 and equivalent last year quarter Q3/2014.

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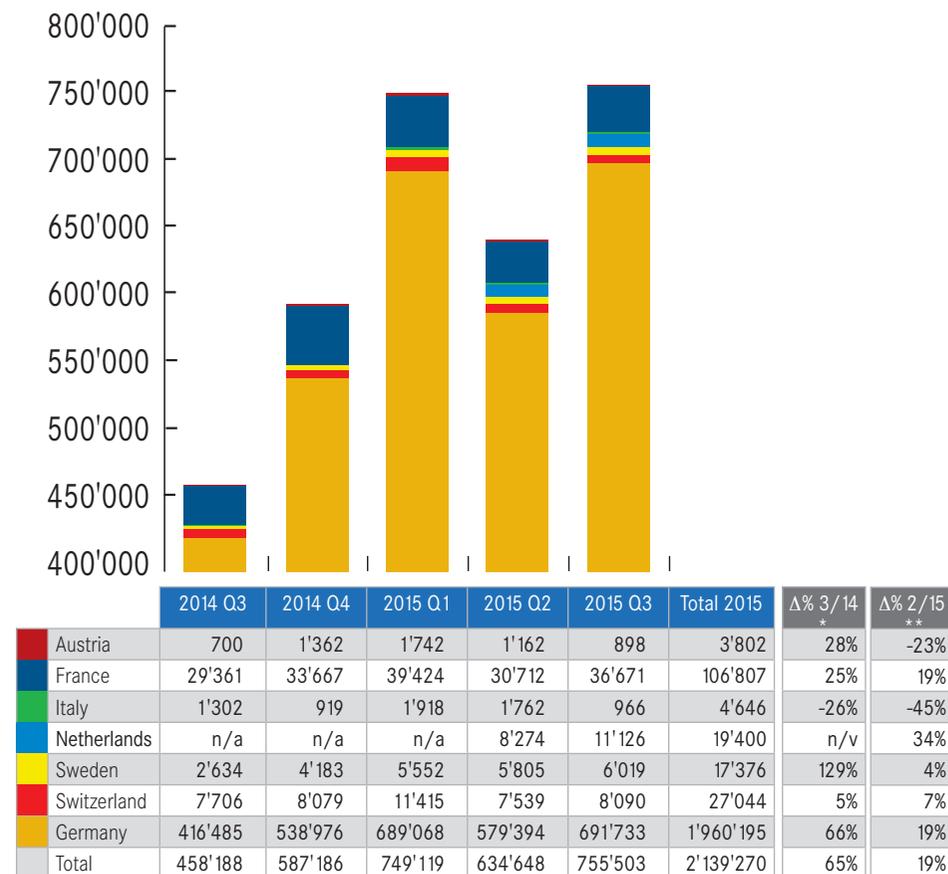
† As a result of the significant deviation from the previous report, the accurateness of the numbers is currently being investigated by the Swiss National Bank.

5. Number of new listings on exchange

Investment Products



Leverage Products



Source: Country Associations, Derivative Partners

* Field indicates per cent change between Q3/2015 and equivalent last year quarter Q3/2014.

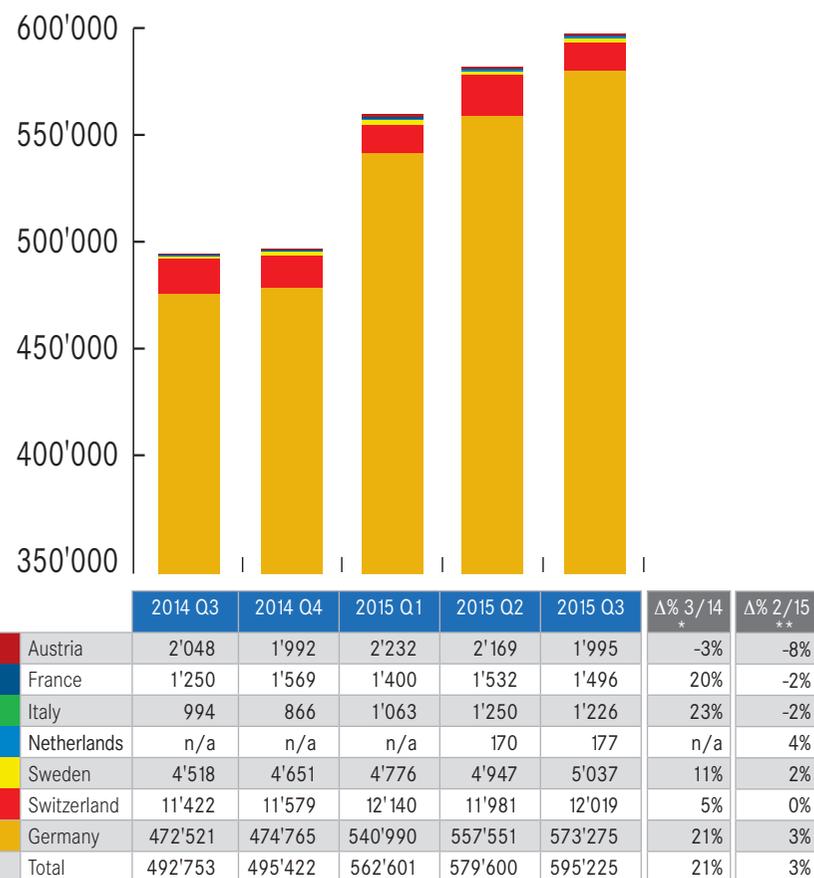
** Field indicates per cent change between reporting quarter Q3/2015 and previous quarter Q2/2015.

