

More new products issued on the European market for structured securities

Sharp increase in market volume of leverage products / European structured products market generates turnover of 28.9 billion

Exchange turnover in investment products and leverage products decreased on Europe's financial markets in the fourth quarter of 2015. Compared with the period from July to September of the year, the volume went down by 17.0 percent to EUR 28.9 billion. This represented a 4.0 percent decrease year on year. That is one of the outcomes of an analysis by Derivative Partners Research AG of the latest market data collected by the European Structured Investment Products Association (EUSIPA) from its members.

The members of EUSIPA who contributed data to the market report are: 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 turnover of investment products on the European exchanges stood at EUR 8.5 billion in the fourth quarter of the year, accounting for a share of 29.2 percent of the total turnover. Exchange turnover dropped by 6.0 percent compared with the previous quarter. This represented a decrease of 12.0 percent on the same period of the preceding year.

The turnover of leverage products such as Warrants, Knock-Out Warrants and Factor Certificates totalled EUR 20.5 billion in the period from October to December. They therefore accounted for 70.8 percent of the total turnover. The exchange-traded volume went down by 20.0 percent compared with the third quarter of 2015. This represented a slight year-on-year growth of 0.3 percent.

At the end of December the exchanges of EUSIPA member countries were offering 599,126 investment products and 791,668 leverage products. The number of products listed dropped by 2.0 percent in comparison with the preceding quarter, but year on year the number grew by 15.0 percent.

Banks issued a total of 827,707 new investment products and leverage products in the fourth quarter of the year. Compared to the period from July to September, the new issues activity recorded losses of 11.0 percent. However, year on year there was a significant 9.0 percent increase.

Over the year 2015 as a whole, 3,560,167 new products were admitted, in comparison with 2,566,611 in 2014¹. This represents a sharp increase of 38.7 percent.

In Q4 2015, a total of 188,149 new investment products were launched, accounting for 23.0 percent of all new issues. All in all, 639,559 new leverage products were listed. They therefore accounted for 77.0 percent of the aggregate volume of new issues.

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¹ See EUSIPA market report for the fourth quarter of 2014, issued 12 March 2015.

At the end of the fourth quarter, the **market volume of investment and leverage products** in Austria, Germany and Switzerland stood at EUR 222.2 billion – up 1.0 percent on the third quarter of the year. The volume however still is 17.0 percent lower compared with the fourth quarter of the previous year.

At the end of December the market volume of investment products amounted to approximately EUR 211.7 billion and thus was on a par with the previous quarter's level.

The outstanding volume of leverage products at the end of December was EUR 10.5 billion. This represents growth of 14.0 percent when compared with the third quarter of 2015.

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 who contributed to the report are:



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EUSIPA Market Report on structured investment products

Q4/2015



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1. Highlights

Exchange Turnover: Decreasing turnover

In the fourth quarter of 2015 the overall exchange turnover decreased to 28.94 bn EUR which is a minus of 17% compared to the previous quarter (where it stood at 34.67 bn EUR). On a year-to-year basis the turnover decreased by 4%. Leverage Products accounted in Q4 2015 for a turnover of 20.48 bn EUR which is largely at the same level as in the Q4 2014 equivalent quarter. The turnover in Investment products amounted to 8.47 bn EUR, which is a minus of 12% compared to the equivalent last year quarter.

Outstanding Volume: Stable volumes in second half of 2015

The Q4 2015 figures for the Austrian, German¹ and Swiss² markets show a slight increase of 1% compared to the preceding quarter Q3 2015 while falling by 17% to 222.19 bn EUR, measured on a year- to-year basis. The volume in leverage products, which is overall rather small compared to the volume of investment products, picked up by 14% compared with the previous quarter Q3 2015 while being still significantly lower lower than in the equivalent quarter Q4 2014.

