

Volume largely stable on Europe's structured products markets

EUR 275 billion open interest across reporting markets / fewer investment products issued in Q3

Turnover in investment and leverage products on reporting European financial markets totalled EUR 33 billion in the third quarter of 2020. Turnover fell 11 percent quarter on quarter, but nonetheless increased by 8 percent year on year. These and other market data were sourced by the European Structured Investment Products Association (EUSIPA) from its members and analysed by Derivative Partners AG.

The members of EUSIPA who provide the figures for the market report include Zertifikate Forum Austria (ZFA), the 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), the Netherlands Structured Investment Products Association (NEDSIPA), the Swedish Exchange Traded Investment Products Association (SETIPA), and the Swiss Structured Products Association (SSPA).

Third-quarter turnover in investment products on European trading venues amounted to EUR 9 billion, 27 percent of total turnover. Investment product turnover increased slightly (up 1 percent) quarter on quarter, but was down 36 percent on the same quarter the previous year. Turnover in leverage products (Warrants, Knock-Out Warrants, and Constant Leverage Certificates) reached EUR 24 billion in the period from July to September, representing 73 percent of total turnover. Turnover in leverage products increased 46 percent year on year, but fell 14 percent from the previous quarter.

At the end of September, trading venues located in reporting EUSIPA markets were offering 460,209 investment products and 1,231,619 leverage products. As such, the number of listed products was stable on a quarterly basis, though contracted 12 percent on the previous year.

Banks issued 1,308,798 new investment and leverage products in the third quarter of 2020, a 12 percent decrease on the previous quarter but no change year on year. In total, 126,796 new investment products were launched, accounting for 10 percent of new issues; the 1,182,002 new leverage products represent 90 percent of the total. The contraction from the previous quarter was driven by investment products, new issuance of which fell by 44 percent.

For Austria, Belgium, Germany, and Switzerland, the **market volume of investment and leverage products** issued as securities stood at EUR 275 billion at the end of the third quarter, 1 percent down both on a year-on-year basis and on Q2 this year.

Contact:

Thomas Wulf
Secretary General
EUSIPA - European
Structured Investment
Products Association
Tel.: +32 (0) 2550 34 15
Mobile: +32 (0) 475 25 15 99
wulf@eusipa.org
www.eusipa.org

At the end of September, the market volume of investment products was a stable EUR 265 billion – up just 1 percent quarter on quarter and down just 1 percent year on year.

The outstanding volume of leverage products totalled EUR 10 billion at the end of September. This represents a 41 percent decrease on the previous quarter and a slight increase of 1 percent on a year-on-year basis.

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 aims 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 policy dialogue process.

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 conduct for the sector.

The members of EUSIPA that provide the information for the market report are:



EUSIPA Market Report

on Structured Investment and Leverage Products

Q3/2020



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1. Highlights

Turnover: Increase for leverage products on annual basis

In the third quarter of 2020, turnover in structured investment and leverage products in note format accounted for 33 bn EUR across reporting markets which is a decrease of 11% compared to the preceding quarter (37 bn EUR) but an increase of 8% compared to the equivalent quarter in 2019 (30.7 bn EUR). Leverage products accounted for a turnover of 24 bn EUR in Q3 2020. Compared to the last year equivalent quarter Q3 2019 their turnover increased by 46% while it decreased by 14% compared to the preceding quarter Q2 2020. Turnover in non-leverage investment products slightly increased by 1% related to the preceding quarter but fell by 36% compared to the last year equivalent quarter.

Outstanding Volume: Largely stable numbers

The Q3 2020 figures for the Austrian, Belgian, German¹ and Swiss² markets indicate a total amount of 275 bn EUR held in note-based structured products, which is a very slight decrease by 1% compared to both the preceding quarter Q2 2020 and also the last year equivalent quarter Q3 2019.

