



**SVSP**

Schweizerischer Verband für Strukturierte Produkte  
Swiss Structured Products Association  
Associazione Svizzera per prodotti strutturati  
Association Suisse Produits Structurés

# Structured Products Value Creation — Q3 2019

Swiss Structured Products Association — SSPA

NOVEMBER 2019

**BCG** BOSTON  
CONSULTING  
GROUP

# Executive summary

## Turnover for Swiss structured products of the major SSPA members amounted to CHF 94 bn in Q3 2019

- Total turnover in Q3 2019 is CHF 18 bn higher than in the prior-year quarter; growth rate compared to Q3 2018 was 24%
- Turnover growth of the first nine months of 2019 amounted to 7% compared to the prior-year period

## Yield enhancement representing major product group, leverage and participation products changing positions

- At 44%, yield enhancement products hold the largest share of total turnover in Q3 2019 (CHF 41 bn)
- Total turnover for participation products more than doubled to CHF 26 bn in Q3 2019 compared to last year and turnover share reached 28% (prior year: 17%); participation products constituted the second-largest product group in Q3 2019
- The turnover share of leverage products decreased from 21% in Q3 2018 to 17% in Q3 2019, representing a nominal turnover of CHF 16 bn
- Reaching CHF 10 bn turnover, capital protection products made up 11% of total turnover in Q3 2019

## Equity and Foreign Exchange asset classes dominating, Fixed Income decreasing

- With 58%, Equity products constituted the largest portion of total turnover in Q3 2019, with nominal turnover increasing by 38% to CHF 55 bn compared to last year
- Compared to Q3 2018, the turnover share of Foreign Exchange products fell from 27% to 23% in Q3 2019
- The turnover share of Fixed Income products declined in Q3 2019 to 11% (prior year: 15%)

## Non-listed products dominant, listed product growing

- The turnover of non-listed products was stable compared to Q3 2018 and reached again CHF 55 bn; the turnover share declined from 67% in Q3 2018 to 55%
- Meanwhile, seeing strong growth of 70%, the nominal turnover of listed products reached CHF 42 bn compared to CHF 25 bn in Q3 2018

## Primary market flat, secondary market increasing

- Turnover on the primary market reached the same level of CHF 44 bn compared to prior-year quarter but its share fell by 12 percentage points to 47%
- Secondary market turnover increased from CHF 31 bn in Q3 2018 to CHF 49 bn in Q3 2019, reaching a turnover share of 53%

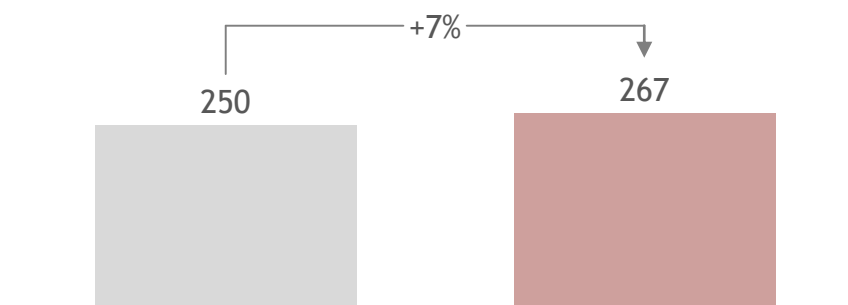
## With a total share of 90%, USD, EUR, and CHF are still by far the most used currencies

- USD is again the predominant currency in Q3 2019 with a share of 37%, decreasing by one percentage point compared to previous year
- The share of EUR increased by 3 percentage points compared to Q3 2018 to reach 35%, CHF also gained share and reached 18%

