

Rising turnover on the European structured products market

Europe's structured products exchanges generated turnover of EUR 30.0 billion in December / European market volume stood at EUR 266.3 billion at the end of 2014

Exchange turnover in investment products and leverage products rose sharply in the final quarter of 2014 on Europe's financial markets. Compared with the third quarter of 2014, the volume grew by 15.0 percent to EUR 30.0 billion. This represented a year-on-year increase of 13.0 percent. That is one of the findings 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 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), the Swedish Exchange Traded Investment Products Association (SETIPA), the Swiss Structured Products Association (SSPA) and the Netherlands Structured Investment Products Association (NEDSIPA).

In the fourth quarter of the year, the trading volume of investment products on the European exchanges was EUR 9.7 billion, 32.1 percent of the total turnover. Exchange turnover was up 6.0 percent compared with the previous quarter and down 14.0 percent compared with the fourth quarter of 2013.

The trading volume of leverage products such as Warrants, Knock-Out Warrants and Factor Certificates totalled EUR 20.4 billion. This meant that leverage products accounted for 67.9 percent of the aggregate transaction volume. Exchange turnover was up 20.0 percent compared with the previous quarter. This corresponded to year-on-year growth of 32.0 percent.

At the end of December, the exchanges of EUSIPA member countries were offering 495,422 investment products and 709,954 leverage products. The number of products listed grew by 1.0 percent overall in comparison with the third quarter. One year earlier, the product offering was 8.0 percent smaller.

Issuers released a total of 757,288 new investment products and leverage products in the fourth quarter of 2014. This was an increase of 30.0 percent in the number of new products in comparison with the previous quarter and a rise of 27.0 percent compared with the prior year. The banks issued 170,102 new investment products, which therefore made up 22.0 percent of all new issues. Leverage products accounted for 78.0 percent of new issues, with 587,186 new securities issued.

The **market volume of investment and leverage products** in Austria, Germany and Switzerland at the end of December was EUR 266.3 billion – up 6.0 percent on the previous quarter. The volume was therefore 7.0 percent higher than one year previously.

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At the end of the fourth quarter of 2014, the market volume of investment products was EUR 242.6 billion. This represented an increase of 3.0 percent on both the previous quarter and the fourth quarter of 2013.

At EUR 23.7 billion, the outstanding volume of leverage products was up 36.0 percent in comparison with the previous quarter. This corresponded to substantial growth of 77.0 percent compared with the end of December 2013.

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.

Members are:



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EUSIPA Market Report on structured investment products

Q4/2014



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1. Highlights

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

In the fourth quarter 2014 the overall exchange turnover increased to 30.01 bn EUR which is a plus of 15% compared to the last quarter (26.20 bn EUR) and a plus of 13% on a year-to-year basis. Leverage Products accounted in Q4 2014 for 20.42 bn EUR with a strong increase of 32% on a year-to-year basis in turnover and investment products for 9.65 bn EUR which is a minus of 14% compared to the equivalent last year quarter.

Outstanding Volume: Increasing Volume

The Q4 2014 figures for the Austrian, German¹ and Swiss² markets show a rising volume in investment products with 3%, measured on a year-to-year basis, and a plus of 3% compared to the preceding quarter Q3 2014. The volume in leverage products, which is rather small compared to the volume of investment products, is 77% higher than the equivalent quarter Q4 2013 and 36% higher when being compared to the preceding quarter Q3 2014.

Number of New Listings: Increasing Numbers

Compared to the previous quarter the number of new listings increased by 27% to 757'288 products. Whereas 78% of all new listed products were issued in the leveraged segment, investment products obtain a share of 22%. For leverage products the number of new listings increased enormously by 38% on a year-to-year basis and by 28% compared to the previous quarter and also for investment products the number of new listings increased with a level of 8% on a year-to-year basis and 23% compared to the previous quarter.









Number of Products: Increasing Numbers

At the end of December 2014 a total of 1'205'376 products were listed in EUSIPA member countries (excluding The Netherlands). This is a plus of 1% compared to the third quarter of 2014 (1'194'969). Measured on a year-to-year basis the number of listed investment products accounted for an increase of 5%. Leverage products saw an increase of 9% in the same time period.

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 about 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.

