



Structured Products Value Creation Q3 2020

October 2020

Executive Summary

Turnover for Swiss structured products of the major SSPA members amounted to CHF 86 bn in Q3 2020

- Total turnover of CHF 86 bn in Q3 2020 is CHF 8 bn lower than in the prior-year quarter (CHF 94 bn); growth rate compared to Q3 2019 was -9%
- The turnover of the first nine months of 2020 grew by 8% to CHF 289 bn compared to the same timeframe in 2019

Yield enhancement products still leading, leverage products growing and increasing share

- Yield enhancement products represented 46% (CHF 39 bn) of total turnover in Q3 2020, an increase by 2 percentage points compared to Q3 2019
- Leverage products increased their turnover to CHF 26 bn (prior year: CHF 16 bn), and constituted the second-largest group with a turnover share of 31% (prior year: 17%)
- Turnover share of participation products decreased from 28% in Q3 2019 to 13% in Q3 2020, the nominal turnover fell sharply from CHF 26 bn to CHF 11 bn
- Reaching CHF 9 bn turnover, capital protection products made up 10% of total turnover in Q3 2020 (prior year: 11%)

Equity and foreign exchange asset classes maintaining leading position

- Despite decrease of the nominal turnover from CHF 55 bn in Q3 2019 to CHF 48 bn in Q3 2020, equity products held the largest turnover share with 56% (prior year: 58%)
- Nominal turnover of foreign exchange products decreased from CHF 22 bn in Q3 2019 to CHF 21 bn in Q3 2020, however the turnover share rose slightly from 23% to 24%
- The turnover share of fixed income products decreased from 11% in Q3 2019 to 10% in Q3 2020, the nominal turnover fell from CHF 10 bn to CHF 9 bn
- Commodity products doubled their turnover share compared to the prior-year quarter from 3% to 6% in Q3 2020, but remained on a low turnover level

Non-listed products expanding lead

- With a nominal turnover of CHF 53 bn in Q3 2020, non-listed products constituted 62% of the total turnover, resulting in an increase by 7 percentage points (prior year: 55%)
- The nominal turnover of listed products decreased compared to the prior-year quarter from CHF 42 bn to CHF 32 bn, the turnover share reached 38%

Balance between turnover on primary market and secondary market

- The nominal turnover of CHF 43 bn on the primary market remained almost unchanged compared to Q3 2019, however the turnover share rose to 51% (prior year: 47%)
- The turnover on the secondary market decreased from CHF 49 bn in Q3 2019 to CHF 42 bn in Q3 2020 and reached a share of 49% of the total quarterly turnover

With a total share of 88%, USD, EUR and CHF are the most used currencies - USD rising, EUR and CHF in decline

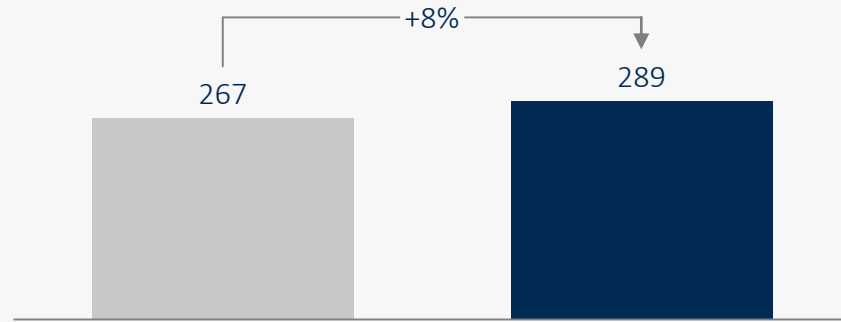
- USD was the predominant currency in Q3 2020 with a share of 44%, increasing by 7 percentage points compared to the prior-year quarter
- The share of EUR decreased by 3 percentage points to 32% compared to Q3 2019, CHF lost considerable share and reached 12% (prior year: 18%)

Note: Numbers are commercially rounded. Potential changes were applied retroactively to 2019 data

