



# Swiss Structured Product Industry Report Q1 2022

June 2022



# SSPA Swiss Structured Product Industry Report

## Launch of the new SSPA Report for Q1 2022

The Swiss Structured Product Industry Report Q1 2022 was optimized in close collaboration with the participating SSPA banks:

### 1. Definition of 'reported products'

- Transactions by domestic and foreign investors booked in Switzerland
- Products with all or part of the production (structuring, hedging, trading, etc.) in Switzerland
- Securitised products with an ISIN (DCDs not included)
- Structured products issued by the reporting bank or a subsidiary (including SPVs)

### 2. Additional Analyses

- Collection of additional data points such as SSPA-Codes
- Additional detailed report on the most relevant product groups such as capital protection, yield enhancement, participation, and leverage
- Analysis of product types as well as breakdown by asset class, currency, trade, and market type

Due to the relaunch, the report will only contain data from Q1 2022 onwards and the reported statistics are not directly comparable to preceding reports

# Executive Summary

## Turnover of Swiss structured products of the major SSPA members amounted to CHF 58 bn in Q1 2022

- In January, total turnover was CHF 19 bn, in February it decreased to CHF 18 bn before increasing to CHF 22 bn in March
- In Q1 2022 capital protection certificates with coupon generated the highest turnover (CHF 8 bn), followed by mini-futures (CHF 8 bn), and reverse convertibles (CHF 7 bn)

## Leverage products had the highest turnover share, followed by yield enhancement, capital protection, and participation

- Leverage products' turnover share amounted to 33% in Q1 2022, representing a turnover of CHF 19 bn; with Equity as the preferred asset class (78%) and EUR as the main currency (47%); 75% of turnover was not listed and 90% was traded in the secondary market
- Yield enhancement's turnover share was the second largest, at 32%, representing CHF 18 bn; with Equity as the preferred asset class (61%) and USD as the main currency (39%); 82% of turnover was not listed and 81% was traded in the primary market
- Capital protection products' turnover share amounted to 15%, representing CHF 9 bn; with Fixed income as the preferred asset class (80%) and USD as the main currency (90%); 96% of turnover was not listed and 86% was traded on the primary market
- Participation products' turnover share amounted to 14%, representing CHF 8 bn; with Equity as the preferred asset class (72%) and USD as the main currency (59%); 58% of turnover was listed and 80% was traded in the secondary market

## Equity products made up over half of total turnover

- The turnover of Equity products amounted to CHF 35 bn in Q1, followed by Fixed income (CHF 10 bn), foreign exchange (CHF 7 bn), and Commodity (CHF 3 bn) products
- Equity products thereby reached 60% turnover share; while fixed income, foreign exchange, and commodity products was 18%, 11, and 4% respectively

## Non-listed products had the highest turnover share

- Non-listed products realized a turnover of CHF 34 bn in Q1 2022, which translated to 59% of total turnover
- The turnover share of listed products was 41%, reaching CHF 24 bn

## Turnover by market type was evenly split

- Primary and secondary market products split total turnover 50%/ 50%, CHF 29 bn in each case

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

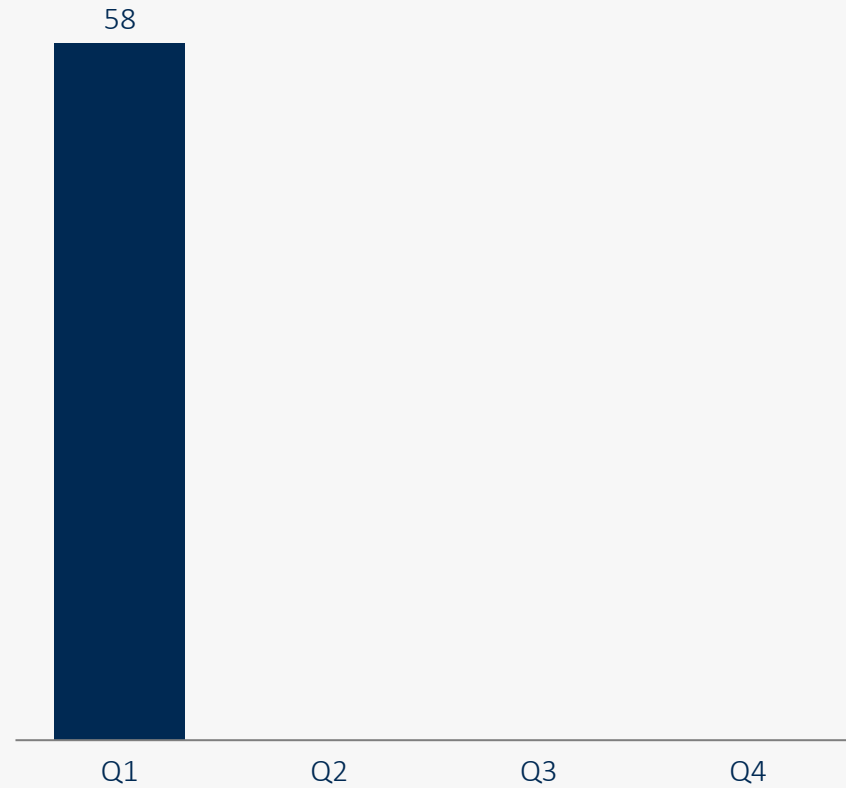
- In Q1 2022 the total turnover of USD products amounted to CHF 23 bn, representing a turnover share of 40%
- The turnover share of EUR was 32%, corresponding to a total turnover CHF 19 bn
- With a total turnover of CHF 8 bn the CHF accounted for a turnover share of 14% in Q1 2022

