

# Market Report Structured Products

## Quarterly Report

September 2009

### Swiss Structured Products Association SSPA

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## 1. Main points at a glance

### 1.1 Key figures

- CHF 238 bn were invested in structured products in Swiss bank deposits (assets under management) as of the end of July 2009 (most recent data from the Swiss National Bank). This is a decrease of CHF 16 bn (-6.3%) compared to January of this year.
- Compared with other types of securities (shares, funds, etc.), this represents 5.74% of the Swiss deposits. Compared to the beginning of the year (6.61%) it is a decline of 13.16%.
- Private investors account for a 34.03% share in deposits, institutional investors for 59.25% and commercial clients for 6.72%.
- The Scoach exchange turnover of structured products in September 2009 was CHF 3.556 bn, which is an increase of 8.25% compared to the previous month.
- The category of leverage products holds a share of 54.78% of the total turnover. The share for investment products rose again and is 45.22% September.
- 23'745 products were listed in September 2009, 1.28% more compared to the previous month.
- With 3273 products the market for new emissions is constantly growing.

### 1.2 Categorization model

- As of the first of August the product types Spread Warrants, Airbag Certificates and Barrier Range Reverse Convertibles have been closed due to low emission on the market.
- A new version of the Swiss Derivative Map will be available as of October 2009.
- For more information about product types, footnotes and the Swiss Derivative Map, visit the association website: [www.svsp-verband.ch](http://www.svsp-verband.ch).
- On this website there can also be found information about issuer creditworthiness and the SVSP Risk Figure/ SVSP Risk Rating (now also available before the the opening of the stock exchange on the first listing date) which estimates a structured product's market risk on basis of the Value at Risk (VaR) approach.