Number of New Listings: Less products launched

The overall number of new issuances decreased during Q3 2020 when measured against the preceding quarter Q2 2020 (1'308'798 versus 1'487'677 products in Q2 2020). This change was driven by investment products, the number of those which were newly issued decreased by 44% on a quarter-by-quarter comparison and by still 26% when compared to Q3 2019. For leverage products, the number of new listings also decreased (by 6%) when compared to the preceding quarter Q2 2020. Only seen on a year-to-year basis the number of new leverage products increased, by 4%.

Total Number of Products: Overall no change in 2020

Markets of contributing EUSIPA member associations reported 1'691'828 products as open (non-matured) in Q3 2020, which is overall no change compared to the preceding quarter Q2 2020, while on an annual basis the number of non-matured products shrank by 12%. Only in the segment of leverage products the number increased slightly by 2% when compared against the preceding quarter Q2 2020 (from 1'210'852 in Q2 to 1'231'619 products in Q3 2020).

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 (Q3/2020)

									Switzerland ¹	
Exchange Turnover (Mio. EUR)										
1 Investment Products	110	509	69	3.010	1.684	10	691	3.098	9.181	
11 Capital Protected	n/a	n/a	0	41	n/a	0	0	36	77	
12 Yield-Enhancement	n/a	n/a	23	1.670	n/a	9	1	599	2.302	
13 Participation	n/a	n/a	46	1.278	n/a	1	503	2.452	4.280	
199 Various	n/a	n/a	0	21	n/a	0	187	11	219	
2 Leverage Products	6	34	1.659	10.875	2.946	1.350	5.542	1.526	23.938	
21 Without Knock-Out	n/a	n/a	342	3.164	n/a	29	75	n/a	3.610	
22 With Knock-Out	n/a	n/a	1.135	6.627	n/a	1.309	2.367	n/a	11.438	
23 Constant Leverage	n/a	n/a	182	1.084	n/a	12	3.100	n/a	4.378	
Various	n/a	n/a	0	n/a	n/a	0	0	n/a	0	
Total	116	543	1.728	13.885	4.630	1.360	6.233	4.624	33.119	
Total change - Δ in % to Q3/19 ²	-33	-19	55	44	-45	9	50	-13	8	
Total change - Δ in % to Q2/20 ³	-37	-18	-23	-14	-1	-30	-10	8	-11	
Outstanding Volume (Mio. EUR)										
1 Investment Products	14.044	15.354	n/a	59.191	n/a	n/a	n/a	175.924	264.513	
11 Capital Protected	n/a	n/a	n/a	23.945	n/a	n/a	n/a	41.725	65.670	
12 Yield-Enhancement	n/a	n/a	n/a	26.637	n/a	n/a	n/a	69.467	96.104	
13 Participation	n/a	n/a	n/a	4.109	n/a	n/a	n/a	61.952	66.061	
199 Various	n/a	n/a	n/a	4.500	n/a	n/a	n/a	2.780	7.280	
2 Leverage Products	156	2	n/a	3.111	n/a	n/a	n/a	6.773	10.042	
21 Without Knock-Out	n/a	n/a	n/a	1.674	n/a	n/a	n/a	n/a	1.674	
22 With Knock-Out	n/a	n/a	n/a	1.070	n/a	n/a	n/a	n/a	1.070	
23 Constant Leverage	n/a	n/a	n/a	367	n/a	n/a	n/a	n/a	367	
Various	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	
Total	14.200	15.356	n/a	62.302	n/a	n/a	n/a	182.697	274.555	
Total change - Δ in % to Q3/19 ²	-3	-1	n/a	-7	n/a	n/a	n/a	2	-1	
Total change - Δ in % to Q2/20 ³	2	2	n/a	1	n/a	n/a	n/a	-2	-1	

Source: Country Associations, Derivative Partners

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 Q3/2020 and equivalent last year quarter Q3/2019.

³ Field indicates per cent change between reporting quarter Q3/2020 and previous quarter Q2/2020.