Number of New Listings: Decreasing numbers in second half of 2015

Compared to the third quarter of 2015 the number of new listings between October and December 2015 decreased by 11% total of 827'707 products. Whereas 77% of all new listed products were issued in the leveraged product segment, investment products obtain a share of 23%. For leverage products the number of new listings increased by 9% on a year-to-year basis and decreased by 15 % compared to the previous quarter. As for investment products the number of new listings increased by 11%, measured on a year-to-year basis.









Number of Products: Increasing Numbers

At the end of 2015 a total of 1'390'794 products were listed in EUSIPA member countries, resulting in a slight decrease of 2% compared to the third quarter of 2015 (where the number stood at 1'412'383). 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 11% 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 (Q4/2015)

	 Austria	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland*	 EUSIPA
Exchange Turnover (Mio. EUR)								
1 Investment Products	88	59	5'077	910	15	10	2'307	8'466
11 Capital Protected	n/a	0	164	n/a	0	n/a	114	278
12 Yield-Enhancement	n/a	33	2'217	n/a	6	n/a	564	2'819
13 Participation	n/a	27	2'622	n/a	9	n/a	1'582	4'240
199 Various	n/a	0	73	n/a	0	n/a	47	120
2 Leverage Products	6	1'340	5'703	6'887	1'854	3'098	1'589	20'478
21 Without Knock-Out	2	338	1'674	n/a	0	62	n/a	2'075
22 With Knock-Out	4	617	3'000	n/a	1'853	1'303	n/a	6'777
23 Constant Leverage	n/a	385	1'029	n/a	1	1'651	n/a	3'066
Various	n/a	n/a	n/a	n/a	0	82	n/a	82
Total	94	1'399	10'780	7'797	1'869	3'108	3'896	28'944
Total change - Δ in % to Q4/14**	36	-22	-8	33	-18	66	-34	-4
Total change - Δ in % to Q3/15***	-11	-26	-12	-14	-21	-25	-20	-17
Outstanding Volume (Mio. EUR)								
1 Investment Products	10'238	n/a	61'246	n/a	n/a	n/a	140'250	211'734
11 Capital Protected	n/a	n/a	29	n/a	n/a	n/a	43'227	n/a
12 Yield-Enhancement	n/a	n/a	7	n/a	n/a	n/a	48'433	n/a
13 Participation	n/a	n/a	19	n/a	n/a	n/a	46'433	n/a
199 Various	n/a	n/a	7	n/a	n/a	n/a	2'156	n/a
2 Leverage Products	62	n/a	1'862	n/a	n/a	n/a	8'527 [†]	10'450
21 Without Knock-Out	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a
22 With Knock-Out	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a
23 Constant Leverage	n/a	n/a	n/a	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	10'300	n/a	63'108	n/a	n/a	n/a	148'777	222'184
Total change - Δ in % to Q4/14**	-13	n/a	-12	n/a	n/a	n/a	-19	-17
Total change - Δ in % to Q3/15***	-1	n/a	0	n/a	n/a	n/a	2	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 Q4/2015 and equivalent last year quarter Q4/2014.