2. Quarterly overview (Q4/2014)

	 Austria	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland*	 EUSIPA
Exchange Turnover (Mio. EUR)								
1 Investment Products	65	79	5'320	839	2	499	2'846	9'649
11 Capital Protected	n/a	0	305	n/a	n/a	n/a	198	n/a
12 Yield-Enhancement	n/a	41	2'450	n/a	n/a	n/a	904	n/a
13 Participation	n/a	38	2'474	n/a	2	n/a	1'677	n/a
199 Various	n/a	0	91	n/a	n/a	n/a	67	n/a
2 Leverage Products	5	1'811	6'393	5'026	2'282	1'866	3'034	20'416
21 Without Knock-Out	1	367	1'939	n/a	n/a	54	n/a	n/a
22 With Knock-Out	3	753	3'356	n/a	2'264	385	n/a	n/a
23 Constant Leverage	n/a	691	1'098	n/a	17	1'372	n/a	n/a
Various	n/a	n/a	n/a	n/a	1	55	n/a	n/a
Total	70	1'890	11'713	5'865	2'284	2'365	5'880	30'065
Total change - Δ in % to Q4/13**	26	20	7	24	17	18	10	13
Total change - Δ in % to Q3/14***	39	29	14	1	12	29	21	15
Outstanding Volume (Mio. EUR)								
1 Investment Products	11'850	n/a	69'915	n/a	n/a	n/a	160'829	242'594
11 Capital Protected	n/a	n/a	42'970	n/a	n/a	n/a	46'008	n/a
12 Yield-Enhancement	n/a	n/a	6'811	n/a	n/a	n/a	65'112	n/a
13 Participation	n/a	n/a	15'154	n/a	n/a	n/a	47'006	n/a
199 Various	n/a	n/a	4'980	n/a	n/a	n/a	2'703	n/a
2 Leverage Products	48	n/a	1'619	n/a	n/a	n/a	22'033	23'700
21 Without Knock-Out	n/a	n/a	660	n/a	n/a	n/a	n/a	n/a
22 With Knock-Out	n/a	n/a	699	n/a	n/a	n/a	n/a	n/a
23 Constant Leverage	n/a	n/a	260	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	11'898	n/a	71'534	n/a	n/a	n/a	182'862	266'294
Total change - Δ in % to Q4/13**	-5	n/a	-17	n/a	n/a	n/a	29	7
Total change - Δ in % to Q3/14***	3	n/a	-6	n/a	n/a	n/a	12	6

* 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'.

Source: Country Associations, Derivative Partners








** Field indicates per cent change between Q4/2014 and equivalent last year quarter Q4/2013.

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

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2. Quarterly overview (Q4/2014)

	 Austria	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland*	 EUSIPA
Number of New Listings on Exchange								
1 Investment Products	342	382	166'982	53	n/a	167	2'176	170'102
11 Capital Protected	n/a	0	41	n/a	n/a	n/a	50	n/a
12 Yield-Enhancement	n/a	380	90'933	n/a	n/a	n/a	1'913	n/a
13 Participation	n/a	2	75'915	n/a	n/a	n/a	171	n/a
199 Various	n/a	0	93	n/a	n/a	n/a	42	n/a
2 Leverage Products	1'362	33'667	538'976	919	n/a	4'183	8'079	587'186
21 Without Knock-Out	382	5'718	143'212	n/a	n/a	1'678	n/a	n/a
22 With Knock-Out	980	27'884	395'335	n/a	n/a	2'413	n/a	n/a
23 Constant Leverage	n/a	65	429	n/a	n/a	86	n/a	n/a
Various	n/a	0	n/a	n/a	n/a	6	n/a	n/a
Total	1'704	34'049	705'958	972	n/a	4'350	10'255	757'288
Total change - Δ in % to Q4/13**	-15	114	29	29	n/a	-4	-11	30
Total change - Δ in % to Q3/14***	81	15	28	-33	n/a	58	11	27
Number of Exchange Listed Products								
1 Investment Products	1'992	1'569	474'765	866	n/a	4'651	11'579	495'422
11 Capital Protected	n/a	6	2'883	n/a	n/a	n/a	977	n/a
12 Yield-Enhancement	n/a	1'317	222'084	n/a	n/a	n/a	7'713	n/a
13 Participation	n/a	246	248'825	n/a	n/a	n/a	2'452	n/a
199 Various	n/a	0	973	n/a	n/a	n/a	437	n/a
2 Leverage Products	3'782	27'705	646'683	3'346	n/a	8'028	20'410	709'954
21 Without Knock-Out	1'531	10'842	354'237	n/a	n/a	3'901	n/a	n/a
22 With Knock-Out	2'251	16'587	289'155	n/a	n/a	3'145	n/a	n/a
23 Constant Leverage	n/a	276	3'291	n/a	n/a	750	n/a	n/a
Various	n/a	0	n/a	n/a	n/a	232	n/a	n/a
Total	5'774	29'274	1'121'448	4'212	n/a	12'679	31'989	1'205'376
Total change - Δ in % to Q4/13**	-2	58	8	-18	n/a	-11	-5	8
Total change - Δ in % to Q3/14***	-6	12	1	-18	n/a	0	1	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 Q4/2014 and equivalent last year quarter Q4/2013.