## 2. Product classification

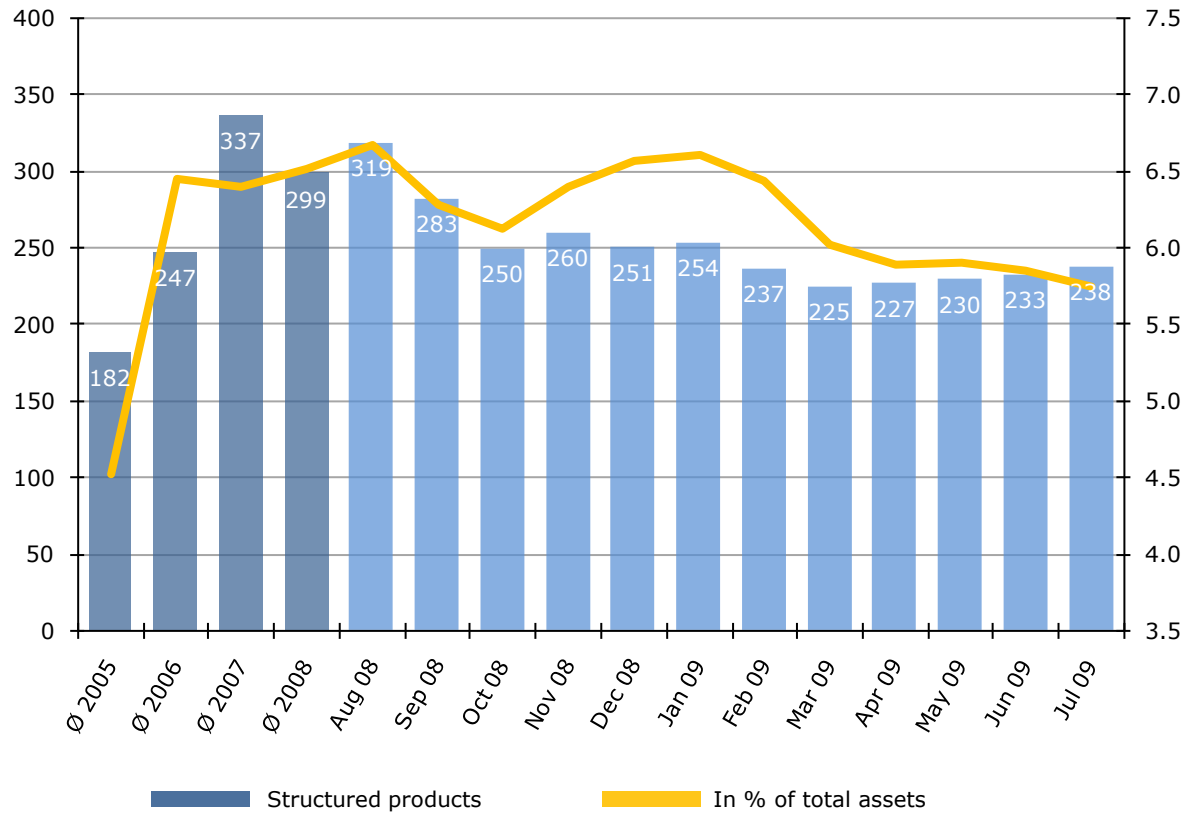
### 2.1 SSPA product classification

Leverage Products	Participation Products	Yield Enhancement Products	Capital Protection Products
Warrants	Tracker Certificates	Discount Certificates	Uncapped Capital Protection
Knock-Out Warrants	Bonus Certificates	Barrier Discount Certificates	Exchangeable Certificates
Mini-Futures	Outperformance Certificates	Reverse Convertibles	Capped Capital Protection
Various Leverage	Outperformance Bonus Certificates	Barrier Reverse Convertibles	Capital Protection with Coupon
	Twin-Win Certificates	Capped Outperformance Certificates	Capital Protected Products Knock-Out
	Various Participation	Express Certificates	Various Capital Protected
		Capped Bonus Certificates	
		Various Yield Enhancement	

- The Association's product classification comprises four main groups and 20 product types.
- Use the interactive product finder on the Association website: [www.sspa-association.ch](http://www.sspa-association.ch) (product finder).
- Classifications are checked monthly and updated as needed.
- We create new product types when no less than three issuers each issue at least three products of a similar type.

### 3. Securities held in bank's client deposits

#### 3.1 Structured products since 2005



- The structured products market consolidated over the last months and is growing constantly since March 2009.
- Considering the large-scale growth in the last years, the SSPA expects again a significant growth of the structured products market, assumed a recovery of the national economy.

Source: SNB Monthly Statistical Bulletin, latest available figures

### 3. Securities held in banks' client deposits

#### 3.2 All categories

Figures in CHF bn

Date	Total	Money Market Papers	Bonds	Shares	Investment Funds	Structured Products	Other Securities
Ø 2005	3'927	58	1'202	1'467	1'012	182	36
Ø 2006	4'598	67	1'203	1'759	1'307	247	15
Ø 2007	5'246	82	1'232	1'990	1'599	337	6
Ø 2008	4'587	115	1'181	1'533	1'458	299	3
Aug 08	4'788	115	1'213	1'619	1'519	319	2
Sep 08	4'518	129	1'206	1'462	1'435	283	3
Oct 08	4'083	144	1'160	1'263	1'263	250	3
Nov 08	4'069	136	1'215	1'191	1'265	260	2
Dec 08	3'822	130	1'121	1'155	1'163	251	2
Jan 09	3'844	136	1'146	1'112	1'193	254	2
Feb 09	3'675	141	1'152	987	1'156	237	2
Mar 09	3'743	134	1'151	1'062	1'169	225	2
Apr 09	3'858	133	1'158	1'146	1'192	227	2
May 09	3'894	130	1'160	1'190	1'183	230	2
Jun 09	3'985	135	1'192	1'206	1'217	233	2
Jul 09	4'138	130	1'221	1'303	1'244	238	2

- Since January 2009 total securities held increased from CHF 3'844 bn to CHF 4'138 bn, a non-price-adjusted plus of 7.65%.
- Since the beginning of 2009 structured products market declined from CHF 254 bn to CHF 238 bn (-6.3%).
- Since April client deposits were primarily invested in shares (+13.7%) and bonds (+5.44%). Structured Products have also gained (+4.85) as well as Investment Funds (+4.36%). The investment in Money Market Papers on the other hand decreased (-2.26%).