*** Field indicates per cent change between reporting quarter Q4/2015 and previous quarter Q3/2015.

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

Source: Country Associations, Derivative Partners

2. Quarterly overview (Q4/2015)

	 Austria	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland*	 EUSIPA
Number of New Listings on Exchange								
1 Investment Products	217	383	185'473	108	21	15	1'932	188'149
11 Capital Protected	n/a	0	39	n/a	0	n/a	27	66
12 Yield-Enhancement	n/a	378	98'863	n/a	20	n/a	1'735	100'996
13 Participation	n/a	5	86'491	n/a	1	n/a	135	86'632
199 Various	n/a	0	80	n/a	0	n/a	35	115
2 Leverage Products	840	30'203	581'615	1'462	11'353	6'831	7'254	639'558
21 Without Knock-Out	118	7'690	125'889	n/a	2	3'259	n/a	136'958
22 With Knock-Out	722	22'451	455'495	n/a	11'351	3'329	n/a	493'348
23 Constant Leverage	n/a	62	231	n/a	17	191	n/a	501
Various	n/a	0	n/a	n/a	0	52	n/a	52
Total	1'057	30'586	767'088	1'570	11'374	6'846	9'186	827'707
Total change - Δ in % to Q4/14**	2	-10	9	62	n/a	63	-10	9
Total change - Δ in % to Q3/15***	-38	-18	-12	45	2	14	-8	-11
Number of Exchange Listed Products								
1 Investment Products	1'918	1'322	582'648	1'143	162	455	11'478	599'126
11 Capital Protected	n/a	0	2'350	n/a	0	n/a	737	3'087
12 Yield-Enhancement	n/a	1'173	275'990	n/a	79	n/a	8'296	285'538
13 Participation	n/a	149	303'091	n/a	83	n/a	1'940	305'263
199 Various	n/a	0	1'217	n/a	0	n/a	505	1'722.00
2 Leverage Products	4'016	28'841	709'620	4'466	13'501	10'865	20'359	791'668
21 Without Knock-Out	1'513	12'702	376'118	n/a	10	5'391	n/a	395'734
22 With Knock-Out	2'503	15'747	329'398	n/a	13'429	3'827	n/a	364'904
23 Constant Leverage	n/a	392	4'104	n/a	62	1'415	n/a	5'973
Various	n/a	0	n/a	n/a	0	232	n/a	232
Total	5'934	30'163	1'292'268	5'609	13'663	11'320	31'837	1'390'794
Total change - Δ in % to Q4/14**	3	3	15	33	n/a	32	0	15
Total change - Δ in % to Q3/15***	-4	7	-1	-3	-6	12	-7	-2

* 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 Q4/2015 and equivalent last year quarter Q4/2014.

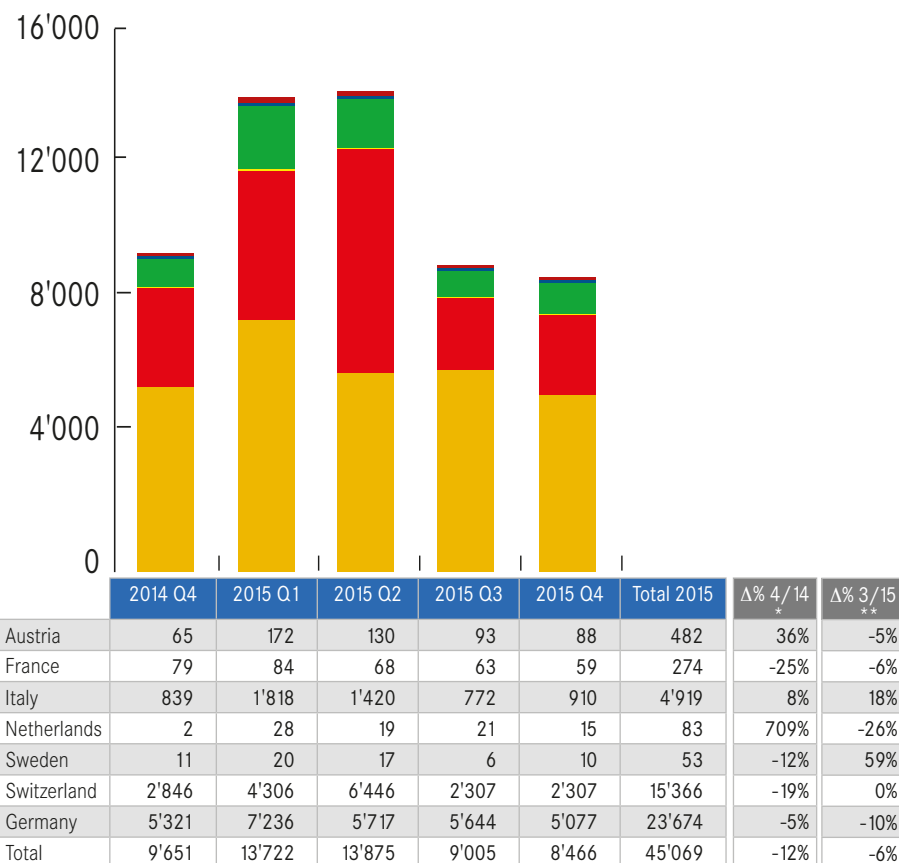
*** Field indicates per cent change between reporting quarter Q4/2015 and previous quarter Q3/2015.