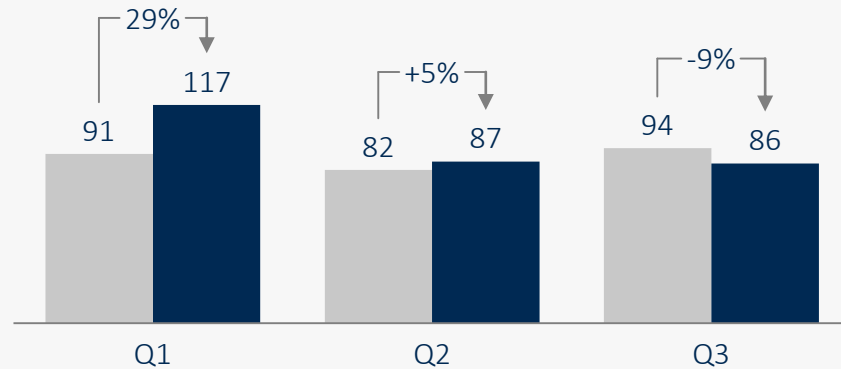
Overall turnover development of structured products in 2019 and 2020

Turnover in respective time frame in CHF bn

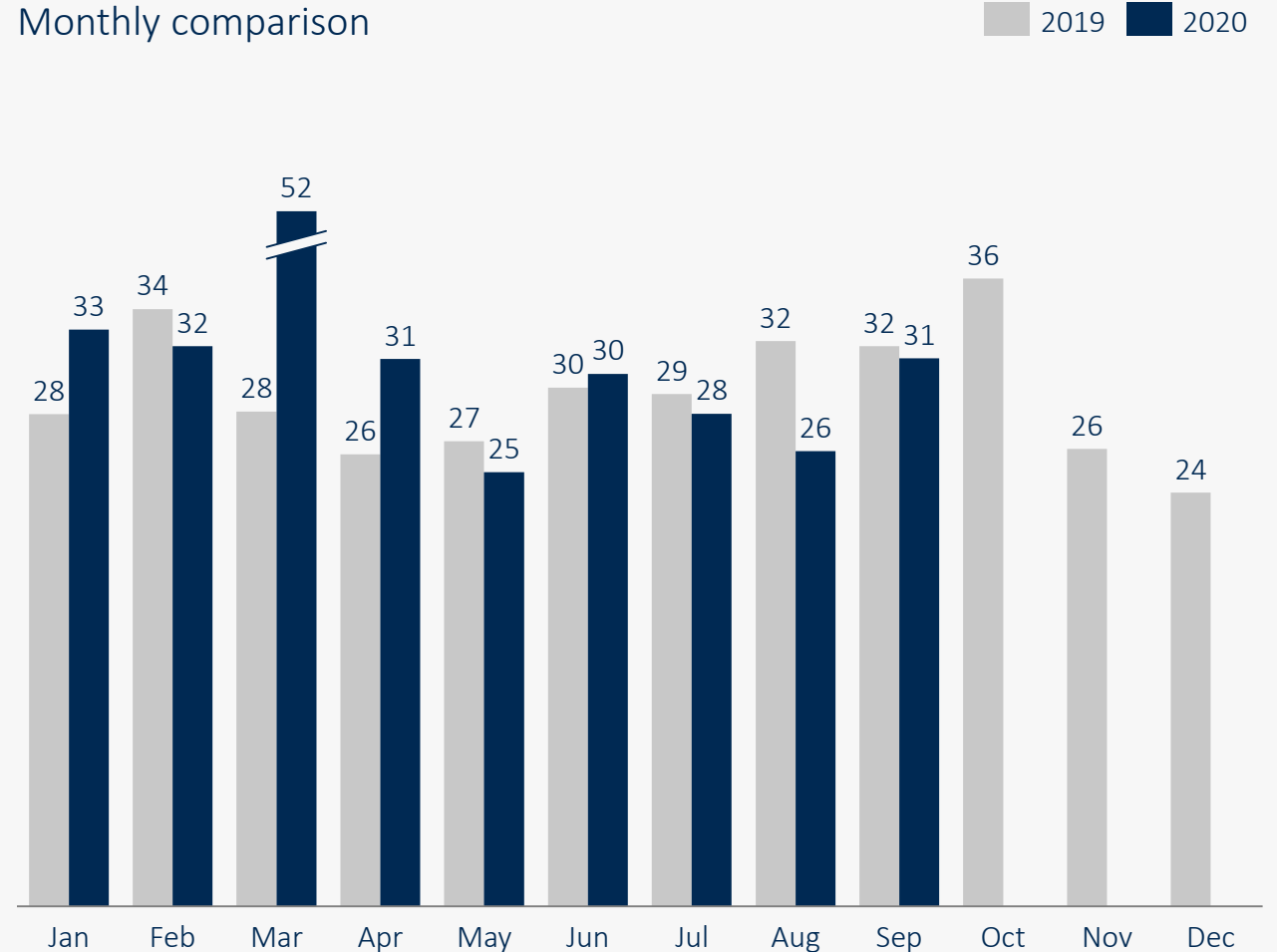
Year-to-date Q1 – Q3



Quarterly comparison



Monthly comparison



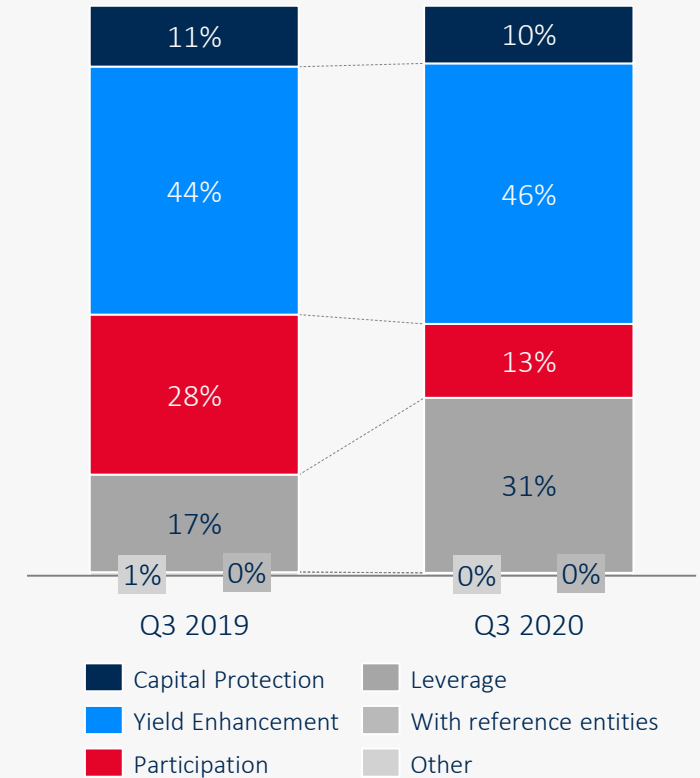
Source: Data collected monthly from SSPA member institutes

Turnover of structured products split by product group

Split by product group

Product group	Q3	Turnover		Transactions	
		in CHF bn	in %	# in k	in %
Capital Protection	2019	10.0	10.7%	7	0.2%
	2020	8.7	10.1%	4	0.1%
Yield Enhancement	2019	40.8	43.5%	148	5.2%
	2020	39.1	45.7%	169	3.0%
Participation	2019	26.3	28.1%	118	4.2%
	2020	11.1	12.9%	118	2.1%
Leverage	2019	16.0	17.1%	2,553	90.3%
	2020	26.3	30.7%	5,339	94.8%
With reference entities	2019	0.0	0.0%	1	0.0%
	2020	0.0	0.0%	1	0.0%
Other	2019	0.6	0.6%	1	0.0%
	2020	0.4	0.4%	1	0.0%
Total	2019	93.7	100.0%	2,826	100.0%
	2020	85.6	100.0%	5,632	100.0%