2. Quarterly overview (Q3/2020)

									
	Austria	Belgium	France	Germany	Italy	Netherlands	Sweden	Switzerland ¹	EUSIPA
Number of New Listings on Exchange									
1 Investment Products	175	67	673	121.890	685	233	20	3.053	126.796
11 Capital Protected	n/a	n/a	0	19	n/a	0	2	12	33
12 Yield-Enhancement	n/a	n/a	633	56.331	n/a	177	2	2.916	60.059
13 Participation	n/a	n/a	40	65.499	n/a	56	13	123	65.731
199 Various	n/a	n/a	0	41	n/a	0	3	2	46
2 Leverage Products	594	1.040	44.208	1.063.739	3.213	47.919	11.383	10.390	1.182.486
21 Without Knock-Out	76	n/a	7.865	262.865	n/a	148	1.850	n/a	272.804
22 With Knock-Out	518	n/a	35.432	767.997	n/a	47.435	7.567	n/a	858.949
23 Constant Leverage	0	n/a	911	32.877	n/a	336	1.966	n/a	36.090
Various	0	n/a	0	n/a	n/a	0	0	n/a	0
Total	769	1.107	44.881	1.185.629	3.898	48.152	11.403	13.443	1.309.282
Total change - Δ in % to Q3/19 ²	-60	93	3	-2	70	84	36	26	0
Total change - Δ in % to Q2/20 ³	-74	-19	-14	-12	-39	-15	-11	-14	-12
Number of Exchange Listed Products									
1 Investment Products	3.244	1.656	1.360	429.007	5.596	541	505	18.300	460.209
11 Capital Protected	n/a	n/a	0	835	n/a	0	57	547	1.439
12 Yield-Enhancement	n/a	n/a	1.214	254.721	n/a	371	68	15.820	272.194
13 Participation	n/a	n/a	146	171.768	n/a	170	335	1.691	174.110
199 Various	n/a	n/a	0	1.683	n/a	0	45	242	1.970
2 Leverage Products	3.264	740	46.435	1.093.726	8.742	30.326	20.525	27.861	1.231.619
21 Without Knock-Out	873	n/a	18.662	545.502	n/a	363	4.306	n/a	569.706
22 With Knock-Out	2.391	n/a	25.566	475.506	n/a	29.284	8.815	n/a	541.562
23 Constant Leverage	0	n/a	2.207	72.718	n/a	679	7.404	n/a	83.008
Various	0	n/a	0	n/a	n/a	0	0	n/a	0
Total	6.508	2.396	47.795	1.522.733	14.338	30.867	21.030	46.161	1.691.828
Total change - Δ in % to Q3/19 ²	-19	-21	-10	-14	23	28	31	13	-12
Total change - Δ in % to Q2/20 ³	-7	1	-5	0	-2	7	15	-1	0