Source: Country Associations, Derivative Partners

3. Exchange turnover

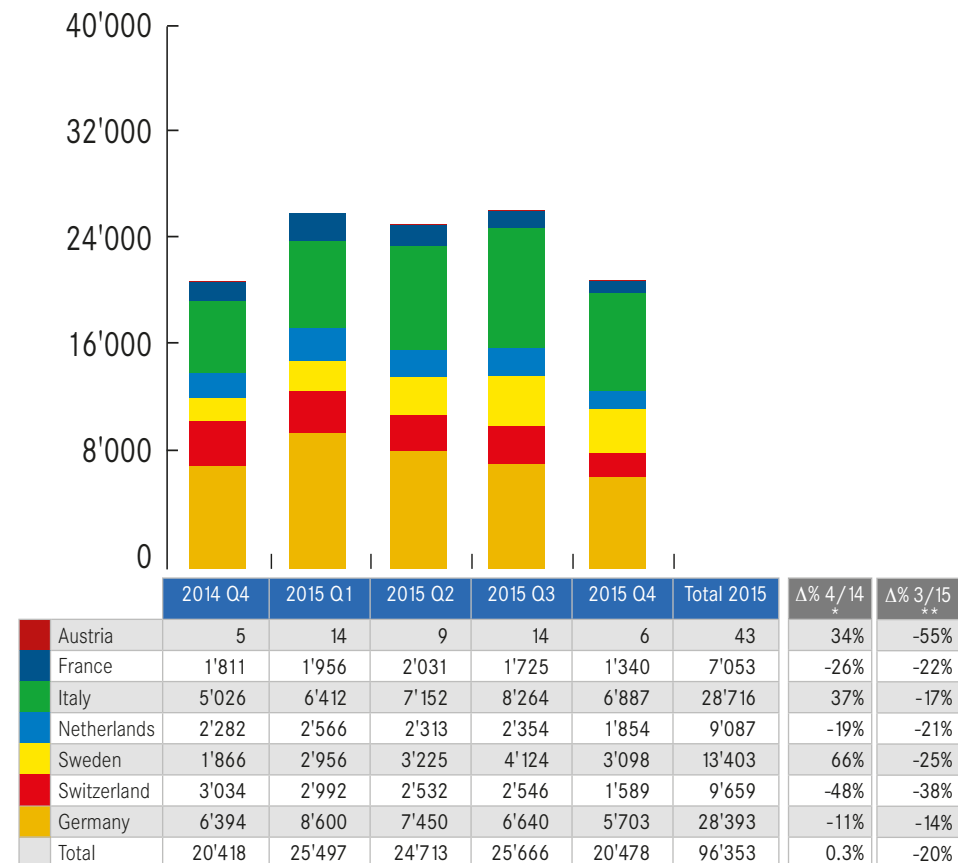
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