Source: SNB Monthly Statistical Bulletin, latest available figures

## 3. Securities held in banks' client deposits

### 3.3 All categories in percent

Figures in %

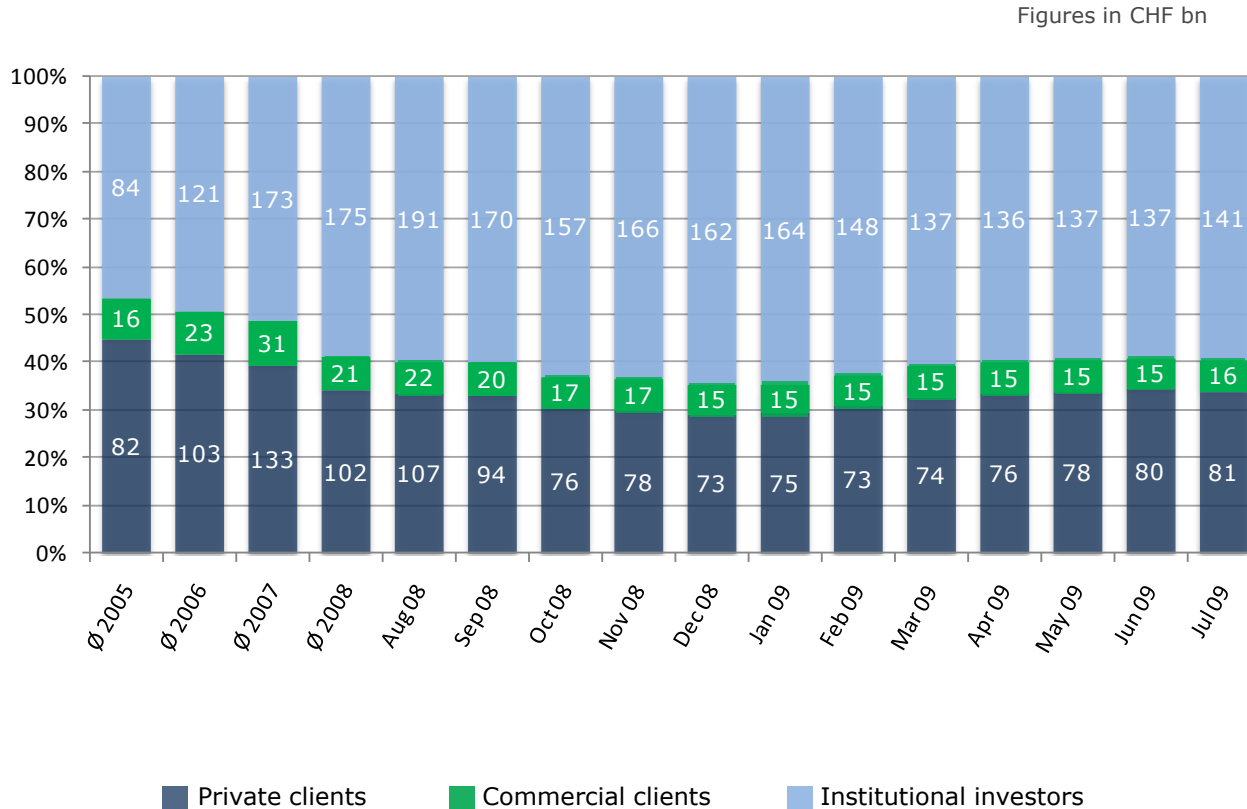
Date	Money Market Papers	Bonds	Shares	Investment Funds	Structured Products	Other Securities
Ø 2005	1.48	30.61	37.36	25.76	4.63	0.92
Ø 2006	1.46	26.16	38.25	28.42	5.37	0.33
Ø 2007	1.57	23.49	37.93	30.48	6.43	0.11
Ø 2008	2.50	25.74	33.43	31.78	6.51	0.06
Aug 08	2.40	25.34	33.81	31.73	6.67	0.05
Sep 08	2.86	26.69	32.36	31.76	6.26	0.07
Oct 08	3.54	28.41	30.94	30.92	6.12	0.07
Nov 08	3.34	29.86	29.26	31.09	6.40	0.06
Dec 08	3.39	29.34	30.22	30.44	6.56	0.05
Jan 09	3.54	29.81	28.94	31.04	6.61	0.06
Feb 09	3.83	31.35	26.85	31.47	6.44	0.06
Mar 09	3.59	30.74	28.37	31.23	6.02	0.05
Apr 09	3.44	30.02	29.71	30.89	5.89	0.05
May 09	3.33	29.78	30.55	30.39	5.90	0.05
Jun 09	3.38	29.92	30.27	30.54	5.85	0.05
Jul 09	3.14	29.52	31.49	30.06	5.74	0.05

- In July 2009 5.74% of all client deposits were invested in structured products. Compared to the beginning of the year (6.61%) this is a decline of 13.16%.
- This quarter there have been no big shifts between the asset classes. The most remarkable change since April can be observed for Money Market Papers (-8.72%). Shares on the other hand gained with +5.99%.