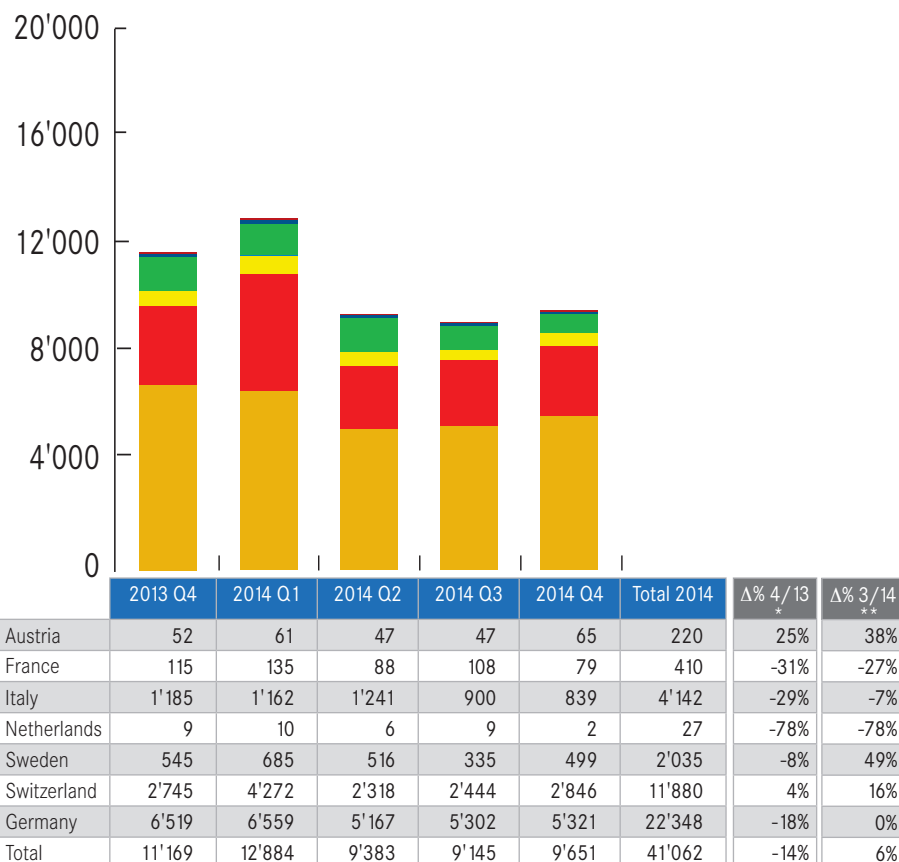
*** Field indicates per cent change between reporting quarter Q4/2014 and previous quarter Q3/2014.