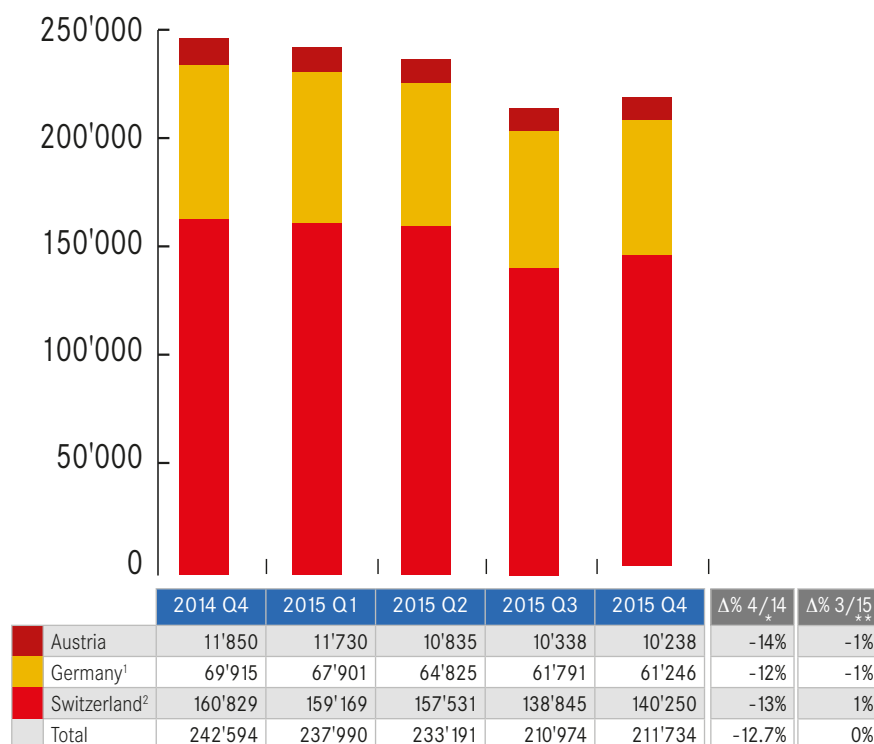
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4. Outstanding volume

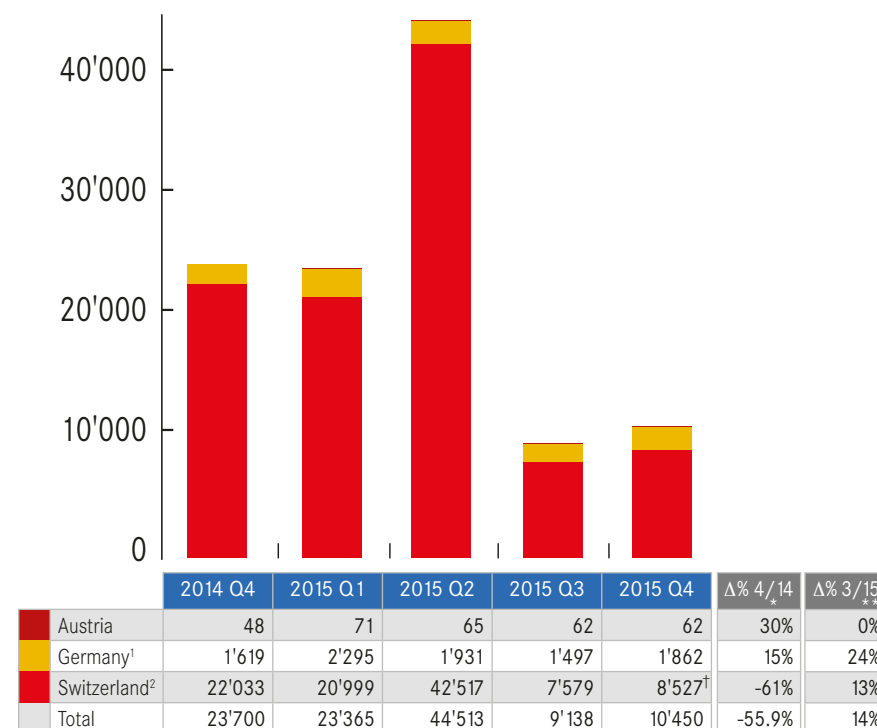
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

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** Field indicates per cent change between reporting quarter Q4/2015 and previous quarter Q3/2015.