Quarterly turnover split

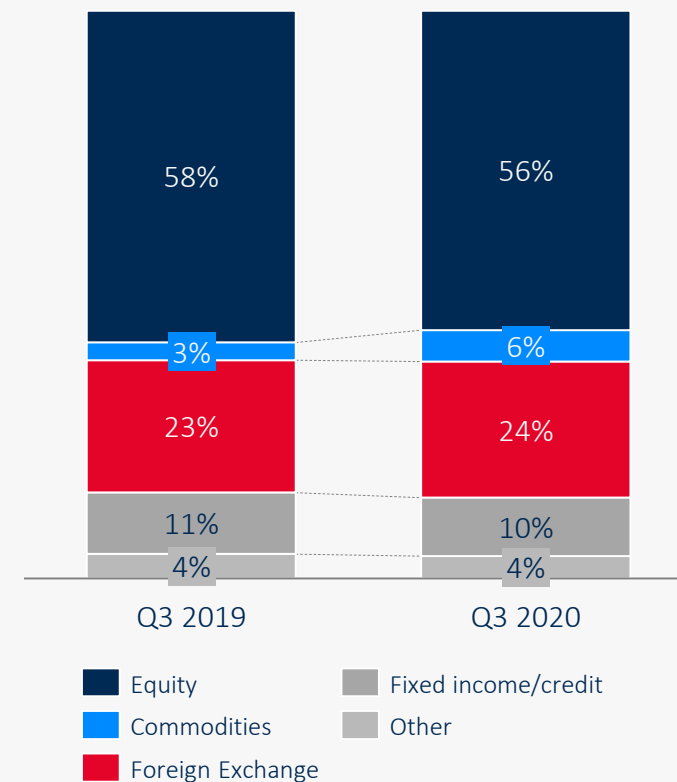


Turnover of structured products split by asset class

Split by asset class

Asset class	Q3	Turnover		Transactions	
		in CHF bn	in %	# in k	in %
Equity	2019	54.8	58.4%	2,276	80.5%
	2020	48.2	56.3%	4,501	79.9%
Commodity	2019	3.0	3.2%	400	14.2%
	2020	4.7	5.5%	946	16.8%
Foreign Exchange	2019	21.8	23.3%	90	3.2%
	2020	20.5	24.0%	122	2.2%
Fixed Income/ Credit	2019	10.2	10.8%	16	0.6%
	2020	8.8	10.3%	12	0.2%
Other	2019	4.0	4.3%	44	1.6%
	2020	3.4	3.9%	52	0.9%
Total	2019	93.7	100.0%	2,826	100.0%
	2020	85.6	100.0%	5,632	100.0%

Quarterly turnover split



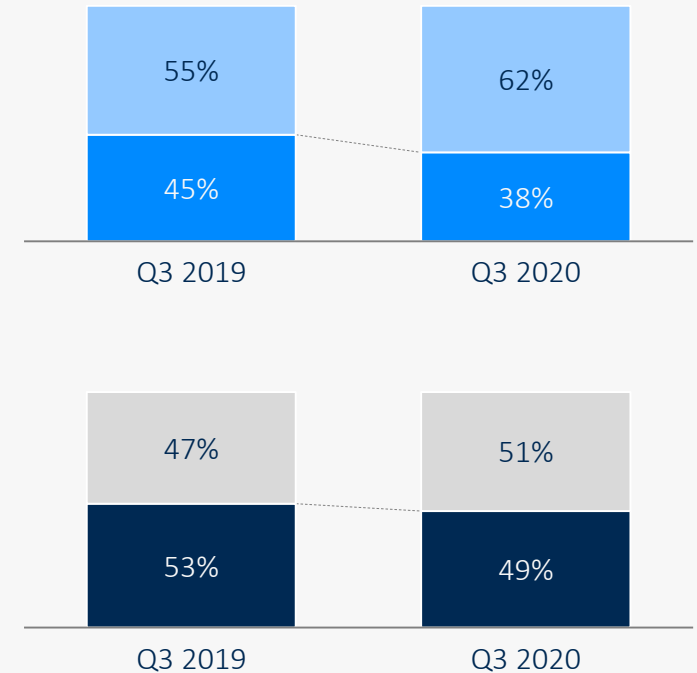
Turnover of structured products split by trade type and market