**Note: Numbers are commercially rounded. Potential changes were applied retroactively to 2022 data.**

# Overall turnover development of structured products in 2022

Turnover in respective time frame in CHF bn

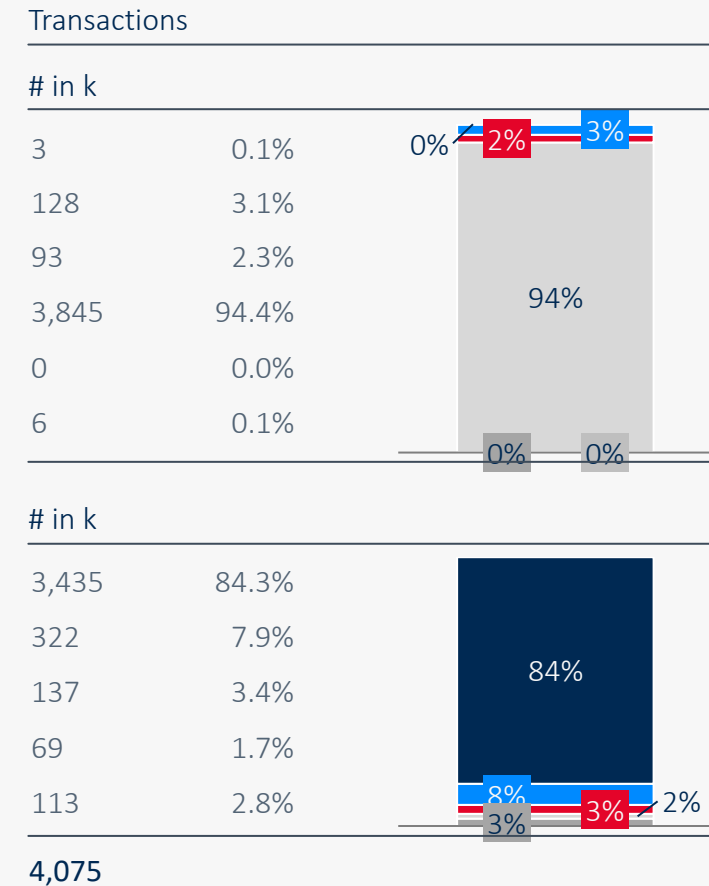
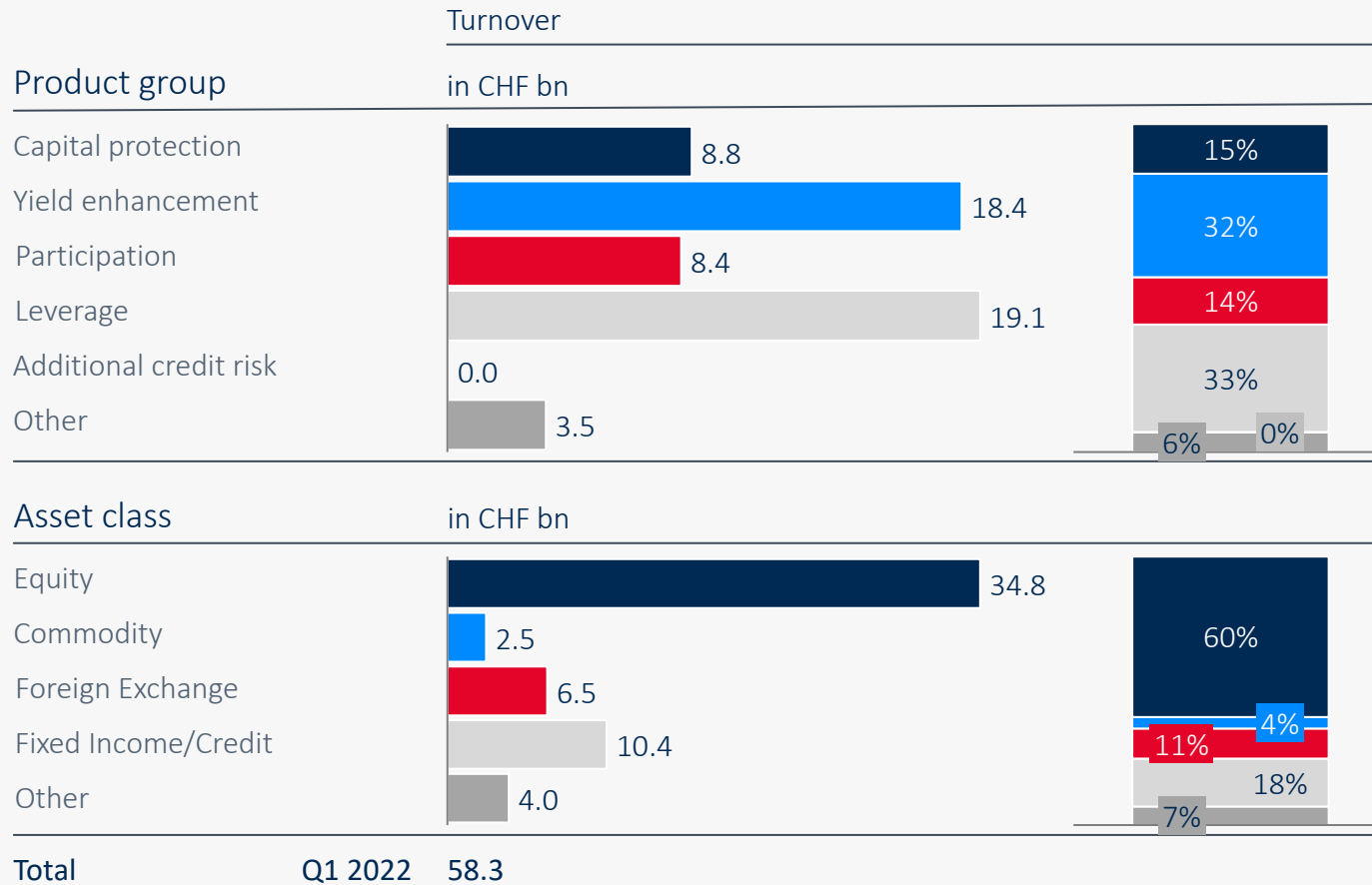
Quarterly comparison