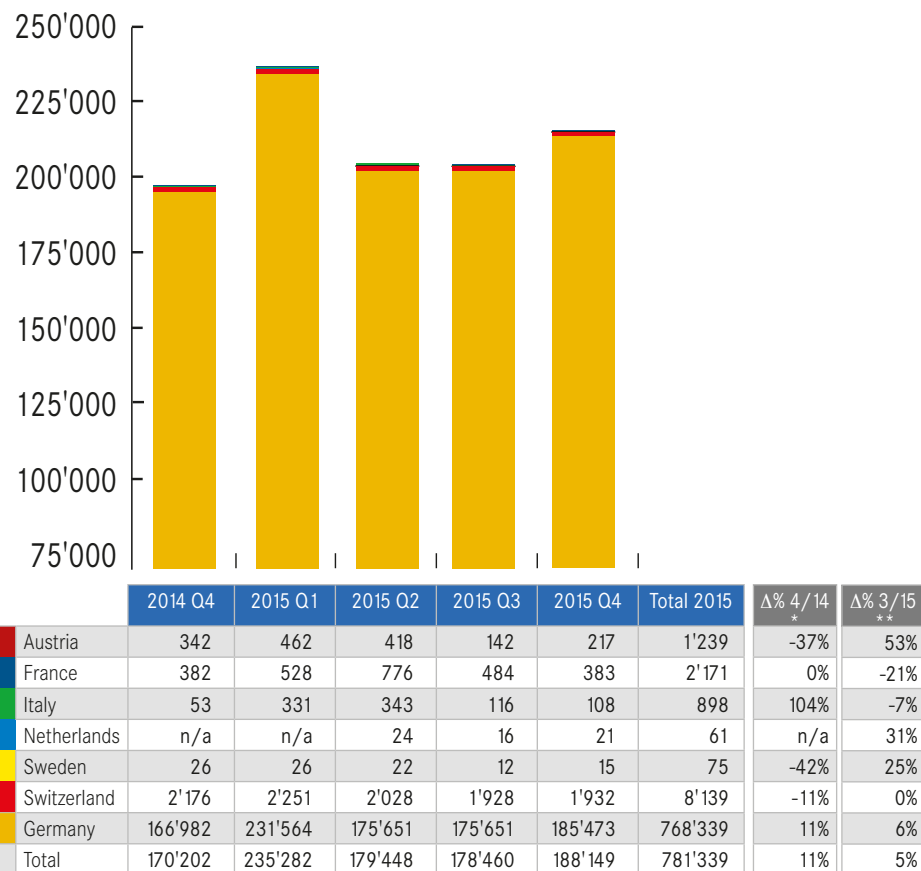
* Field indicates per cent change between Q4/2015 and equivalent last year quarter Q4/2014.