Source: SNB Monthly Statistical Bulletin, latest available figures

### 3. Securities held in banks' client deposits

#### 3.4 By client (deposits holders)



During 2008 there has been a constant shift in client deposits. Remarkable in particular was the dropping market share of private clients. This value however is rising again continuously since January 2009.

The SSPA estimates that more than half of all structured products are placed by investment managers acting on behalf of private investors.

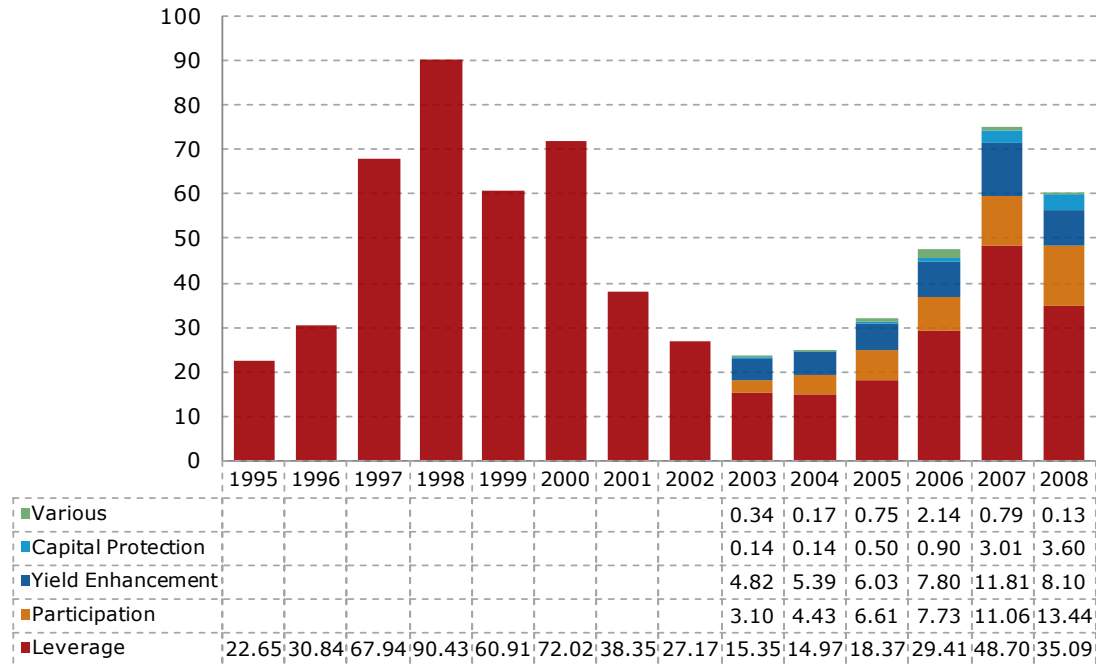
Source: SNB Monthly Statistical Bulletin, latest available figures