Source: Country Associations, Derivative Partners

3. Exchange turnover

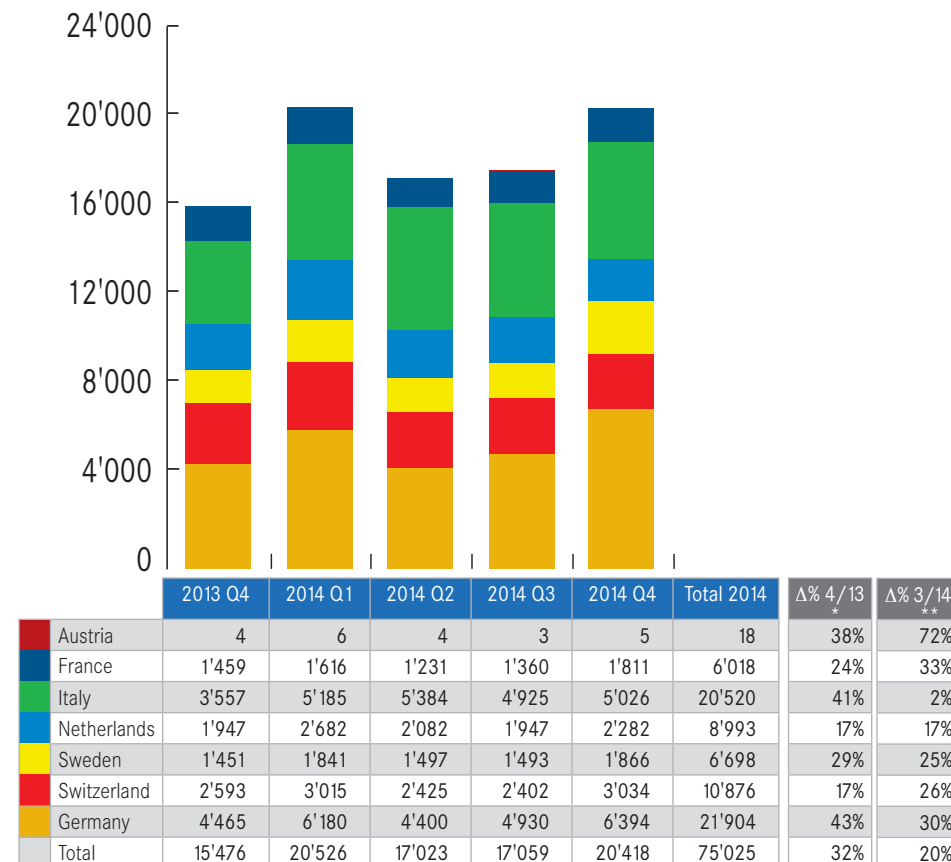
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

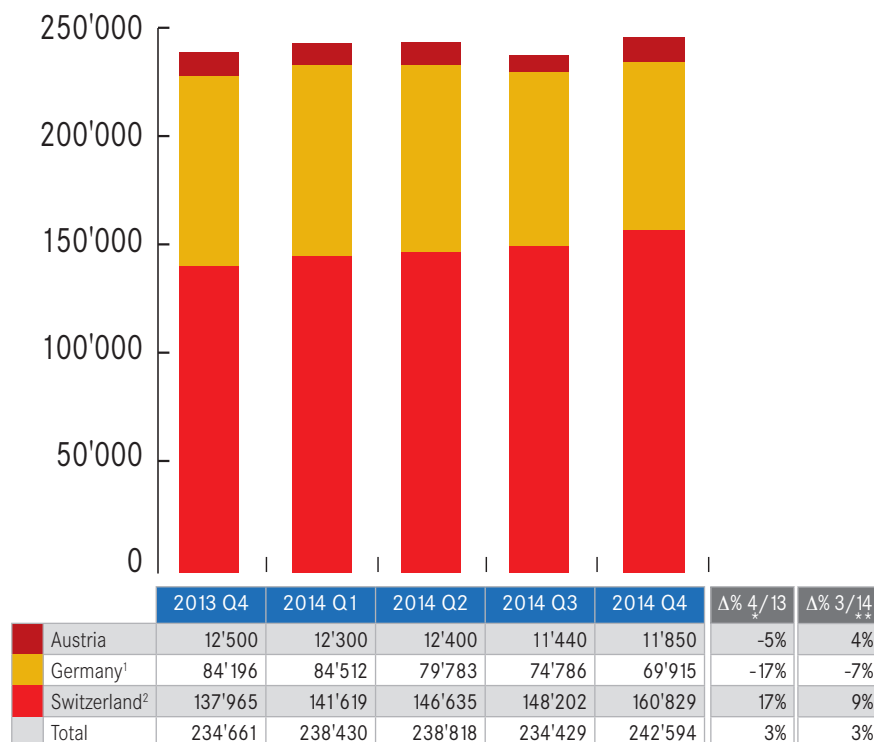
* Field indicates per cent change between Q4/2014 and equivalent last year quarter Q4/2013.
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4. Outstanding volume

