



Swiss Structured Product Industry Report Q3 2022

November 2022

Executive Summary

Turnover of Swiss structured products of the major SSPA members amounted to CHF 54 bn in Q3 2022

- Total turnover was CHF 16 bn in July and CHF 18 bn in August and September respectively
- In Q3 2022 reverse convertibles generated the highest turnover (CHF 12 bn), followed by capital protection certificates with coupon (CHF 10 bn), and trackers (CHF 5 bn)

Yield enhancement products had the highest turnover share, followed by leverage, capital protection, and participation

- Yield enhancement had the largest turnover share, at 41% in Q3 2022, representing CHF 22 bn; with foreign exchange as the preferred asset class (57%) and USD as the main currency (32%); 91% of turnover was not listed and 90% was traded in the primary market
- Leverage products' turnover share amounted to 24%, representing a turnover of CHF 13 bn; with equity as the preferred asset class (79%) and EUR as the main currency (54%); 77% of turnover was listed and 95% was traded in the secondary market
- Capital protection products' turnover share amounted to 21%, representing CHF 11 bn; preferring fixed income (92%) and USD as the main currency (63%); 99% of turnover was not listed and 83% was traded in the primary market
- Participation products' turnover share amounted to 11%, representing CHF 6 bn; with equity as the preferred asset class (55%) and USD as the main currency (61%); 51% of turnover was not listed and 80% was traded in the secondary market

Equity products had the highest turnover of all asset classes in Q3 2022

- The turnover of equity products amounted to CHF 24 bn, followed by foreign exchange (CHF 14 bn), fixed income (CHF 12 bn), other asset classes (CHF 3 bn), and commodities (CHF 1 bn)
- Equities products thereby reached a share of 43%; while foreign exchange, fixed income, other asset classes and commodities products were 26%, 22%, 6% and 3% respectively

Non-listed products had the highest turnover share

- Non-listed products realized a turnover of CHF 39 bn in Q3 2022, which translated to 71% of total turnover
- The turnover share of listed products was 29%, reaching CHF 16 bn

Turnover share of primary exceeded secondary market

- With a turnover of CHF 32 bn in Q3 2022 the primary had a higher turnover than the secondary market (CHF 22 bn), the corresponding turnovers shares were 59% and 41%

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

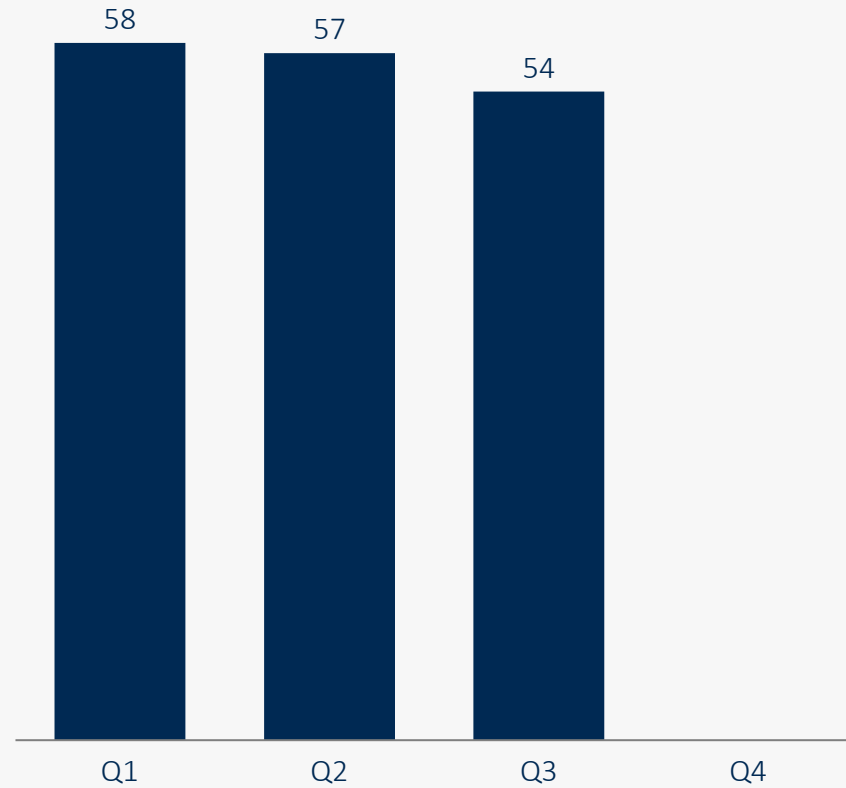
- In Q3 2022 the total turnover of USD products amounted to CHF 21 bn, representing a turnover share of 38%
- The turnover share of EUR was 34%, corresponding to a total turnover CHF 18 bn
- With a total turnover of CHF 7 bn the CHF accounted for a turnover share of 13%