Split by trade type and market

Trade type	Q3	Turnover		Transactions	
		in CHF bn	in %	# in k	in %
Non-listed	2019	51.3	54.8%	270	9.6%
	2020	53.2	62.2%	1,137	20.2%
Listed	2019	42.4	45.2%	2,556	90.4%
	2020	32.4	37.8%	4,495	79.8%

Market	Q3	in CHF bn		# in k	
		in CHF bn	in %	# in k	in %
Primary	2019	44.5	47.4%	72	2.5%
	2020	43.2	50.5%	85	1.5%
Secondary	2019	49.3	52.6%	2,754	97.5%
	2020	42.4	49.5%	5,547	98.5%
Total	2019	93.7	100.0%	2,826	100.0%
	2020	85.6	100.0%	5,632	100.0%

Quarterly turnover split

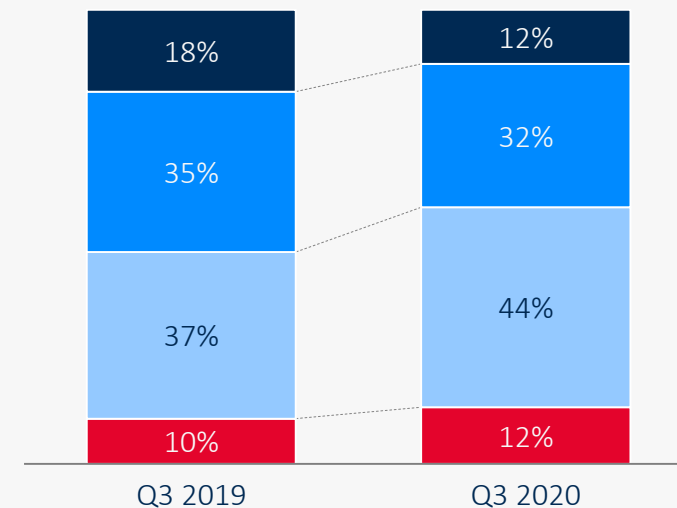


Turnover of structured products split by investment currency

Split by investment currency

Investment currency	Q3	Turnover		Transactions	
		in CHF bn	in %	# in k	in %
CHF	2019	16,9	18.0%	257	9.1%
	2020	10,2	12.0%	358	6.4%
EUR	2019	33,1	35.3%	1,936	68.5%
	2020	27,0	31.5%	3,577	63.5%
USD	2019	34,4	36.7%	60	2.1%
	2020	37,7	44.0%	81	1.4%
Other	2019	9,3	9.9%	574	20.3%
	2020	10,7	12.5%	1,616	28.7%
Total	2019	93.7	100.0%	2,826	100.0%
	2020	85.6	100.0%	5,632	100.0%

Quarterly turnover split



Data collection methods and definitions (I/II)

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 groups¹ (I/II)

Capital protection products

- Capital Protection Certificate with Participation (1100)
- Barrier Capital Protection Certificate (1130)
- Capital Protection Certificate with Twin Win (1135)
- Capital Protection Certificate with Coupon (1140)

Yield enhancement products

- Discount Certificate (1200)
- Barrier Discount Certificate (1210)
- Reverse Convertible (1220)
- Barrier Reverse Convertible (1230)
- Express Certificate without Barrier (1255)
- Express-Barrier Certificate (1260)

Product groups¹ (II/II)

Participation products

- Tracker Certificate (1300)
- Outperformance Certificate (1310)
- Bonus Certificate (1320)
- Bonus Outperformance Certificate (1330)
- Twin Win Certificate (1340)

Leverage products

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

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 products

- Miscellaneous Certificates (9999)

Data collection methods and definitions (II/II)

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

- Stocks, shares of ownership in publicly held companies

Commodities

- Goods traded on a commodity exchange

Foreign Exchange

- 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 type¹

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

Appendix

Issued by

Swiss Structured Products Association SSPA

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Published quarterly

Participating banks

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Credit Suisse

Goldman Sachs

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Raiffeisen Schweiz

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UBS

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Data as of September 30, 2020.

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