Source: Country Associations, Derivative Partners

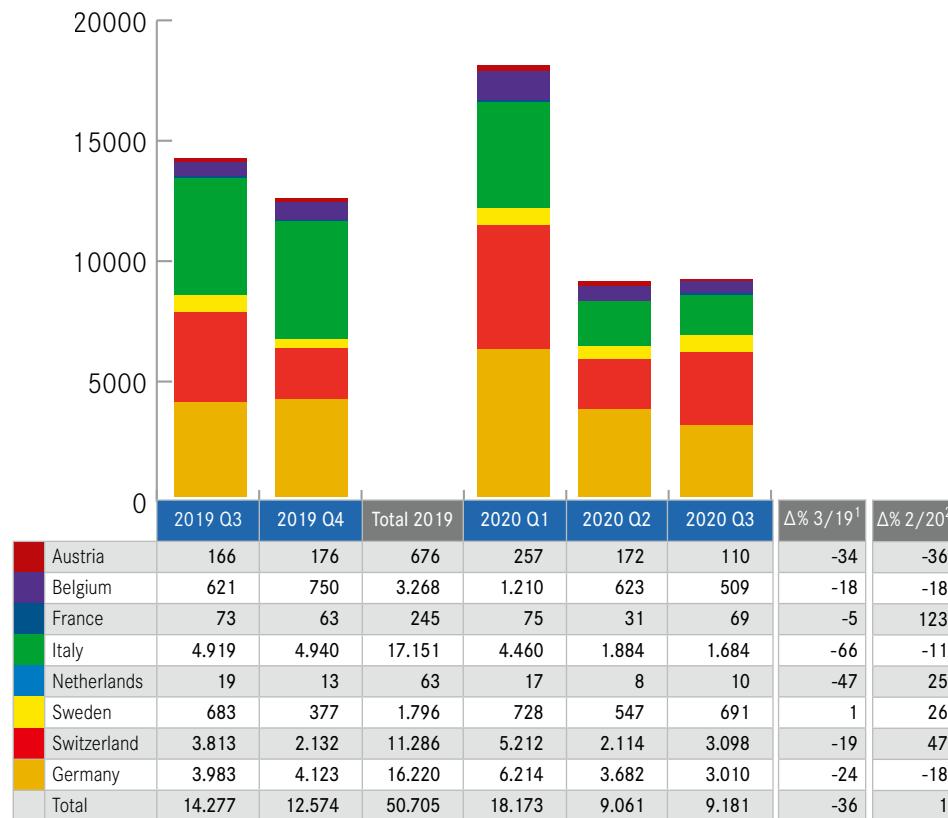
¹ Please note that the product category 'Investment Products with Reference Entities' exists only in Switzerland. Values for this category are therefore shown as 'Various Investment Products'.

² Field indicates per cent change between Q3/2020 and equivalent last year quarter Q3/2019.

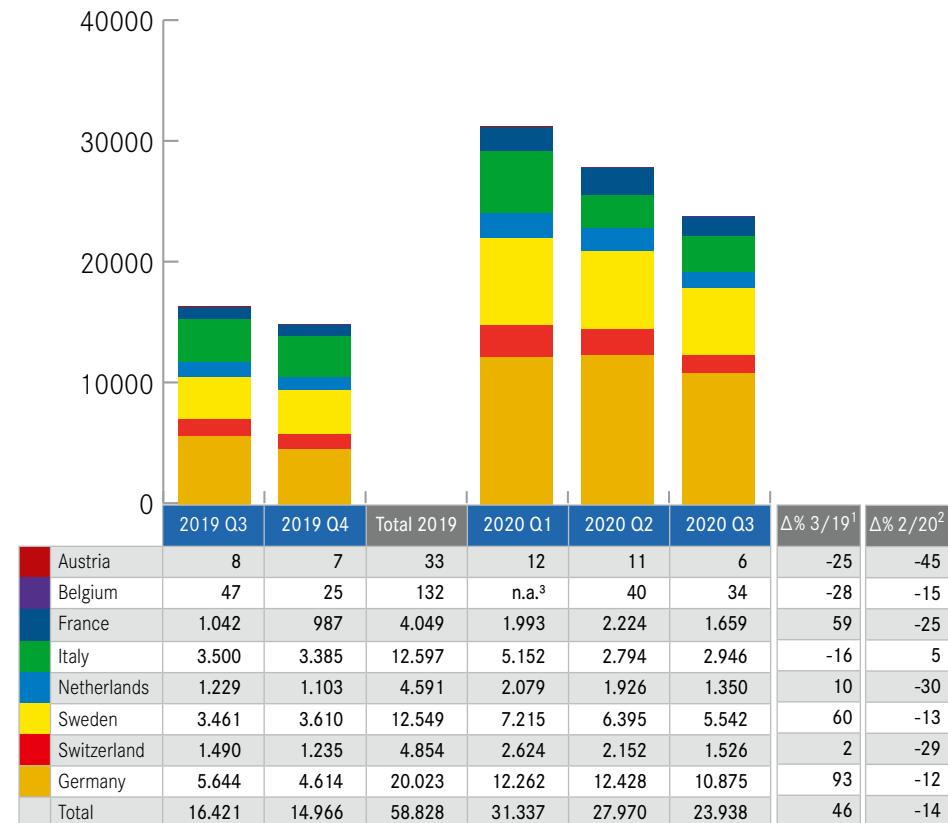
³ Field indicates per cent change between reporting quarter Q3/2020 and previous quarter Q2/2020.