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

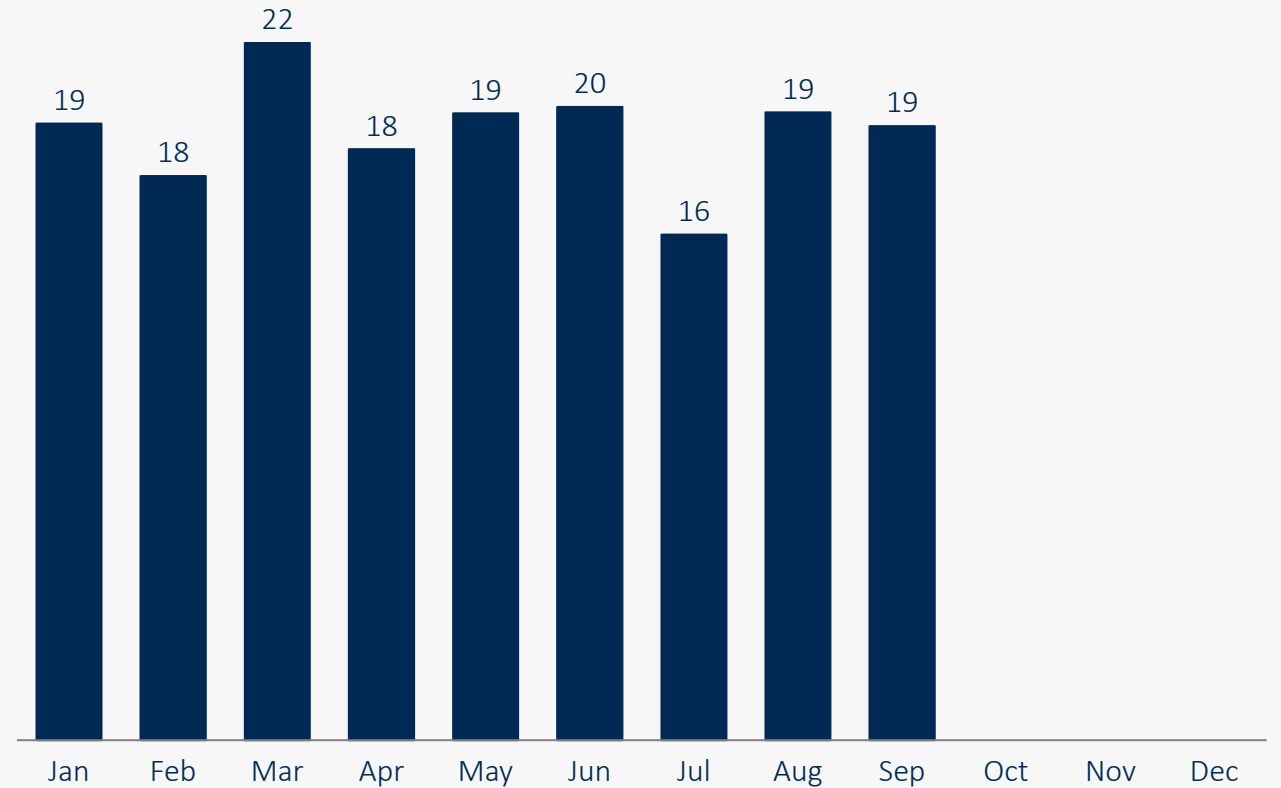
Overall turnover development of structured products in 2022