## 4. Structured products at the Scoach exchange

### 4.1 Turnover 1995 - 2008

Figures in CHF bn



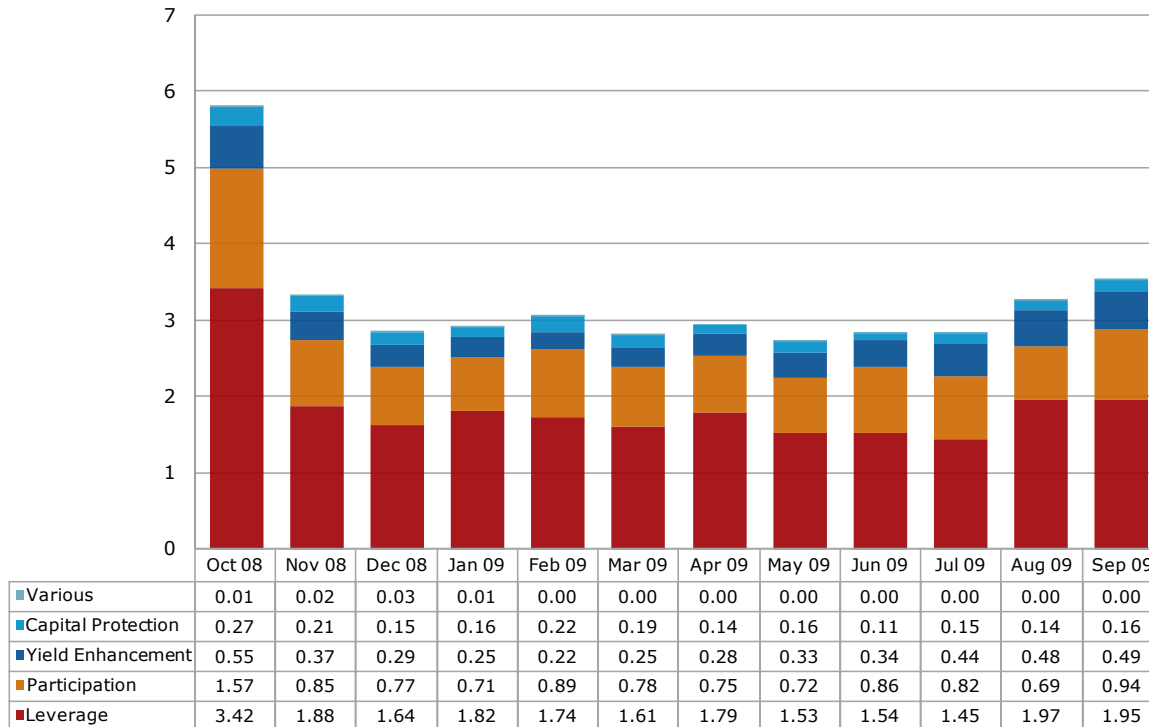
- With a turnover of CHF 60.36 bn in 2008 structured products reached about 80% of the exceptionally successful previous year (CHF 75.37 bn).
- Leverage products which traditionally account for the biggest part of stock exchange turnover, have experienced 2008 a drop (-27.95%), while participation products (+21.52%) and capital protection products (+19.6%) showed a significant growth. This trend will also proceed in 2009.

Source: SIX Swiss Exchange, Derivative Partners Research AG

## 4. Structured products at the Scoach exchange

### 4.2 Turnover in the last 12 months

Figures in CHF bn

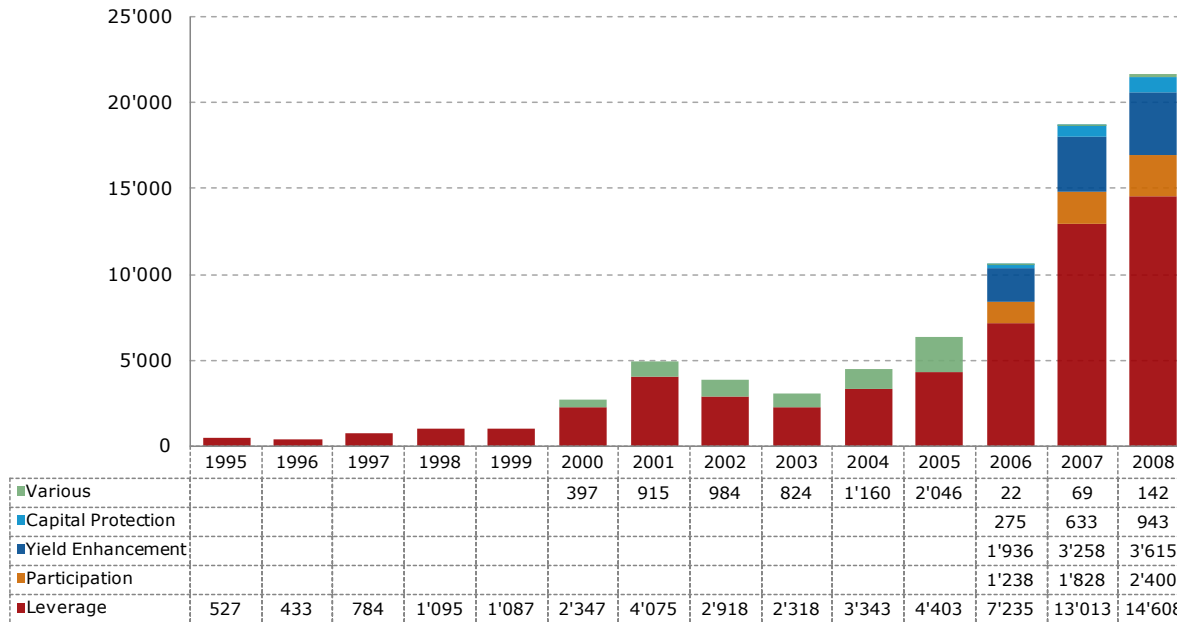


- The turnover was further consolidated in September with a figure of CHF 3.556 bn. Compared with the previous month it increased by 8.25%.
- Leverage products accounted for the largest share (CHF 1.95 bn or 54.78%). The share of investments products rose again and is at 45.22% in September.
- In October 2008 the monthly turnover of CHF 5.82 bn was the highest turnover of the last twelve months.