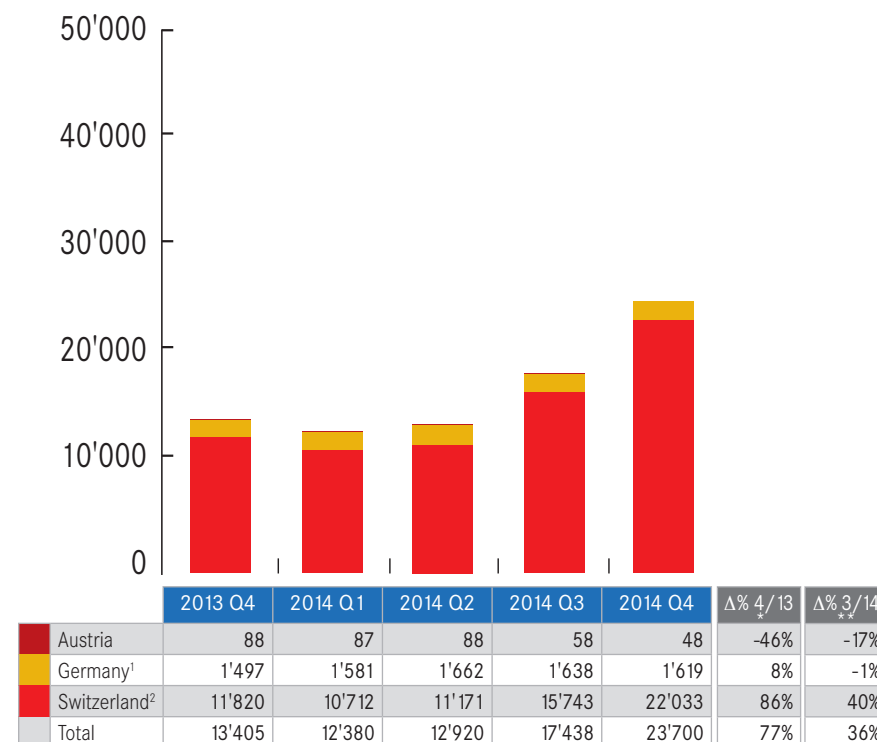
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

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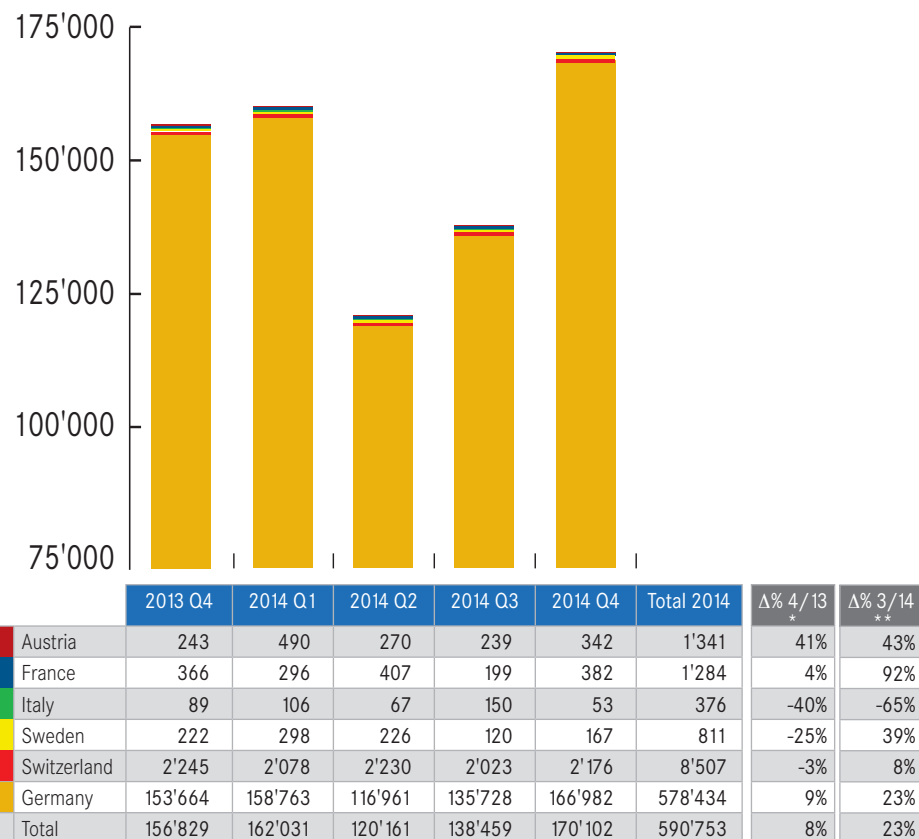
** Field indicates per cent change between reporting quarter Q4/2014 and previous quarter Q3/2014.