Turnover in respective time frame in CHF bn

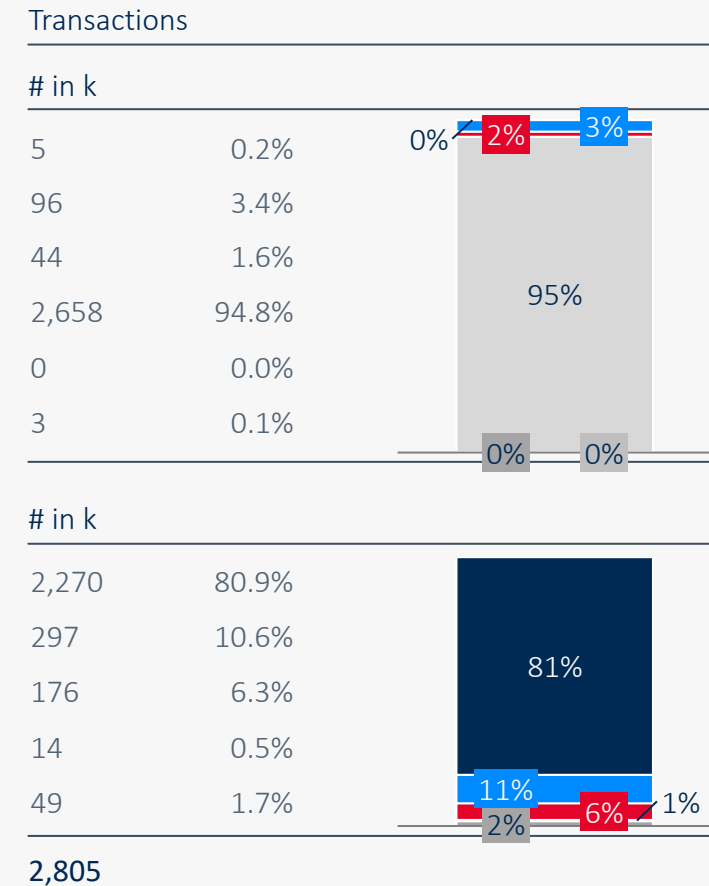
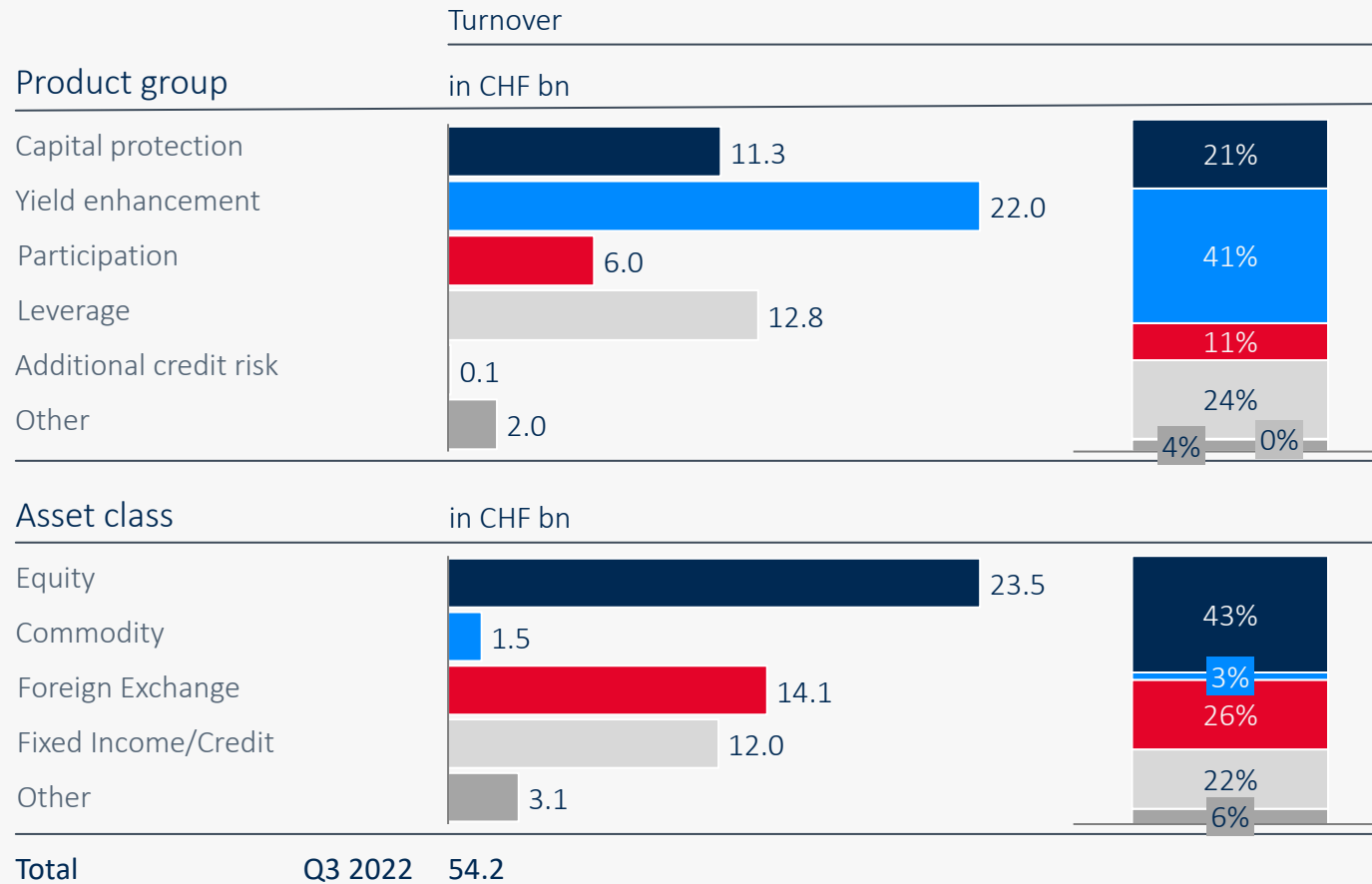
Quarterly comparison