Source: SIX Swiss Exchange, Derivative Partners Research AG

## 4. Structured products at the Scoach exchange

### 4.3 Number of listed products 1995 – 2008\*



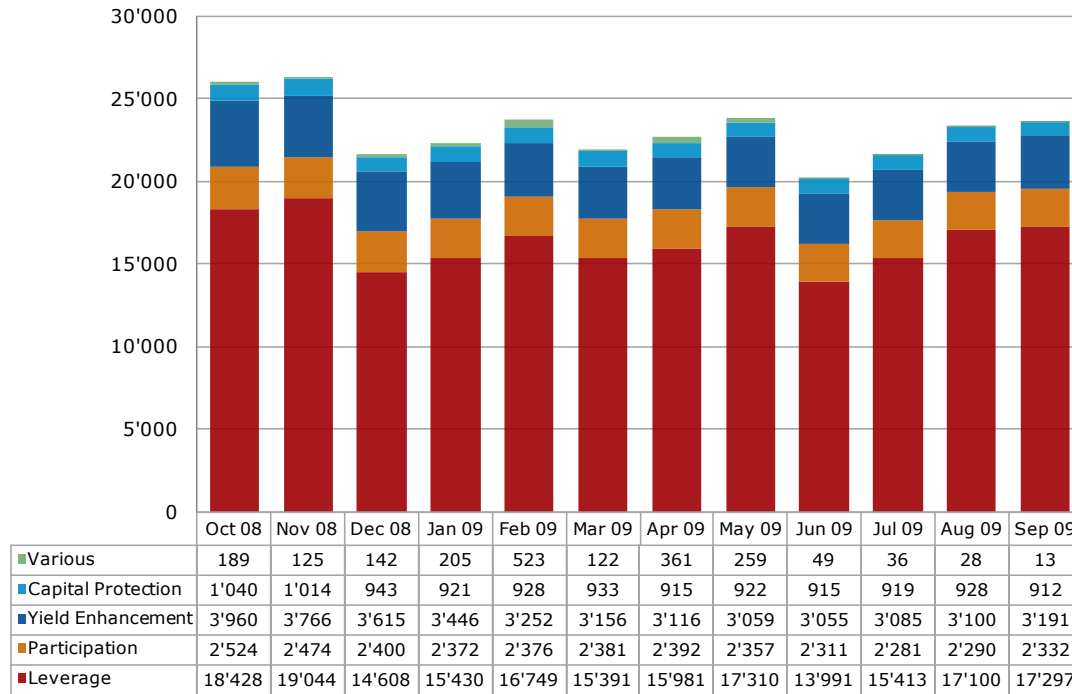
- With a constant growth of listed products (21'708 at the end of 2008), the previous year has again been exceeded. Increases took place in all product categories.