Monthly Comparison

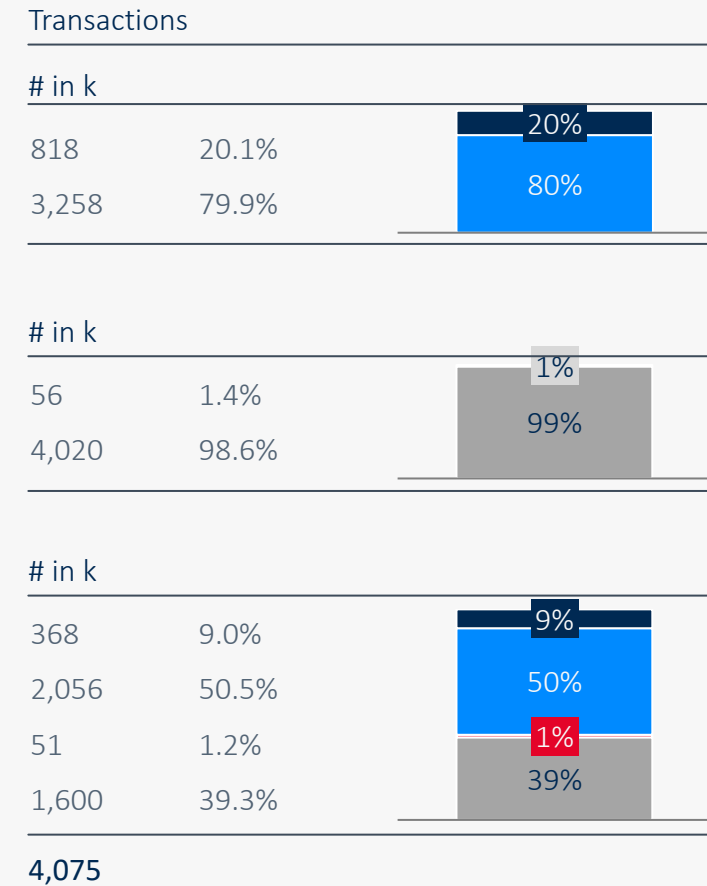
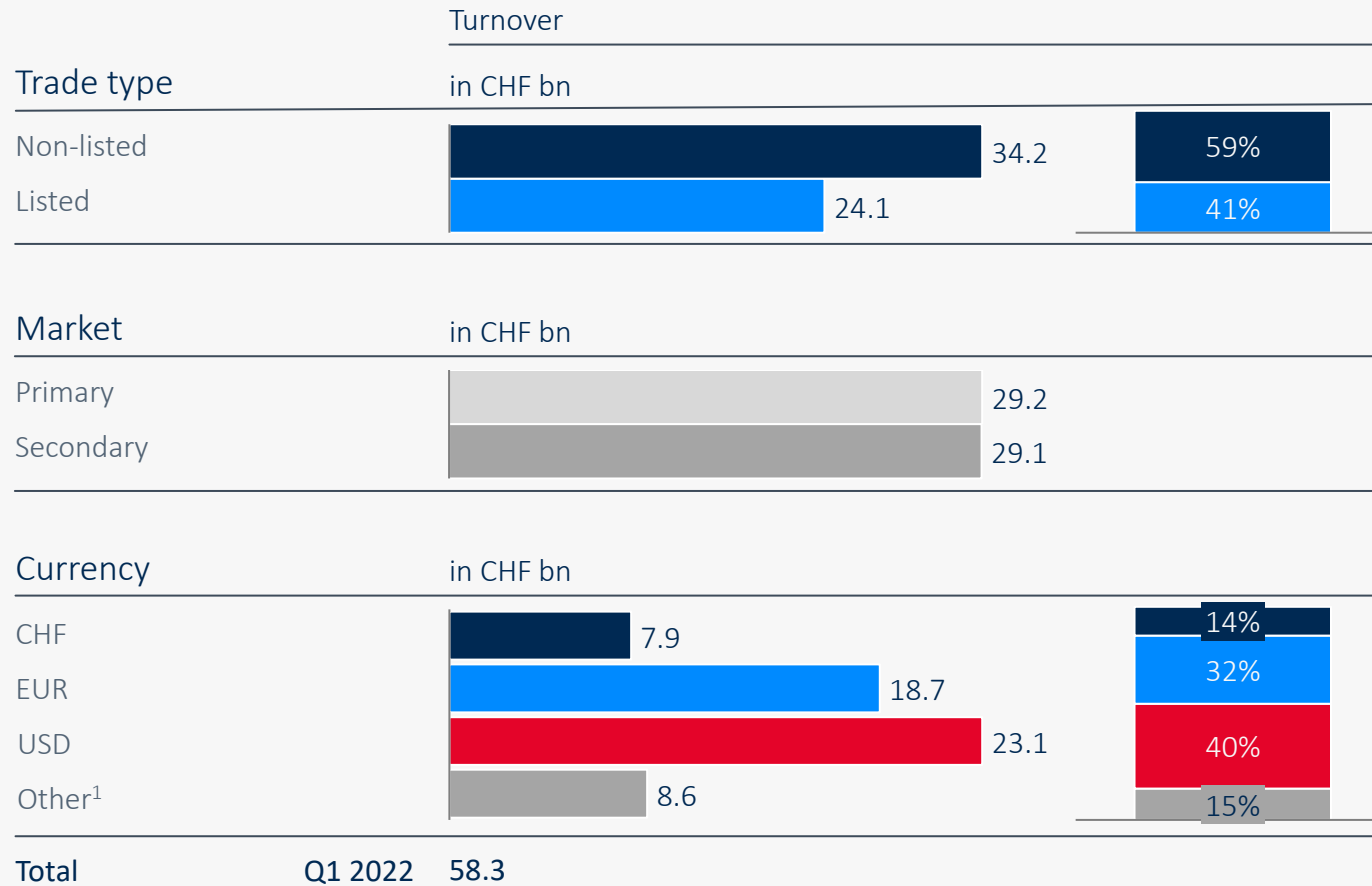


# Turnover of structured products in Q1 2022



Source: Data collected monthly from SSPA member institutes.