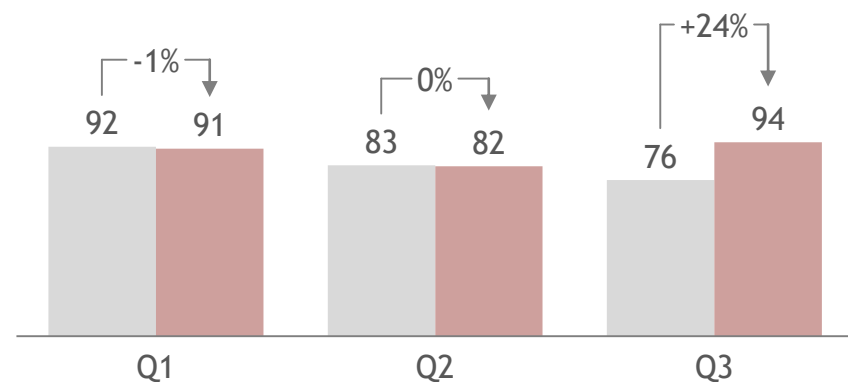
# Overall turnover development of structured products in 2018 and 2019

Turnover in respective time frame in CHF bn

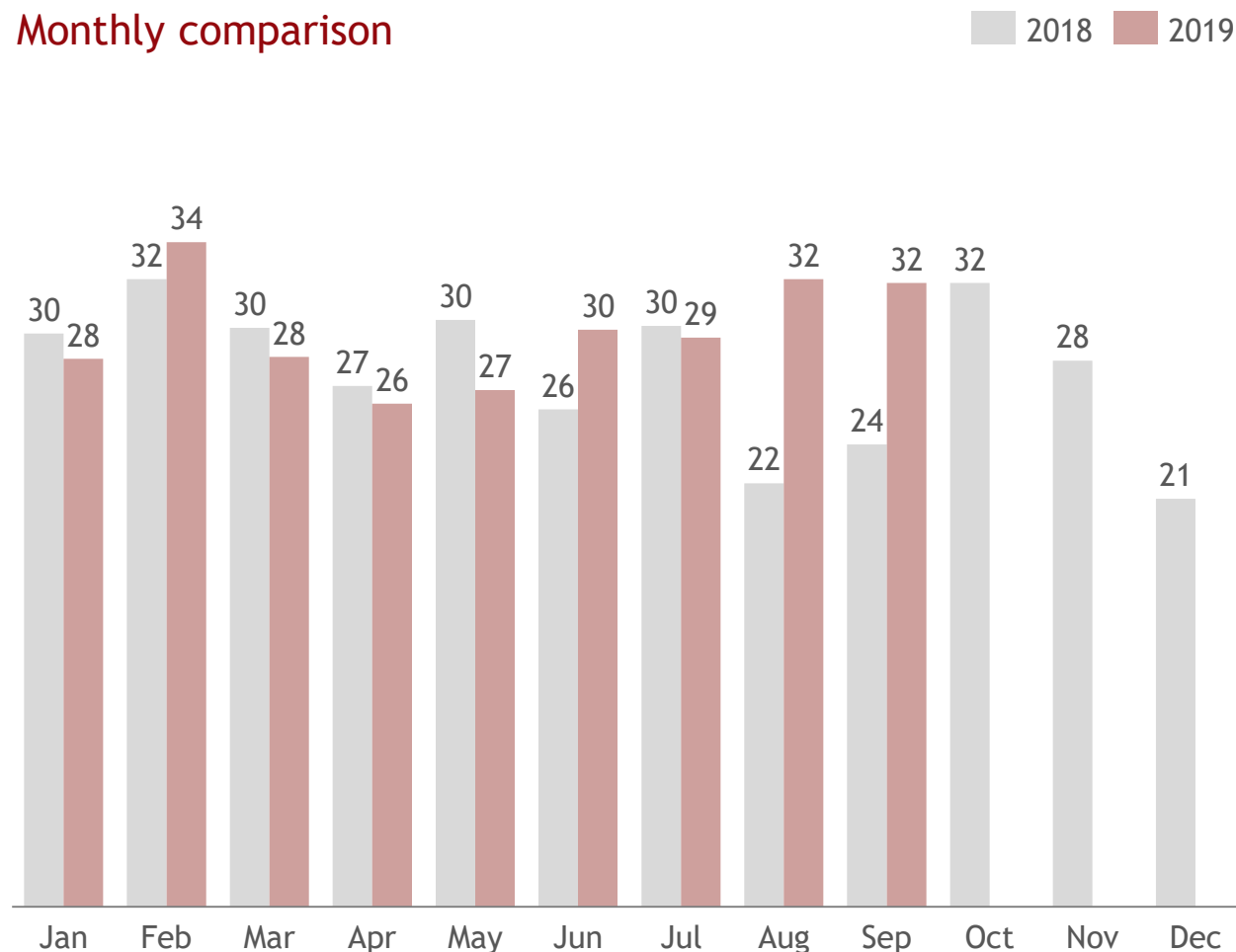
## Year-to-date Q1 - Q3



## Quarterly comparison



## Monthly comparison



# Turnover of structured products split by product group

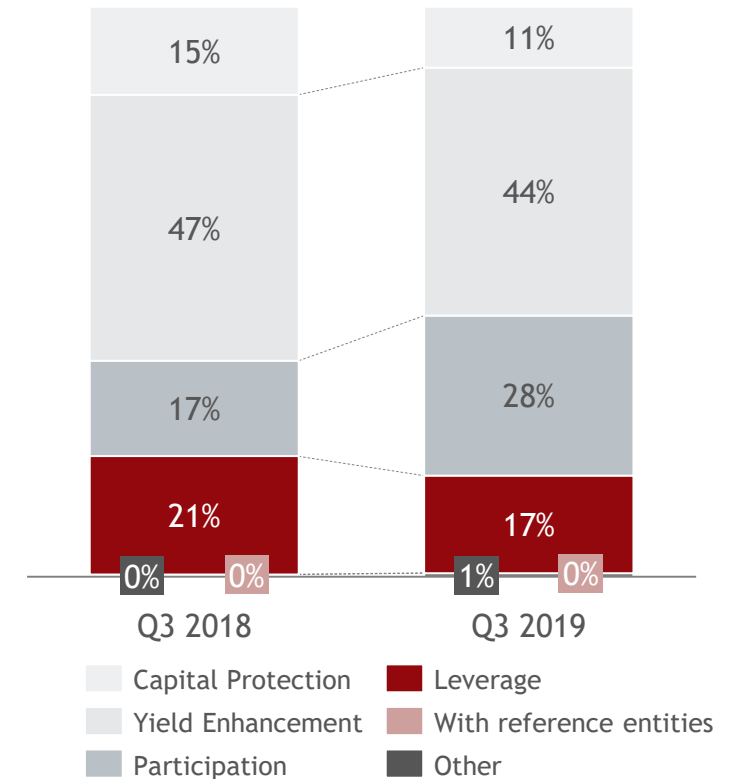
Turnover in respective time frame in CHF bn

## Split by product group

| Product group           | Q3          | Turnover    |               |
|-------------------------|-------------|-------------|---------------|
|                         |             | CHF         | in %          |
| Capital protection      | 2018        | 11.7        | 15.4%         |
|                         | 2019        | 10.0        | 10.7%         |
| Yield enhancement       | 2018        | 35.2        | 46.7%         |
|                         | 2019        | 40.8        | 43.5%         |
| Participation           | 2018        | 12.6        | 16.8%         |
|                         | 2019        | 26.3        | 28.1%         |
| Leverage                | 2018        | 15.7        | 20.8%         |
|                         | 2019        | 16.0        | 17.1%         |
| With reference entities | 2018        | 0.0         | 0.1%          |
|                         | 2019        | 0.0         | 0.0%          |
| Other                   | 2018        | 0.2         | 0.3%          |
|                         | 2019        | 0.6         | 0.6%          |
| <b>Total</b>            | <b>2018</b> | <b>75.5</b> | <b>100.0%</b> |
|                         | <b>2019</b> | <b>93.7</b> | <b>100.0%</b> |