3. Exchange turnover

Investment Products
in Mio. EUR



Leverage Products
in Mio. EUR



Source: Country Associations, Derivative Partners

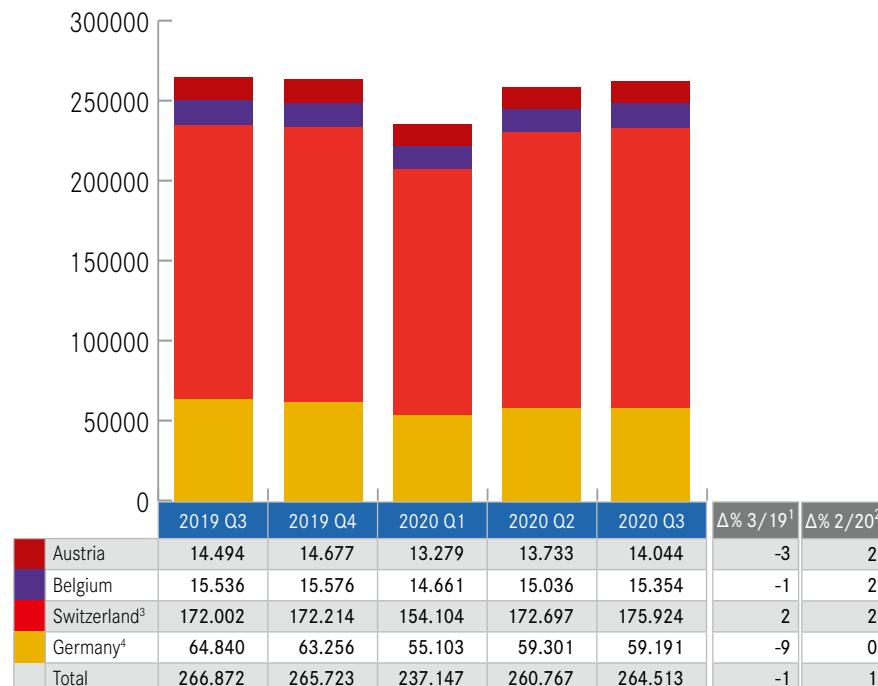
¹ Field indicates per cent change between Q3/2020 and equivalent last year quarter Q3/2019.

² Field indicates per cent change between reporting quarter Q3/2020 and previous quarter Q2/2020.