# Turnover of structured products in Q1 2022

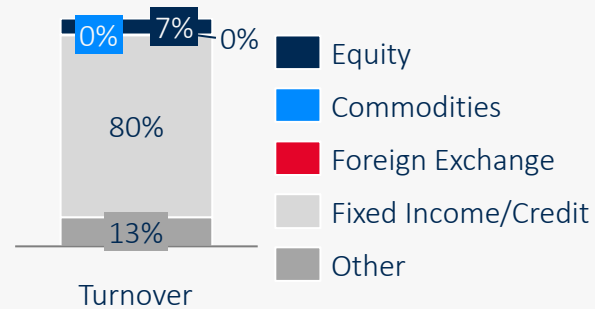


Source: Data collected monthly from SSPA member institutes. 1) Includes among others AUD, CAD, GBP, JPY, NOK and TRY

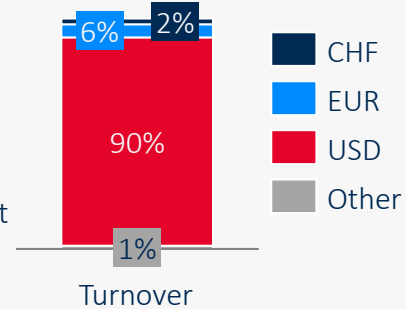
# Turnover of capital protection products in Q1 2022

Product type	Turnover		Transactions	
	in CHF bn	in %	# in k	in %
Participation	0.2	2.3%	0.7	22.7%
Barrier	0.1	0.6%	0.0	1.5%
Twin-Win	0.0	0.0%	0.0	0.1%
Coupon	8.4	96.3%	1.6	54.3%
Other	0.1	0.8%	0.7	21.5%
<b>Total</b>	<b>Q1 2022 8.8</b>	<b>100.0%</b>	<b>3.0</b>	<b>100.0%</b>

