



# Structured Products Value Creation Q3 2021

November 2021

# Executive Summary

## Turnover of Swiss structured products of the major SSPA members amounted to CHF 80 bn in Q3 2021

- In Q3 2021, total turnover was CHF 80 bn, a decrease of 7% compared to Q3 2020 (CHF 86 bn)

## Yield enhancement amounted to half of total turnover; leveraged products lost considerably

- Turnover share of yield enhancement products increased to 49% (prior year: 46%), turnover stayed constant at CHF 39 bn
- Leveraged products constituted the second largest group with a share of 25% (prior year: 31%), despite a decrease in turnover to CHF 20 bn (prior year: CHF 26 bn)
- In Q3 2021, turnover of capital protection products remained at CHF 9 bn, turnover share increased from 10% to 12%
- Turnover of participation products fell to CHF 10 bn (prior year: CHF 11 bn) in Q3 2021, which represented no change in the turnover share of 13%

## Equity remained largest asset class

- Despite a decline in turnover from CHF 48 bn in Q3 2020 to CHF 47 bn in Q3 2021, equity products accounted for the largest turnover share with 59% (prior year: 56%)
- The turnover share of foreign exchange products held constant at 24%, turnover decreased to CHF 19 bn (prior year: 21 bn)
- The total turnover of fixed income products amounted to CHF 7 bn (prior year: CHF 9 bn) with the share declining from 10% in Q3 2020 to 8% in Q3 2021

## Turnover of share of non-listed products grew in Q3 2021

- In Q3 2021, non-listed products had a turnover share of 66% (prior year: 62%), which represented a turnover of CHF 52 bn (prior year: CHF 53 bn)
- The turnover of listed products decreased from CHF 32 bn to CHF 27 bn in Q3 2021, turnover share fell from 38% to 34%

## Primary market with highest turnover share

- The turnover of the primary market deteriorated to CHF 42 bn in Q3 2021 (prior year: CHF 43 bn), which translated to 53% of total turnover (prior year: 51%)
- The turnover share of the secondary market dropped from 49% to 47%, total turnover reached CHF 38 bn (prior year: CHF 42 bn)

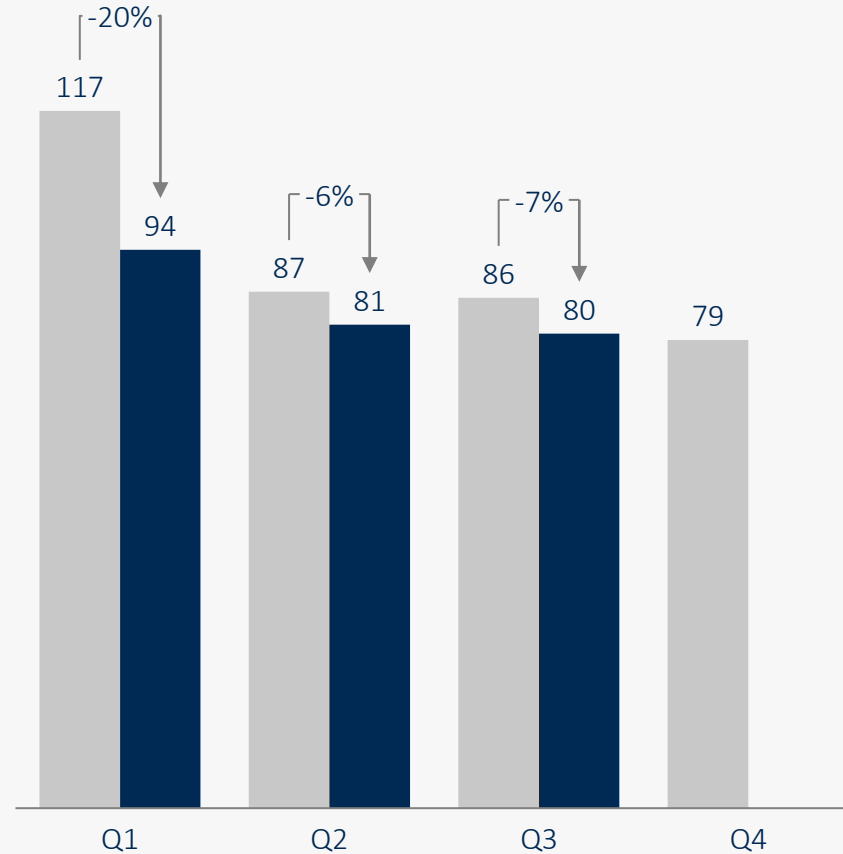
## EUR denominated products captured the largest share followed by products denominated in USD and CHF