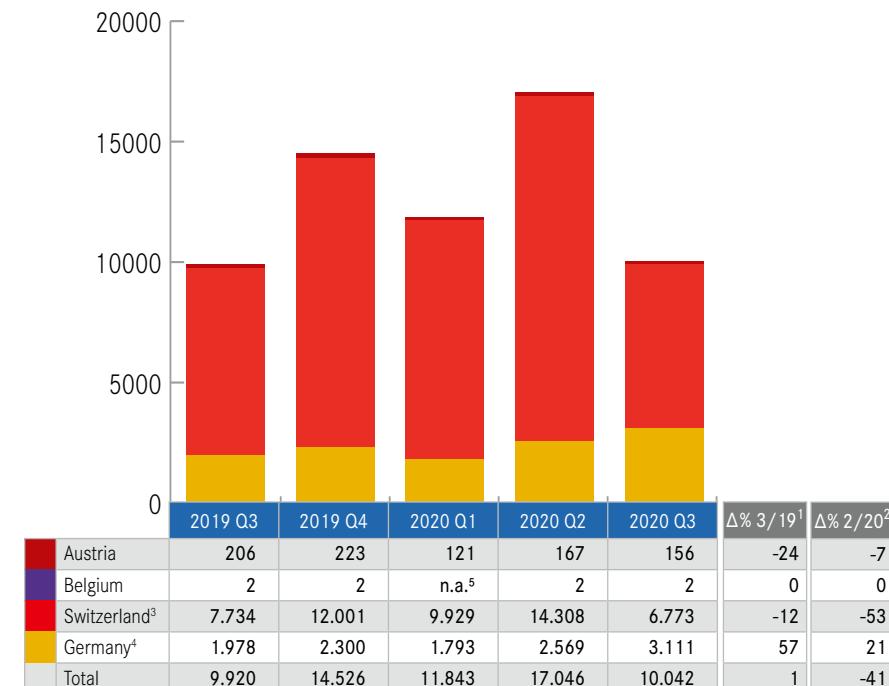
³ Reporting disruption for Q1 due to business transformation of commercial entities. Comparison from Q3 onwards.

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 Q3/2020 and equivalent last year quarter Q3/2019.

² Field indicates per cent change between reporting quarter Q3/2020 and previous quarter Q2/2020.

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.

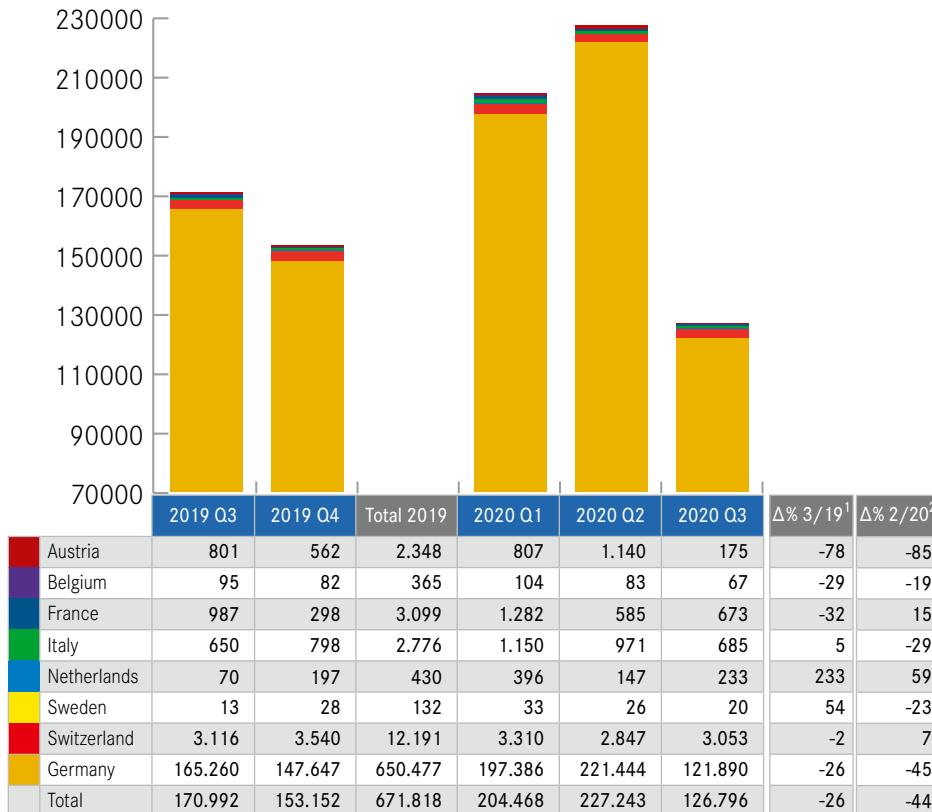
The figures include therefore, to a small extent, also assets from product sales of these issuers outside Switzerland.