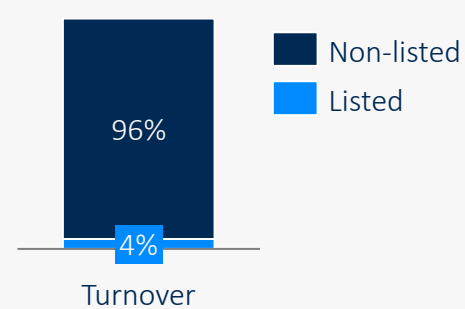
## Asset class



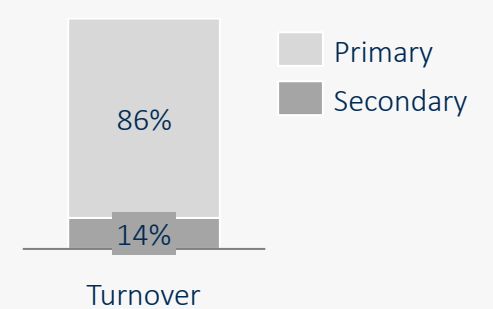
## Currency



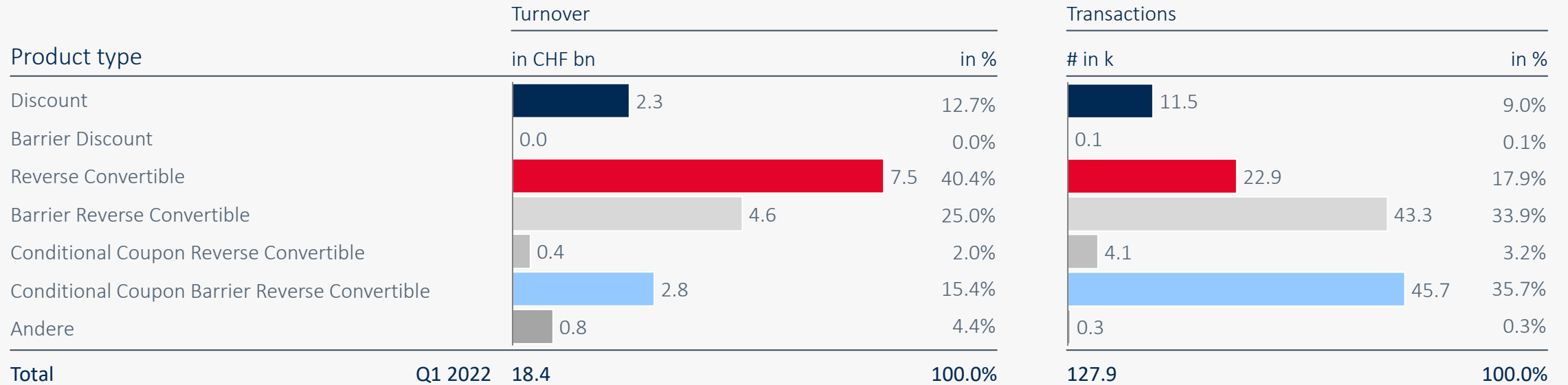
## Trade type



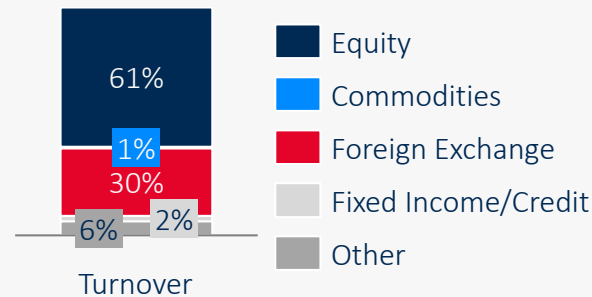
## Market



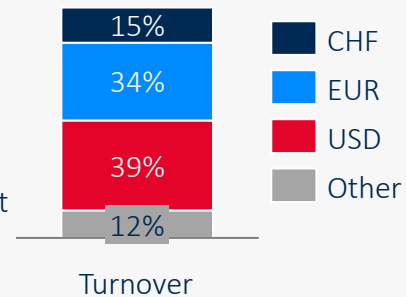
# Turnover of yield enhancement products in Q1 2022



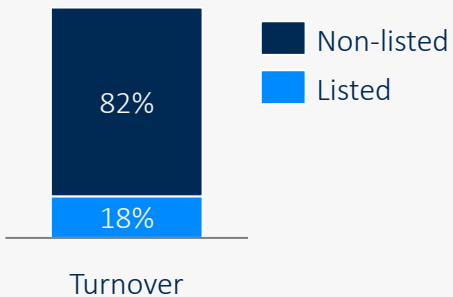
## Asset class



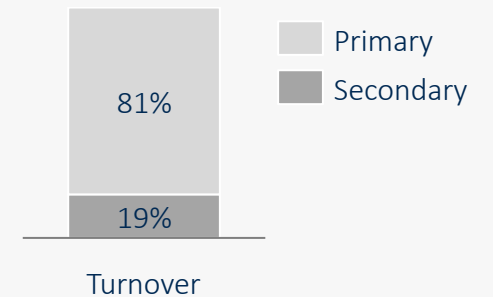