- The turnover of the EUR increased to CHF 34 bn (prior year: 27 bn) in Q3 2021, representing a turnover share of 42% (prior year: 32%)
- The turnover share of the USD fell sharply from 44% to 32%, which represented a turnover of CHF 26 bn (prior year: CHF 38 bn)
- Compared to Q3 2020, the CHF slightly lost turnover share and reached 11% in Q3 2021 (prior year: 12%), turnover declined to CHF 9 bn (prior year: CHF 10 bn)

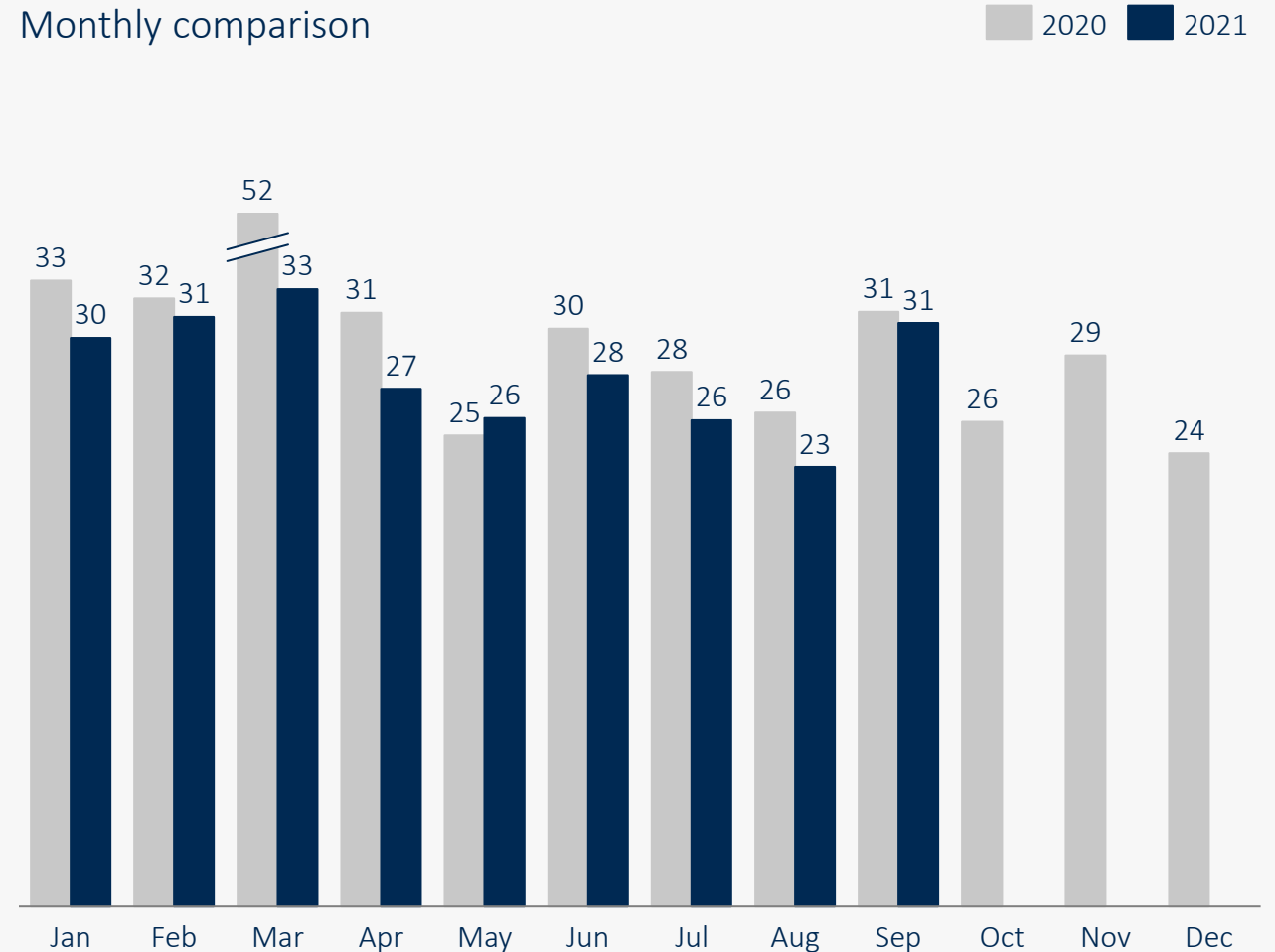
# Overall turnover development of structured products in 2020 and 2021