| Transactions |               |
|--------------|---------------|
| # in k       | in %          |
| 4            | 0.1%          |
| 7            | 0.2%          |
| 127          | 4.7%          |
| 148          | 5.2%          |
| 88           | 3.3%          |
| 118          | 4.2%          |
| 2.456        | 91.8%         |
| 2.553        | 90.3%         |
| 1            | 0.0%          |
| 1            | 0.0%          |
| 1            | 0.0%          |
| 1            | 0.0%          |
| <b>2,676</b> | <b>100.0%</b> |
| <b>2,826</b> | <b>100.0%</b> |

## Quarterly turnover split



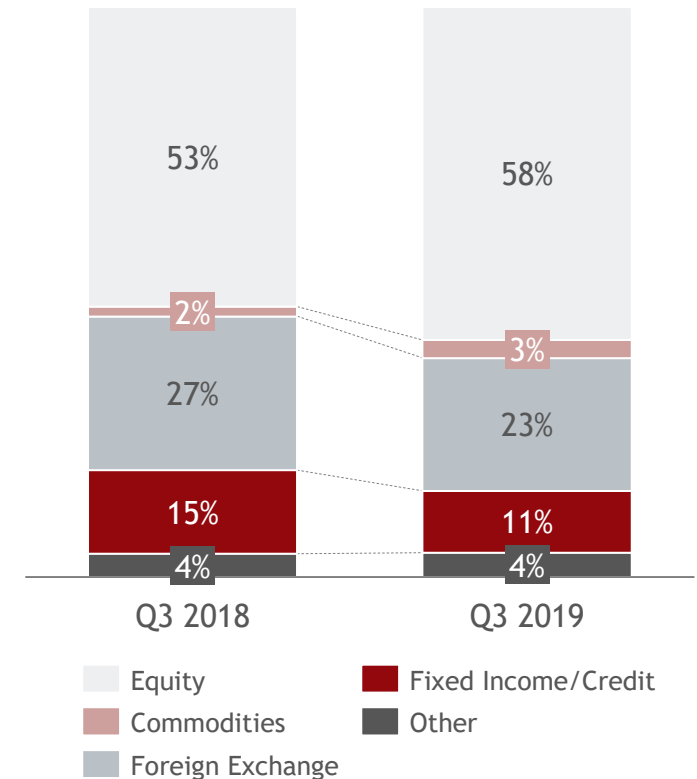
# Turnover of structured products split by asset class

Turnover in respective time frame in CHF bn

## Split by asset class

| Asset class             | Q3   | Turnover |        | Transactions |        |
|-------------------------|------|----------|--------|--------------|--------|
|                         |      | CHF      | in %   | # in k       | in %   |
| Equity                  | 2018 | 39.7     | 52.6%  | 2,384        | 89.1%  |
|                         | 2019 | 54.8     | 58.4%  | 2,276        | 80.5%  |
| Commodity               | 2018 | 1.3      | 1.7%   | 186          | 7.0%   |
|                         | 2019 | 3.0      | 3.2%   | 400          | 14.2%  |
| Foreign Exchange        | 2018 | 20.3     | 26.9%  | 87           | 3.3%   |
|                         | 2019 | 21.8     | 23.3%  | 90           | 3.2%   |
| Fixed Income/<br>Credit | 2018 | 11.1     | 14.7%  | 11           | 0.4%   |
|                         | 2019 | 10.2     | 10.8%  | 16           | 0.6%   |
| Other                   | 2018 | 3.1      | 4.1%   | 7            | 0.3%   |
|                         | 2019 | 4.0      | 4.3%   | 44           | 1.6%   |
| Total                   | 2018 | 75.5     | 100.0% | 2,676        | 100.0% |
|                         | 2019 | 93.7     | 100.0% | 2,826        | 100.0% |