\* Number of listed products at the end of each year

Source: SIX Swiss Exchange, Derivative Partners Research AG

## 4. Structured products at the Scoach exchange

### 4.4 Number of listed products in the last 12 months

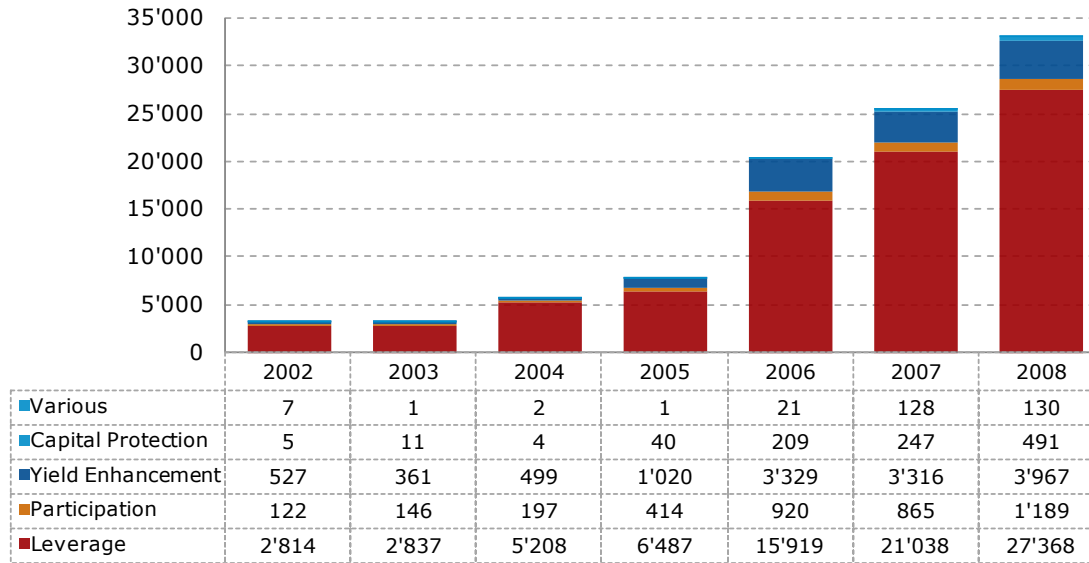


- The number of listed products declined by the end of June 2009 for the first time since February 2009. The level of May however was surpassed this month.
- From totally 22'374 products listed at Scoach exchange in January 2009, there are as much as 23'745 in September (+6.13%).

Source: SIX Swiss Exchange, Derivative Partners Research AG

## 4. Structured products at the Scoach exchange

### 4.5 New issues 2002 – 2008

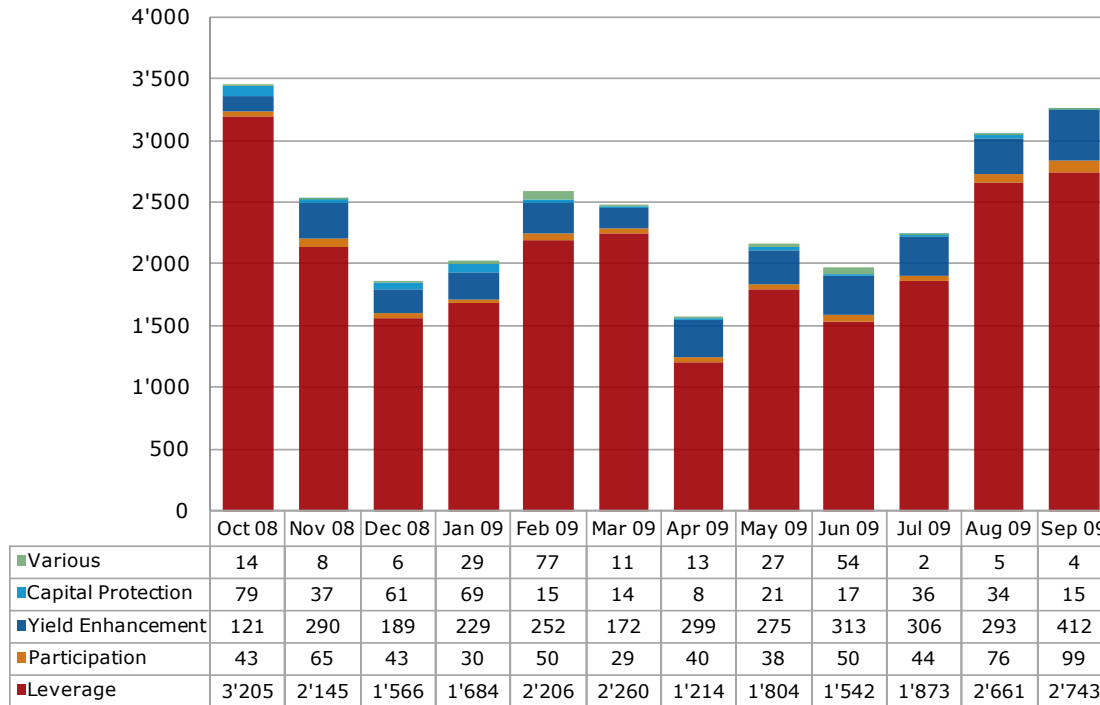


- With 33'145 new issued products in 2008 the previous years have been strongly exceeded again.
- Leverage products accounted for the biggest part with 82%. Primarily yield enhancement products were issued in the category of investment products.