## Currency



## Trade type



## Market

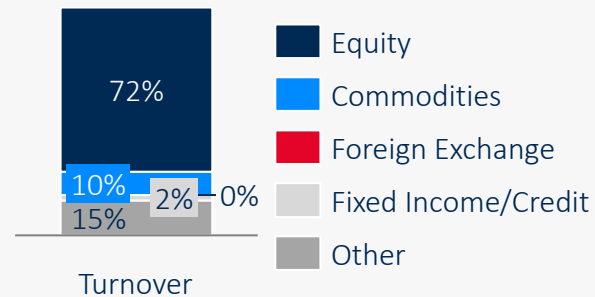




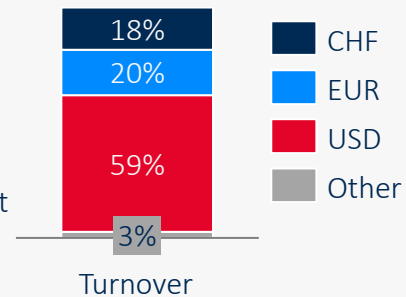
# Turnover of participation products in Q1 2022

Product type	Turnover		Transactions	
	in CHF bn	in %	# in k	in %
Tracker	7.1	84.2%	82.2	88.2%
Outperformance	0.3	3.1%	0.8	0.9%
Bonus	0.8	9.0%	8.3	8.9%
Bonus Outperformance	0.0	0.3%	0.1	0.1%
Twin-Win	0.0	0.5%	0.2	0.2%
Other	0.2	2.8%	1.7	1.8%
<b>Total</b>	<b>Q1 2022 8.4</b>	<b>100.0%</b>	<b>93.3</b>	<b>100.0%</b>