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.

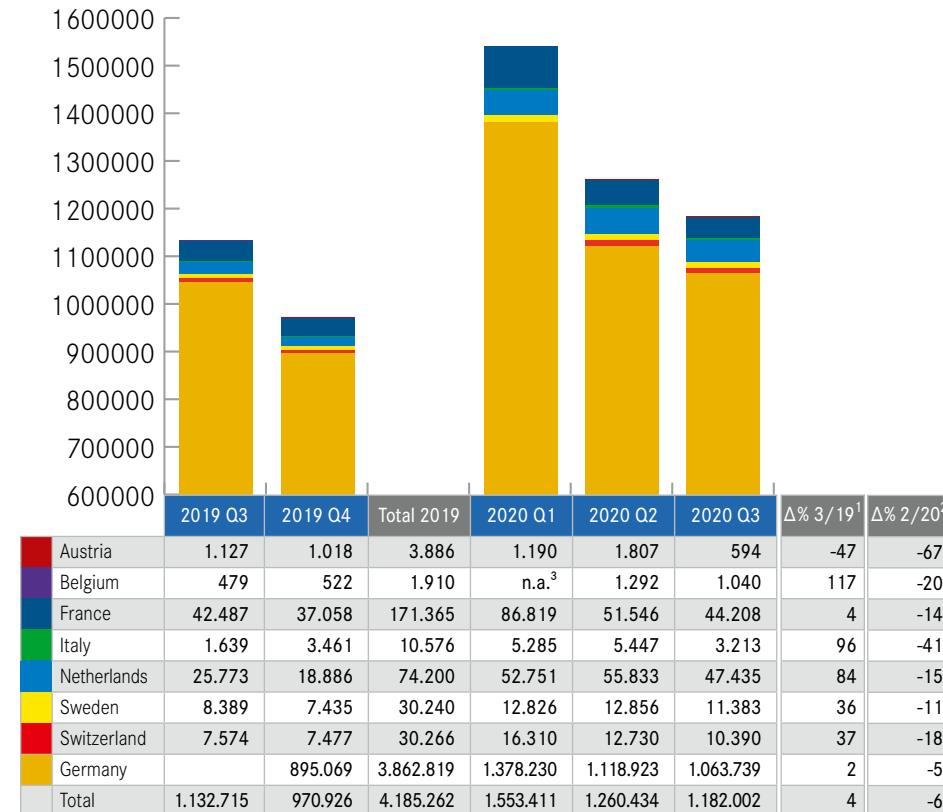
⁵ Reporting disruption for Q1 due to business transformation of commercial entities. Comparison from Q3 onwards.