** Field indicates per cent change between reporting quarter Q4/2015 and previous quarter Q3/2015.

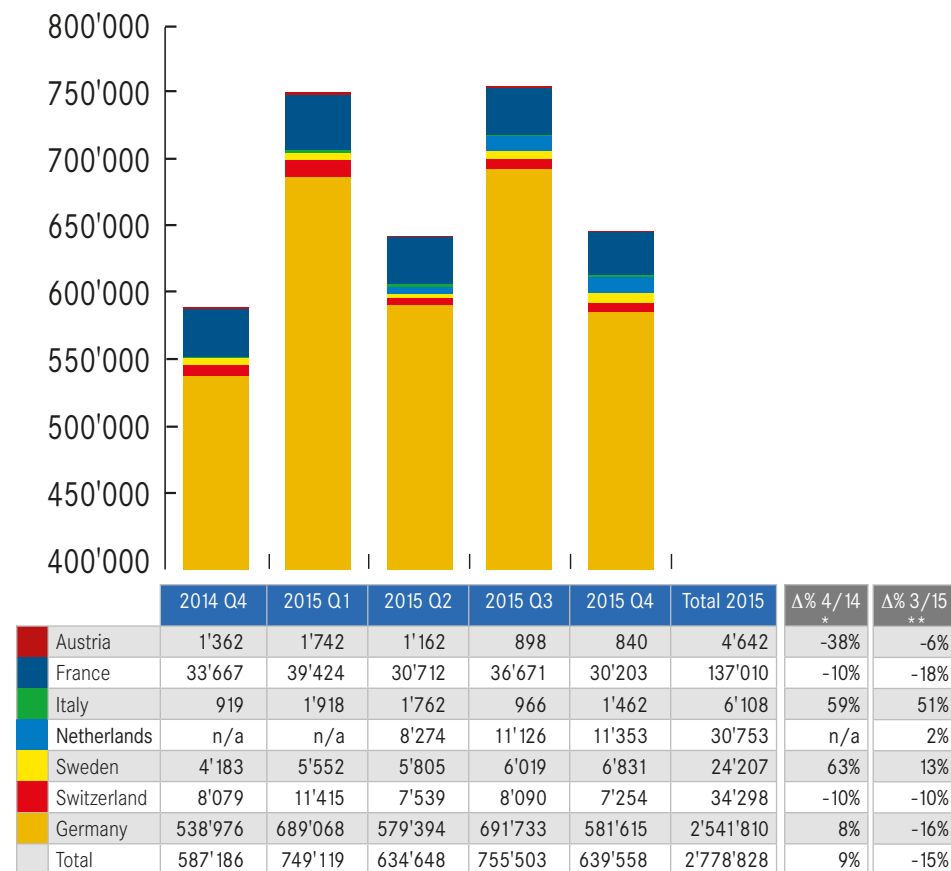
† As a result of the significant deviation from the previous reports, the accurateness of the numbers is currently being investigated by the Swiss National Bank.

5. Number of new listings on exchange

Investment Products



Leverage Products



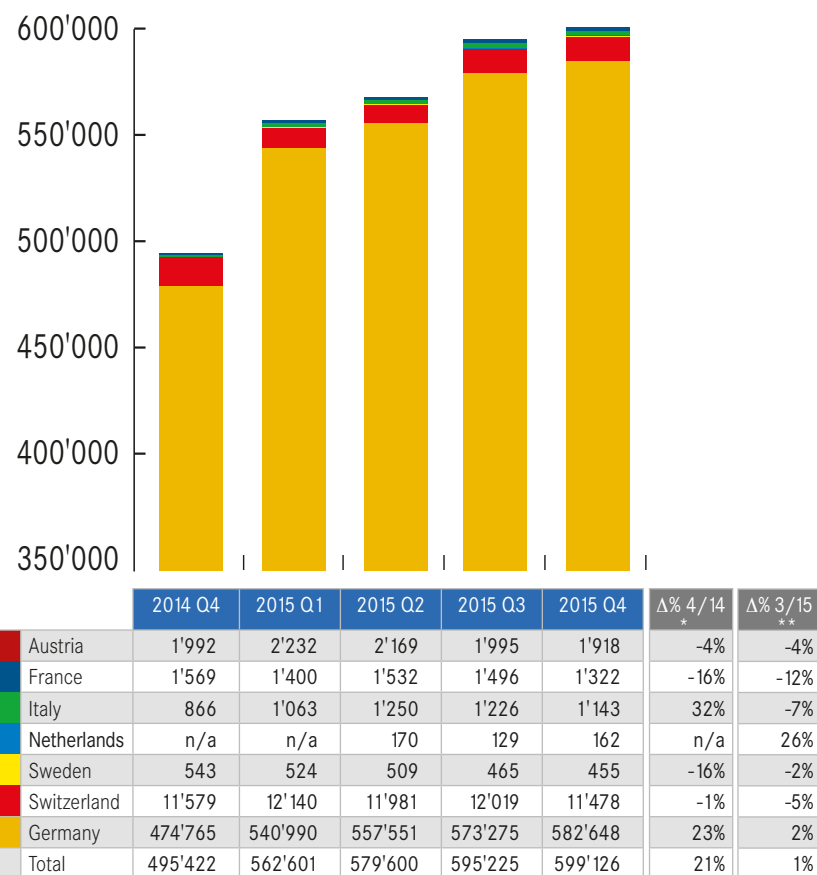
Source: Country Associations, Derivative Partners