## Quarterly turnover split



# Turnover of structured products split by trade type and market

Turnover in respective time frame in CHF bn

## Split by trade type and market

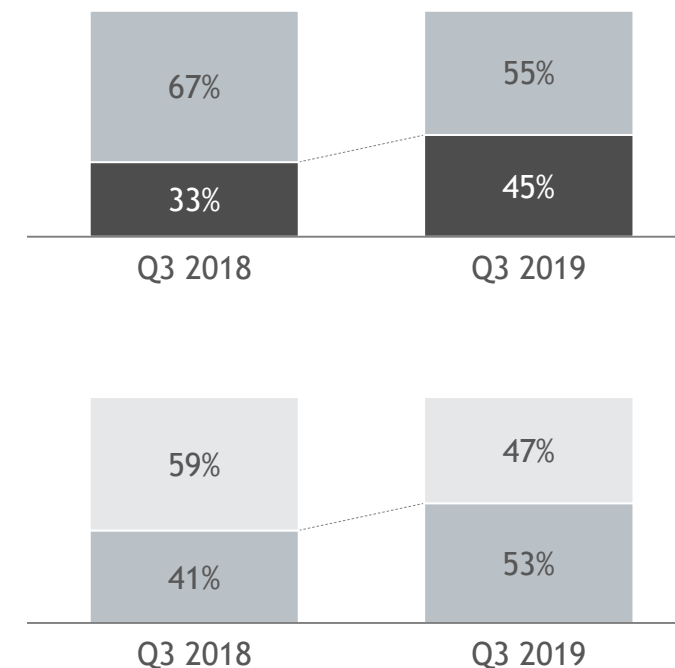
| Trade type | Q3   | Turnover |       |
|------------|------|----------|-------|
|            |      | CHF      | in %  |
| Non-listed | 2018 | 50.6     | 67.0% |
|            | 2019 | 51.3     | 54.8% |
| Listed     | 2018 | 24.9     | 33.0% |
|            | 2019 | 42.4     | 45.2% |

| Market    | Q3   | CHF  |        |
|-----------|------|------|--------|
|           |      | CHF  | in %   |
| Primary   | 2018 | 44.3 | 58.7%  |
|           | 2019 | 44.5 | 47.4%  |
| Secondary | 2018 | 31.2 | 41.3%  |
|           | 2019 | 49.3 | 52.6%  |
| Total     | 2018 | 75.5 | 100.0% |
|           | 2019 | 93.7 | 100.0% |

| Transactions |       |
|--------------|-------|
| # in k       | in %  |
| 225          | 8.4%  |
| 270          | 9.6%  |
| 2,451        | 91.6% |
| 2,556        | 90.4% |

| # in k | in %   |
|--------|--------|
| 62     | 2.3%   |
| 72     | 2.5%   |
| 2,613  | 97.7%  |
| 2,754  | 97.5%  |
| 2,676  | 100.0% |
| 2,826  | 100.0% |

## Quarterly turnover split



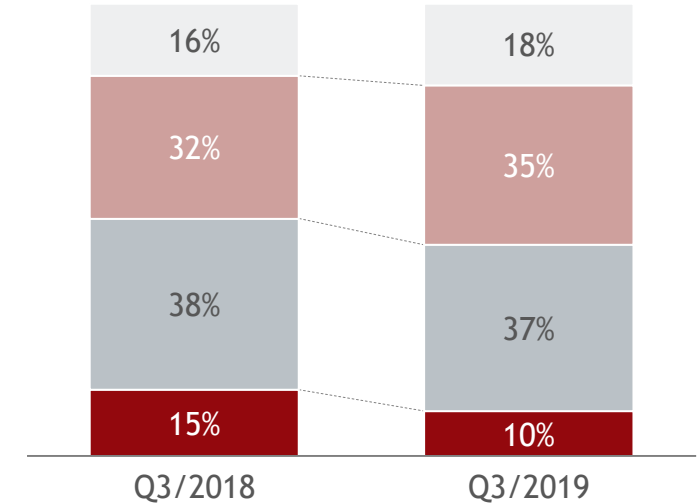
# Turnover of structured products split by investment currency