Turnover in respective time frame in CHF bn

## Quarterly comparison



## Monthly comparison



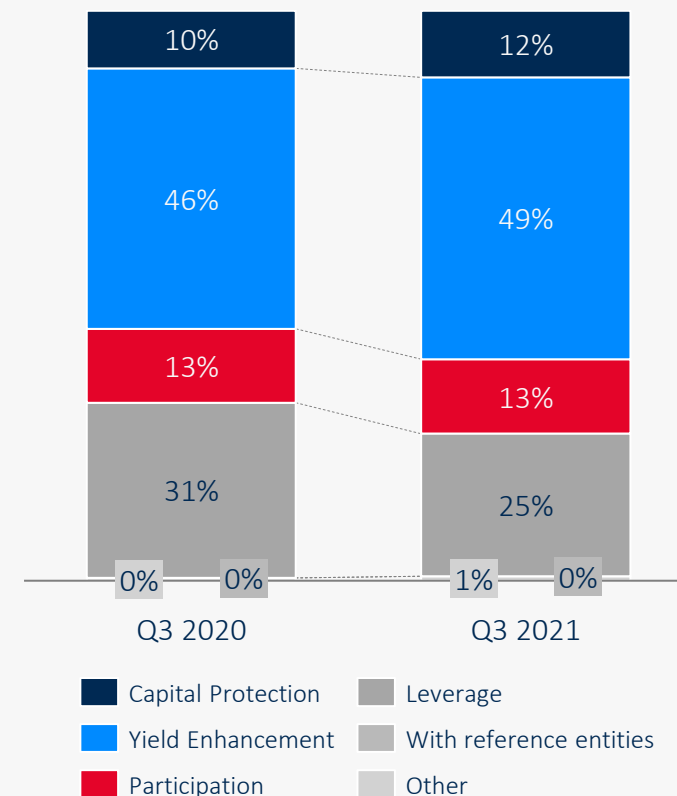
Source: Data collected monthly from SSPA member institutes.