Source: SIX Swiss Exchange, Derivative Partners Research AG

## 4. Structured products at the Scoach exchange

### 4.6 New issues in the last 12 months



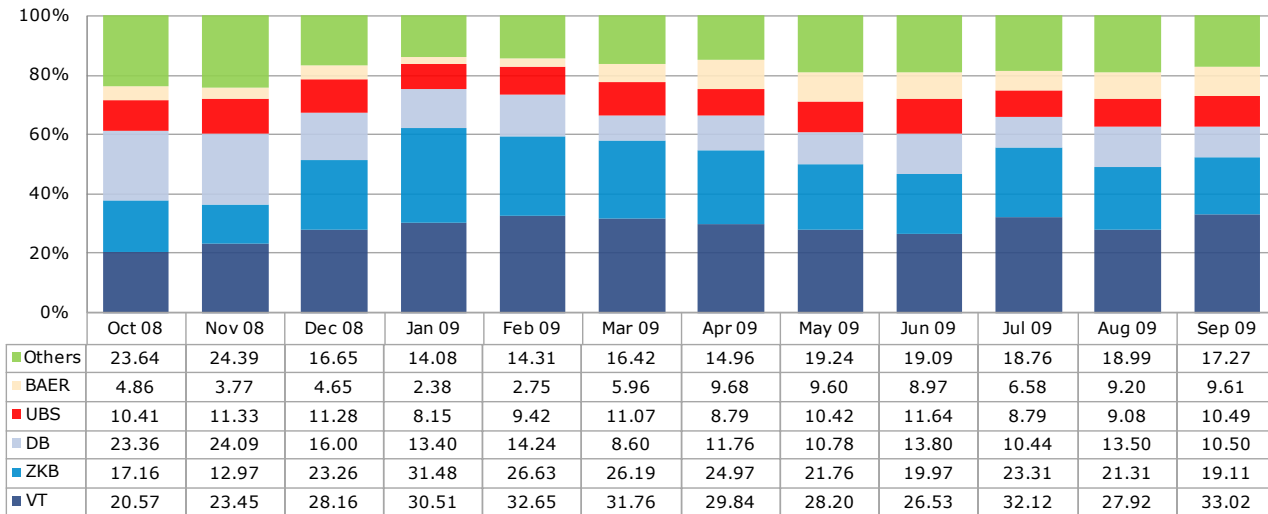
- Since October 2008 (peak month in the last 12 months) the number of new issues did stabilize on an average level. With 3'273 new issues in September 2009 this level was almost reached.
- With a share of 83.80% in September leverage products still account for the largest part in newly issued products. Considerable gains compared to the previous month can be observed for participation products (+30.26%) and yield enhancement products (+40.61%).

Source: SIX Swiss Exchange, Derivative Partners Research AG

## 4. Structured products at the Scoach exchange

### 4.7 Market shares (turnover) of the five largest issuers

Figures in %



- In 2009, the five biggest issuers of stock-exchange-listed structured products are Bank Vontobel (market share September: 33.02%), ZKB (19.11%), Deutsche Bank (10.50%), UBS (10.49%) and Bank Julius Bär (9.61%).
- Winners of the year 2009 (January to September) are Bank Julius Bär (+300.78%), UBS (+28.71) and Bank Vontobel (+8.23%). Market share has been lost since January by ZKB (-39.29%) and Deutsche Bank (-21.64%). All other issuers added up were also gaining by +22.66%.
- Since March 2009 the five biggest issuers remained the same.

Source: SIX Swiss Exchange, Derivative Partners Research AG

## 5. Appendix

### 5.1 Abbreviations

Leverage Products.....	Leverage
Capital Protection Products.....	Capital Protection
Participation Products.....	Participation
Yield Enhancement Products.....	Yield Enhancement
Other Products.....	Various
Billion.....	bn

### 5.2 Issued by

#### Swiss Structured Products Association SSPA

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Contact: [peter.keller@svsp-verband.ch](mailto:peter.keller@svsp-verband.ch)

Published monthly / quarterly in more detail

### 5.3 Data sources

Swiss National Bank: Monthly Statistical Bulletin

SIX Swiss Exchange

Derivative Partners Research AG

In-house surveys

Key date is 30th September 2009

### 5.4 Disclaimer

We cannot guarantee the accuracy of this document, see <http://www.svsp-verband.ch/home/disclaimer.aspx?lang=en>.

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