Turnover in respective time frame in CHF bn

## Split by investment currency

| Investment currency | Q3   | Turnover |        | Transactions |        |
|---------------------|------|----------|--------|--------------|--------|
|                     |      | CHF      | in %   | # in k       | in %   |
| CHF                 | 2018 | 12.0     | 15.9%  | 236          | 8.8%   |
|                     | 2019 | 16.9     | 18.0%  | 257          | 9.1%   |
| EUR                 | 2018 | 23.9     | 31.6%  | 1,653        | 61.8%  |
|                     | 2019 | 33.1     | 35.3%  | 1,936        | 68.5%  |
| USD                 | 2018 | 28.5     | 37.8%  | 52           | 2.0%   |
|                     | 2019 | 34.4     | 36.7%  | 60           | 2.1%   |
| Other               | 2018 | 11.1     | 14.7%  | 735          | 27.5%  |
|                     | 2019 | 9.3      | 9.9%   | 574          | 20.3%  |
| Total               | 2018 | 75.5     | 100.0% | 2,676        | 100.0% |
|                     | 2019 | 93.7     | 100.0% | 2,826        | 100.0% |

## Quarterly turnover split



# Data collection methods and definitions

## Data collection and verification

Issuers provide data on monthly basis

Requested data points include

- Product group
- Asset class
- Trade type
- Market
- Investment currency
- Transactions
- Turnover in investment currency
- Turnover in CHF

Data verification

- Selected data points are verified during the data collection process and checked against historical data

## Product groups<sup>1</sup> (I/II)

Capital protection products

- Capital Protection Certificate with Participation (1100)
- Convertible Certificate (1110)
- Barrier Capital Protection Certificate (1130)
- Capital Protection Certificate with Coupon (1140)
- Miscellaneous Capital Protection Certificates (1199)

Yield enhancement products

- Discount Certificate (1200)
- Barrier Discount Certificate (1210)
- Reverse Convertible (1220)
- Barrier Reverse Convertible (1230)
- Express Certificate (1260)
- Miscellaneous Yield Enhancement Certificates (1299)

## Product groups<sup>1</sup> (II/II)

Participation products

- Tracker Certificate (1300)
- Outperformance Certificate (1310)
- Bonus Certificate (1320)
- Bonus Outperformance Certificate (1330)
- Twin-Win Certificate (1340)
- Miscellaneous Participation Certificates (1399)

Leverage products

- Warrant (2100)
- Spread Warrant (2110)
- Warrant with Knock-Out (2200)
- Mini-Future (2210)
- Constant Leverage Certificate (2300)
- Miscellaneous Leverage Certificates (2099)

Investment products with reference entities

- Reference Entity Certificate with Conditional Capital Protection (1410)
- Reference Entity Certificate with Yield Enhancement (1420)
- Reference Entity Certificate with Participation (1430)

Other

- Miscellaneous Certificates (9999)

## Market

Primary

- Product volume of products newly issued on primary market

Secondary

- Product volume of products traded on secondary markets (e.g. stock exchanges)

## Asset class

Equity

- I.e. stocks, shares of ownership in publicly held companies

Commodities

- Goods traded on a commodity exchange

FX

- Foreign exchange

Fixed Income/Credit

- Asset in which real return rates or periodic income is received at regular intervals

Other

- Any other asset class not covered above

## Trade type<sup>2</sup>

Listed

- Products listed on exchanges

Non-listed

- Products not listed on exchanges

## Other

Transactions

- Number of transactions for products engineered or sold in Switzerland during a specified month

Turnover

- Volume of all transactions of products engineered or sold in Switzerland considered
- Origin of customer (i.e. domestic vs. international) not taken into account
- Third party market transactions are not considered

1. According to SSPA Swiss Derivative Map ©, for a full version please visit [www.svsp-verband.ch](http://www.svsp-verband.ch)

2. Including primary and secondary market



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## Issued by

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Data as of September 30, 2019.

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