* Field indicates per cent change between Q3/2015 and equivalent last year quarter Q3/2014.

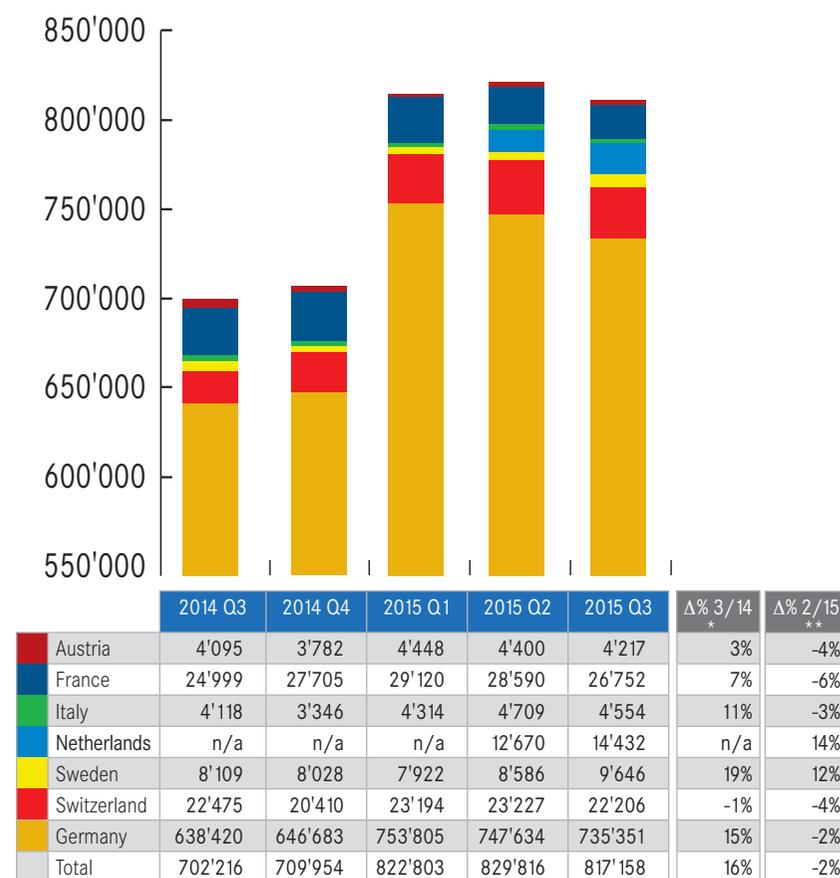
** Field indicates per cent change between reporting quarter Q3/2015 and previous quarter Q2/2015.

6. Number of exchange listed products

Investment Products



Leverage Products



Source: Country Associations, Derivative Partners

* Field indicates per cent change between Q3/2015 and equivalent last year quarter Q3/2014.
** Field indicates per cent change between reporting quarter Q3/2015 and previous quarter Q2/2015.

* Field indicates per cent change between Q3/2015 and equivalent last year quarter Q3/2014.
** Field indicates per cent change between reporting quarter Q3/2015 and previous quarter Q2/2015.

7. Appendix

Data sources

EUSIPA Members

Derivative Partners AG

Key date is 30th September 2015. 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