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 ** Field indicates per cent change between reporting quarter Q4/2015 and previous quarter Q3/2015.

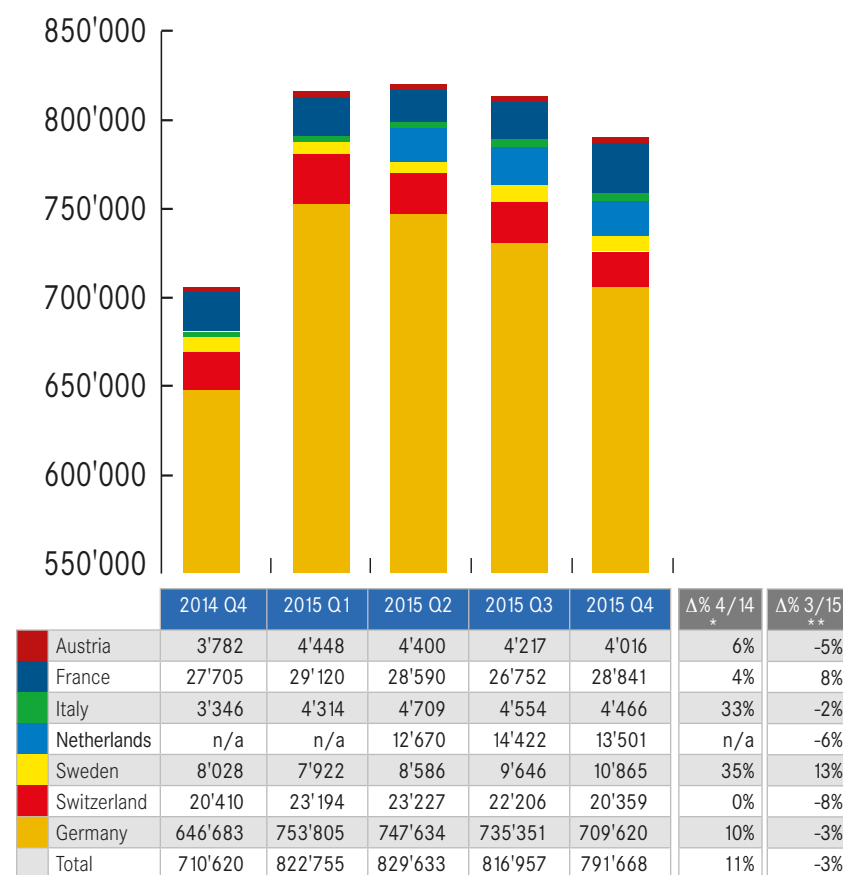
* Field indicates per cent change between Q4/2015 and equivalent last year quarter Q4/2014.
 ** Field indicates per cent change between reporting quarter Q4/2015 and previous quarter Q3/2015.

6. Number of exchange listed products

Investment Products



Leverage Products



Source: Country Associations, Derivative Partners

* Field indicates per cent change between Q4/2015 and equivalent last year quarter Q4/2014.
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* Field indicates per cent change between Q4/2015 and equivalent last year quarter Q4/2014.
** Field indicates per cent change between reporting quarter Q4/2015 and previous quarter Q3/2015.

7. Appendix

Data sources

EUSIPA Members

Derivative Partners AG

Key date is 31th December 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