5. Number of new listings on exchange

Investment Products



Leverage Products



Source: Country Associations, Derivative Partners

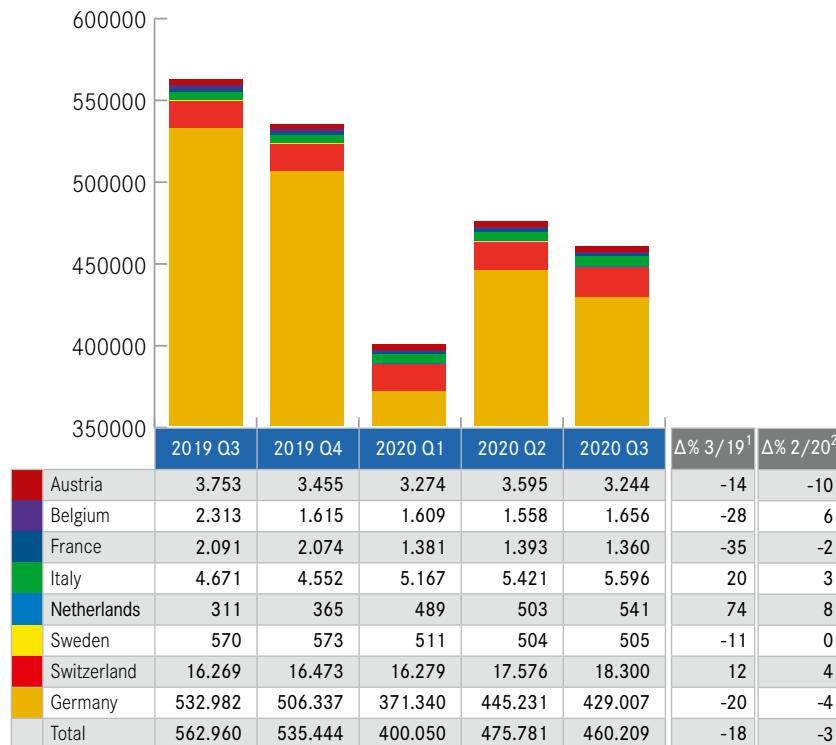
¹ Field indicates per cent change between Q3/2020 and equivalent last year quarter Q3/2019.

² Field indicates per cent change between reporting quarter Q3/2020 and previous quarter Q2/2020.

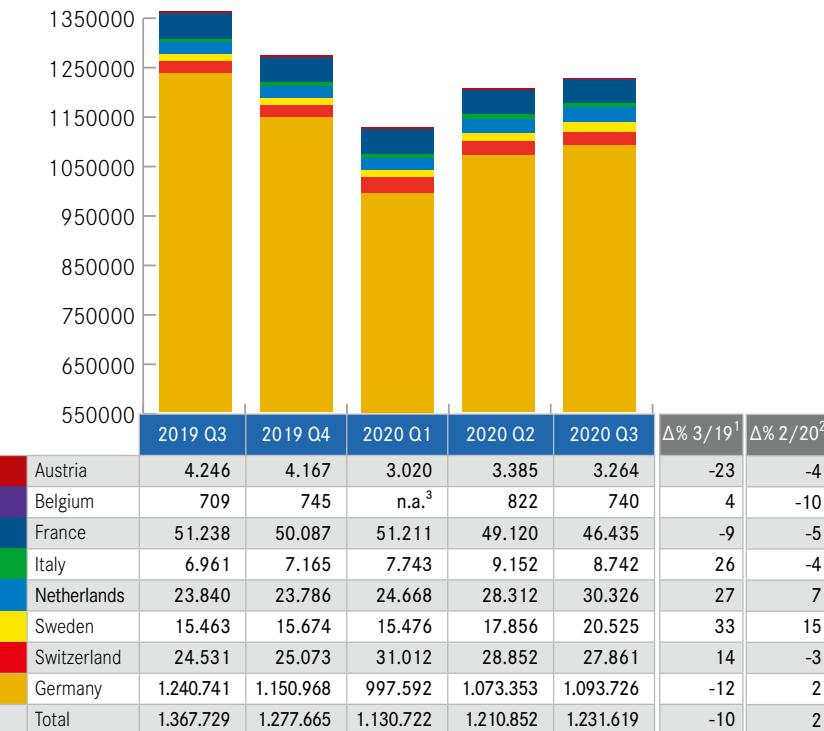
³ Reporting disruption for Q1 due to business transformation of commercial entities. Comparison from Q3 onwards.

6. Number of exchange listed products

Investment Products



Leverage Products



Source: Country Associations, Derivative Partners

¹ Field indicates per cent change between Q3/2020 and equivalent last year quarter Q3/2019.

² Field indicates per cent change between reporting quarter Q3/2020 and previous quarter Q2/2020.

³ Reporting disruption for Q1 due to business transformation of commercial entities. Comparison from Q3 onwards.

7. Appendix

Data sources

EUSIPA Members

Derivative Partners AG

Key date is 30th of September 2020. 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 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