* Field indicates per cent change between Q4/2014 and equivalent last year quarter Q4/2013.

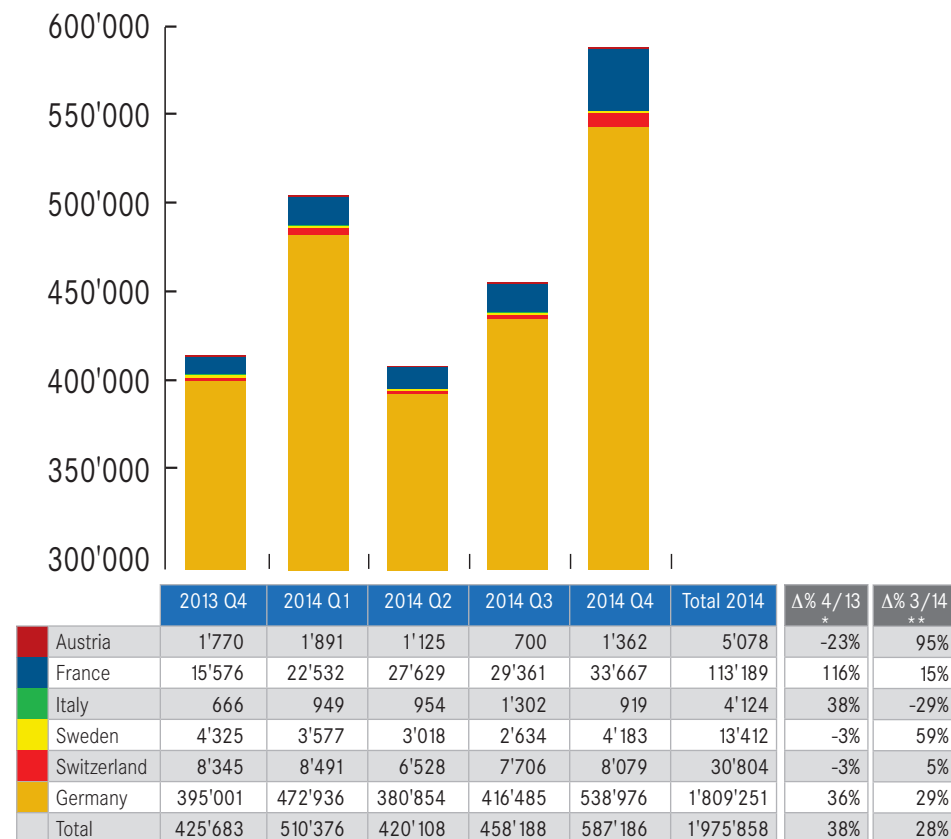
** Field indicates per cent change between reporting quarter Q4/2014 and previous quarter Q3/2014.

5. Number of new listings on exchange

Investment Products



Leverage Products



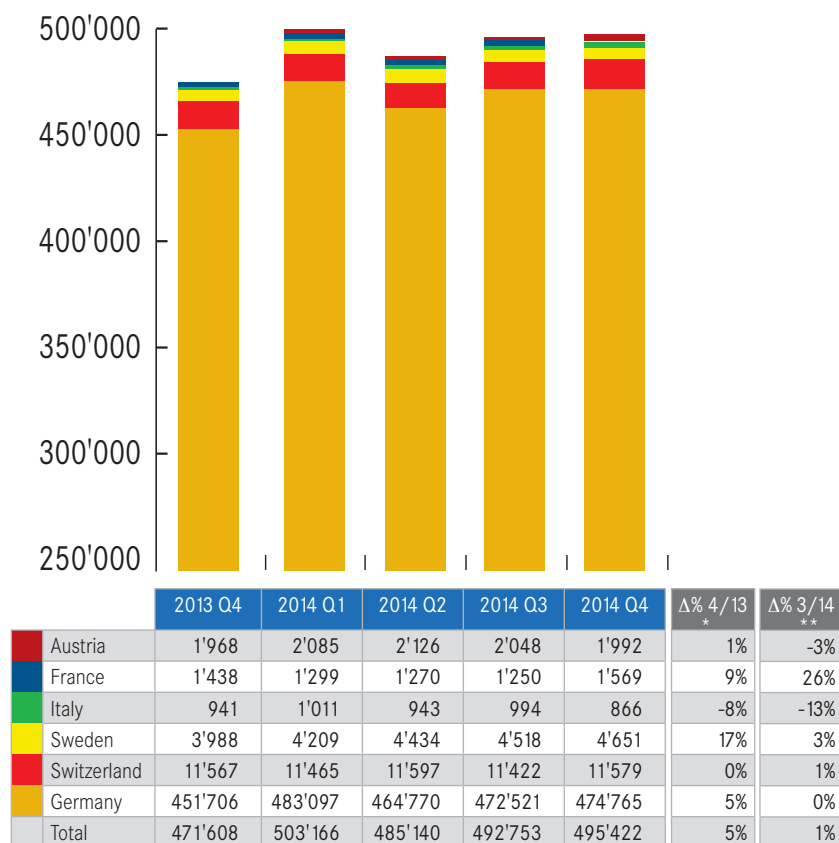
Source: Country Associations, Derivative Partners