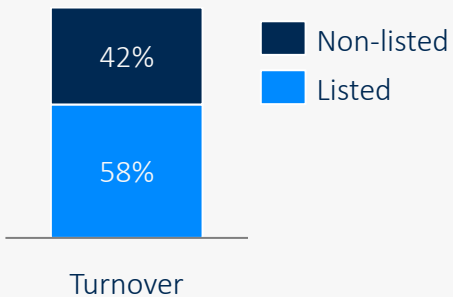
## Asset class



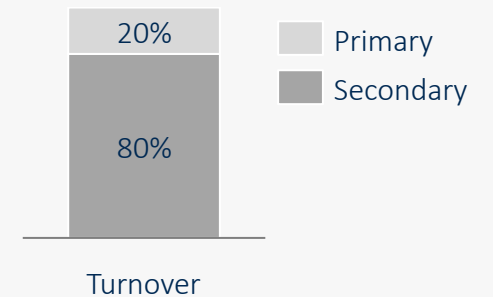
## Currency



## Trade type



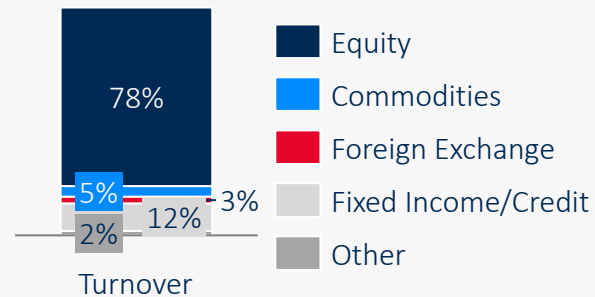
## Market



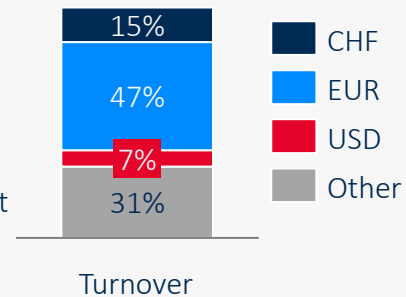
# Turnover of leverage products in Q1 2022

Product type	Turnover		Transactions	
	in CHF bn	in %	# in k	in %
Warrant	4.0	20.9%	778.7	20.3%
Spread Warrant	0.1	0.5%	12.3	0.3%
Warrant with Knock-Out	4.9	25.9%	900.7	23.4%
Mini-Future	7.8	40.9%	1,671.1	43.5%
Constant Leverage Certificate	2.0	10.3%	481.7	12.5%
Other	0.3	1.5%	0.9	0.0%
<b>Total</b>	<b>Q1 2022 19.1</b>	<b>100.0%</b>	<b>3,845.3</b>	<b>100.0%</b>

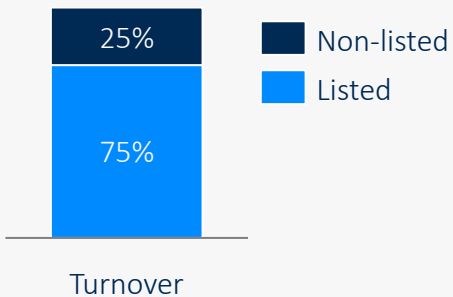
## Asset class



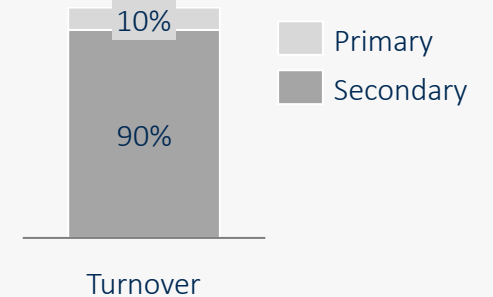
## Currency



## Trade type



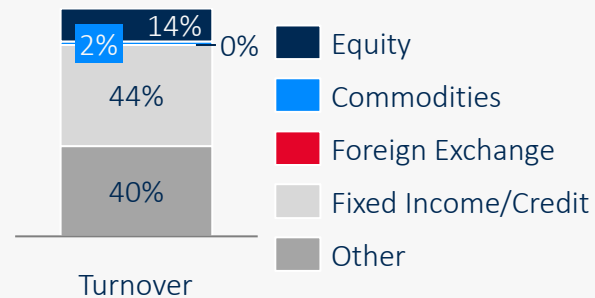
## Market



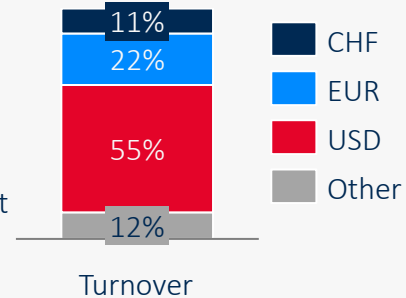
# Turnover of products with additional credit risk in Q1 2022

Product type	Turnover		Transactions	
	in CHF bn	in %	# in k	in %
Credit-linked Note	0.00	0.0%	0.00	0.0%
Capital protection with additional credit risk	0.03	74.5%	0.11	60.8%
Yield enhancement with additional credit risk	0.01	17.7%	0.05	29.0%
Participation with additional credit risk	0.00	7.8%	0.02	10.2%
Andere	0.00	0.0%	0.00	0.0%
<b>Total</b>	<b>Q1 2022 0.04</b>	<b>100.0%</b>	<b>0.19</b>	<b>100.0%</b>