# 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	2020	8.7	10.1%	4	0.1%
	2021	9.3	11.7%	2	0.0%
Yield Enhancement	2020	39.1	45.7%	169	3.0%
	2021	39.4	49.5%	196	4.2%
Participation	2020	11.1	12.9%	118	2.1%
	2021	10.4	13.0%	173	3.7%
Leverage	2020	26.3	30.7%	5,339	94.8%
	2021	19.9	25.0%	4,342	92.1%
With reference entities	2020	0.0	0.0%	1	0.0%
	2021	0.0	0.0%	0	0.0%
Other	2020	0.4	0.4%	1	0.0%
	2021	0.6	0.8%	2	0.0%
Total	2020	85.6	100.0%	5,632	100.0%
	2021	79.6	100.0%	4,715	100.0%

## Quarterly turnover split

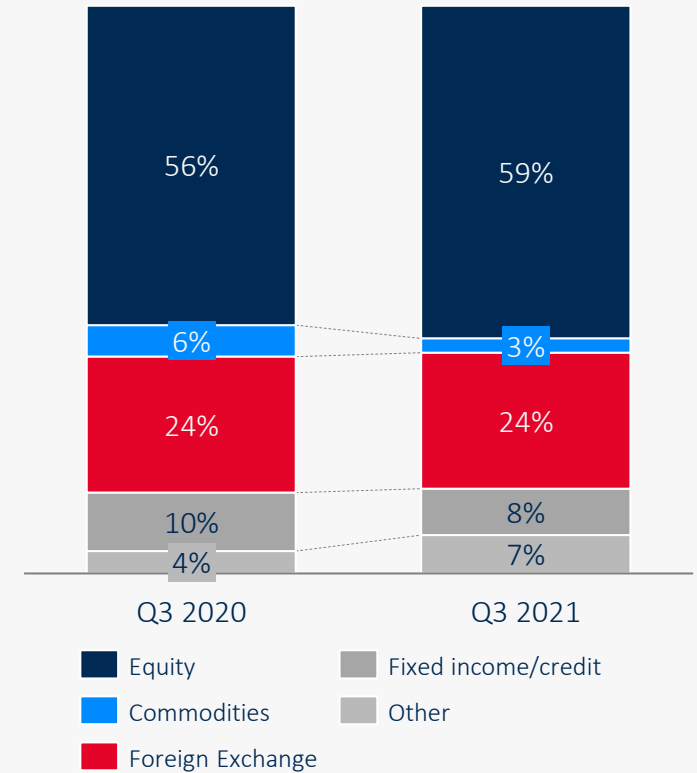


# Turnover of structured products split by asset class

## Split by asset class

Asset class	Q3	Turnover		Transactions	
		in CHF bn	in %	# in k	in %
Equity	2020	48.2	56.3%	4,501	79.9%
	2021	46.6	58.6%	4,052	85.9%
Commodity	2020	4.7	5.5%	946	16.8%
	2021	2.0	2.5%	431	9.1%
Foreign Exchange	2020	20.5	24.0%	122	2.2%
	2021	19.0	23.9%	93	2.0%
Fixed Income/ Credit	2020	8.8	10.3%	12	0.2%
	2021	6.5	8.2%	9	0.2%
Other	2020	3.4	3.9%	52	0.9%
	2021	5.4	6.8%	130	2.8%
Total	2020	85.6	100.0%	5,632	100.0%
	2021	79.6	100.0%	4,715	100.0%