* Field indicates per cent change between Q4/2014 and equivalent last year quarter Q4/2013.
 ** Field indicates per cent change between reporting quarter Q4/2014 and previous quarter Q3/2014.

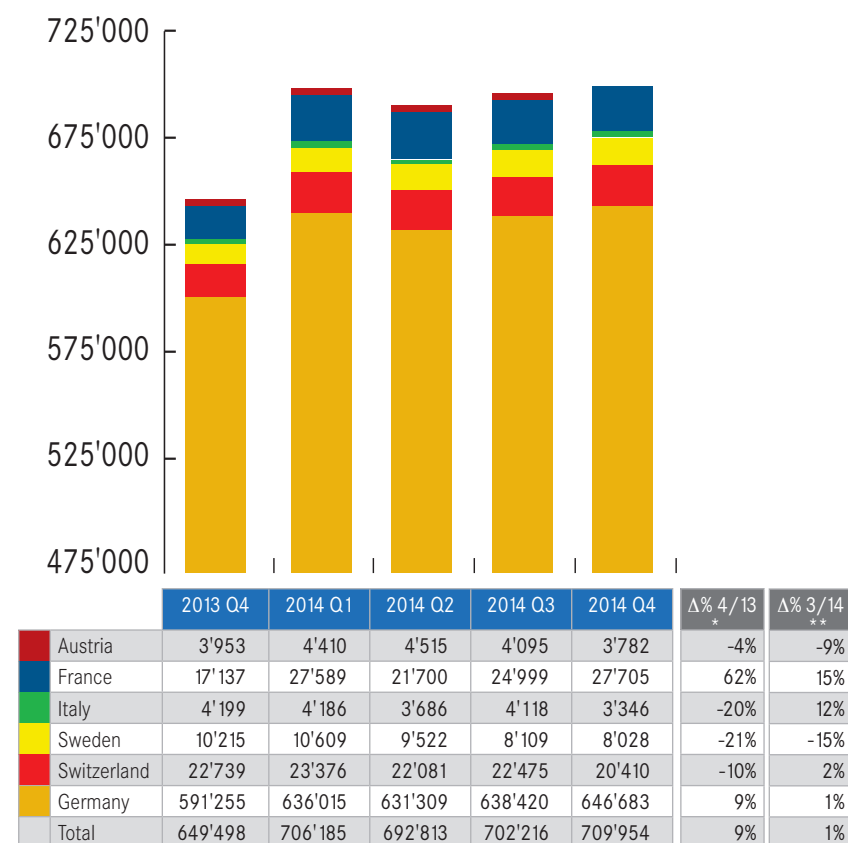
* Field indicates per cent change between Q4/2014 and equivalent last year quarter Q4/2013.
 ** Field indicates per cent change between reporting quarter Q4/2014 and previous quarter Q3/2014.

6. Number of exchange listed products

Investment Products



Leverage Products



Source: Country Associations, Derivative Partners

* Field indicates per cent change between Q4/2014 and equivalent last year quarter Q4/2013.
** Field indicates per cent change between reporting quarter Q4/2014 and previous quarter Q3/2014.

* Field indicates per cent change between Q4/2014 and equivalent last year quarter Q4/2013.
** Field indicates per cent change between reporting quarter Q4/2014 and previous quarter Q3/2014.

7. Appendix

Data sources

EUSIPA Members

Derivative Partners AG

Key date is 30th December 2014. 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