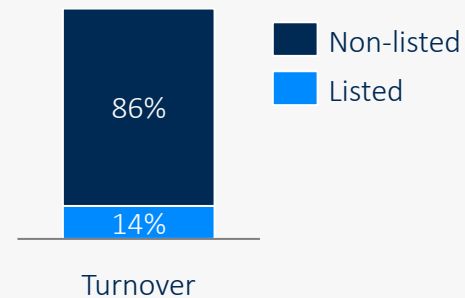
Asset class



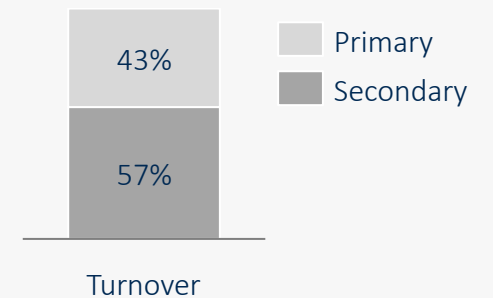
Currency



Trade type



Market



Source: Data collected monthly from SSPA member institutes.

# Data collection methods and definitions (I/II)

## Data collection and verification

### Issuers provide data on a monthly basis

#### Requested data points include

- Product group/product type
- Asset class
- Trade type
- Market
- Investment currency
- Production
- 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)
- Capital Protection Note with Barrier (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)
- Conditional Coupon Reverse Convertible (1255)
- Conditional Coupon Barrier Reverse Convertible (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 additional credit risk

- Credit-linked Note (1400)
- Conditional Capital Protection Note with additional credit risk (1410)
- Yield Enhancement Certificate with additional credit risk (1420)
- Participation Certificate with additional credit risk (1430)

### Other products

- Miscellaneous Certificates (9999)

# Data collection methods and definitions (II/II)

## 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

## Market

### Primary

- Product volume of products newly issued on primary market

### Secondary

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

## Trade type<sup>1</sup>

### Listed

- Products listed on exchanges

### Non-listed

- Products not listed on exchanges

## Production

### Manufactured in Switzerland

- All or part of the production takes place in Switzerland

### Sold in Switzerland

- Transactions by domestic and foreign investors booked in Switzerland

## Other

### Transactions

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

### Turnover

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

# Appendix

## Issued by

Swiss Structured Products Association SSPA

Rämistrasse 4, CH-8024 Zurich, Switzerland

[www.sspa.ch](http://www.sspa.ch)

Contact: [peter.keller@sspa.ch](mailto:peter.keller@sspa.ch)

Published quarterly

## Participating banks

Banque Cantonale Vaudoise

Barclays Capital

Credit Suisse

Goldman Sachs

Julius Bär

Leonteq

Raiffeisen Schweiz

Société Générale

UBS

Vontobel

Zürcher Kantonalbank

**Data as of March 31<sup>st</sup>, 2022.**

## Disclaimer

We cannot guarantee the accuracy of this document, see [www.sspa.ch/en/haftungsausschluss-disclaimer/](http://www.sspa.ch/en/haftungsausschluss-disclaimer/).

We hereby authorize reprints of and quotes with attributions from this document. Boston Consulting Group collected the data and prepared the report.

# Disclaimer

The services and materials provided by Boston Consulting Group (BCG) are subject to BCG's Standard Terms (a copy of which is available upon request) or such other agreement as may have been previously executed by BCG. BCG does not provide legal, accounting, or tax advice. The Client is responsible for obtaining independent advice concerning these matters. This advice may affect the guidance given by BCG. Further, BCG has made no undertaking to update these materials after the date hereof, notwithstanding that such information may become outdated or inaccurate.

The materials contained in this presentation are designed for the sole use by the board of directors or senior management of the Client and solely for the limited purposes described in the presentation. The materials shall not be copied or given to any person or entity other than the Client ("Third Party") without the prior written consent of BCG. These materials serve only as the focus for discussion; they are incomplete without the accompanying oral commentary and may not be relied on as a stand-alone document. Further, Third Parties may not, and it is unreasonable for any Third Party to, rely on these materials for any purpose whatsoever. To the fullest extent permitted by law (and except to the extent otherwise agreed in a signed writing by BCG), BCG shall have no liability whatsoever to any Third Party, and any Third Party hereby waives any rights and claims it may have at any time against BCG with regard to the services, this presentation, or other materials, including the accuracy or completeness thereof. Receipt and review of this document shall be deemed agreement with and consideration for the foregoing.

BCG does not provide fairness opinions or valuations of market transactions, and these materials should not be relied on or construed as such. Further, the financial evaluations, projected market and financial information, and conclusions contained in these materials are based upon standard valuation methodologies, are not definitive forecasts, and are not guaranteed by BCG. BCG has used public and/or confidential data and assumptions provided to BCG by the Client. BCG has not independently verified the data and assumptions used in these analyses. Changes in the underlying data or operating assumptions will clearly impact the analyses and conclusions.