## Quarterly turnover split



# Turnover of structured products split by trade type and market

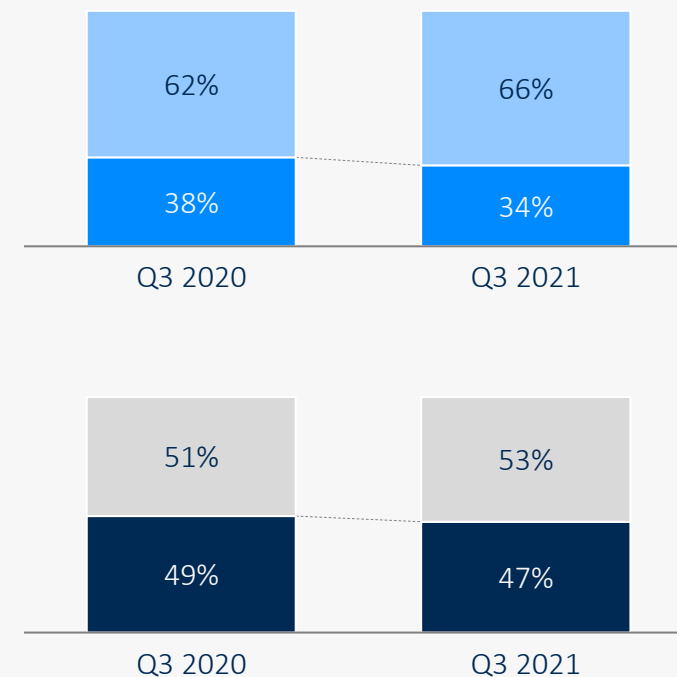
## Split by trade type and market

Trade type	Q3	Turnover		Transactions	
		in CHF bn	in %	# in k	in %
Non-listed	2020	53.2	62.2%	1,137	20.2%
	2021	52.2	65.6%	871	18.5%
Listed	2020	32.4	37.8%	4,495	79.8%
	2021	27.4	34.4%	3,843	81.5%

Market	Q3	in CHF bn		# in k	
		in CHF bn	in %	# in k	in %
Primary	2020	43.2	50.5%	85	1.5%
	2021	42.1	52.9%	82	1.7%
Secondary	2020	42.4	49.5%	5,547	98.5%
	2021	37.5	47.1%	4,633	98.3%
Total	2020	85.6	100.0%	5,632	100.0%
	2021	79.6	100.0%	4,715	100.0%

## Quarterly turnover split

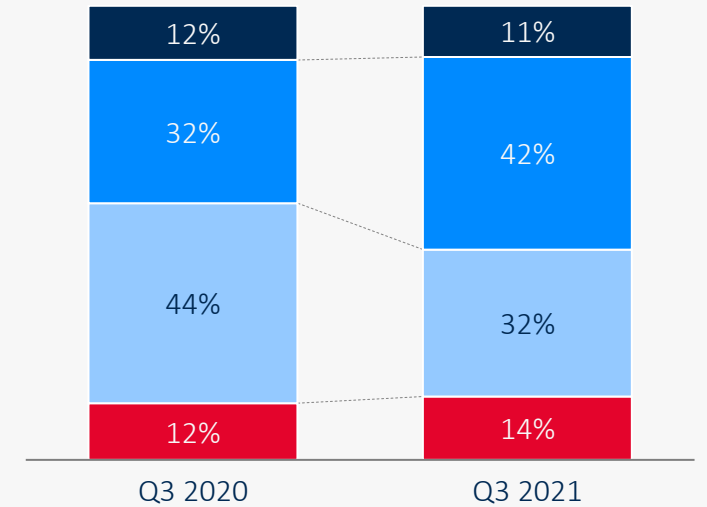


# Turnover of structured products split by investment currency

## Split by investment currency

Investment currency	Q3	Turnover		Transactions	
		in CHF bn	in %	# in k	in %
CHF	2020	10.2	12.0%	358	6.4%
	2021	9.0	11.3%	311	6.6%
EUR	2020	27.0	31.5%	3,577	63.5%
	2021	33.7	42.4%	3,106	65.9%
USD	2020	37.7	44.0%	81	1.4%
	2021	25.8	32.4%	70	1.5%
Other	2020	10.7	12.5%	1,616	28.7%
	2021	11.1	13.9%	1,227	26.0%
Total	2020	85.6	100.0%	5,632	100.0%
	2021	79.6	100.0%	4,715	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 groups<sup>1</sup> (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 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)

### Leverage products

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

### Products with reference entities

- Credit linked Note (1400)
- 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 type<sup>1</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

# Appendix

## **Issued by**

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## **Participating banks**

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Barclays Capital

Credit Suisse

Goldman Sachs

Julius Bär

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UBS

Vontobel

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**Data as of September 30<sup>th</sup>, 2021.**

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