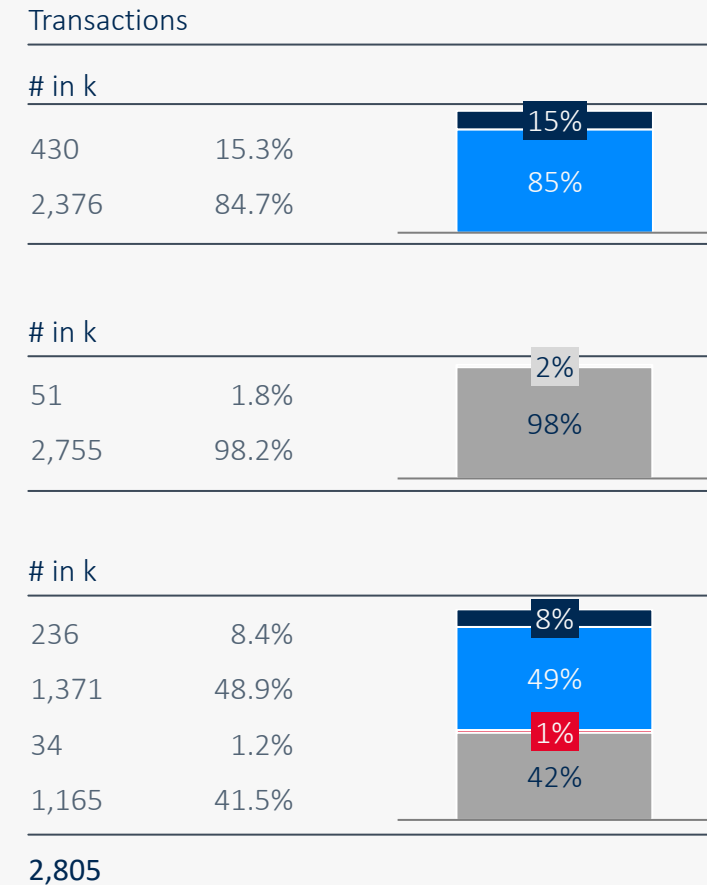
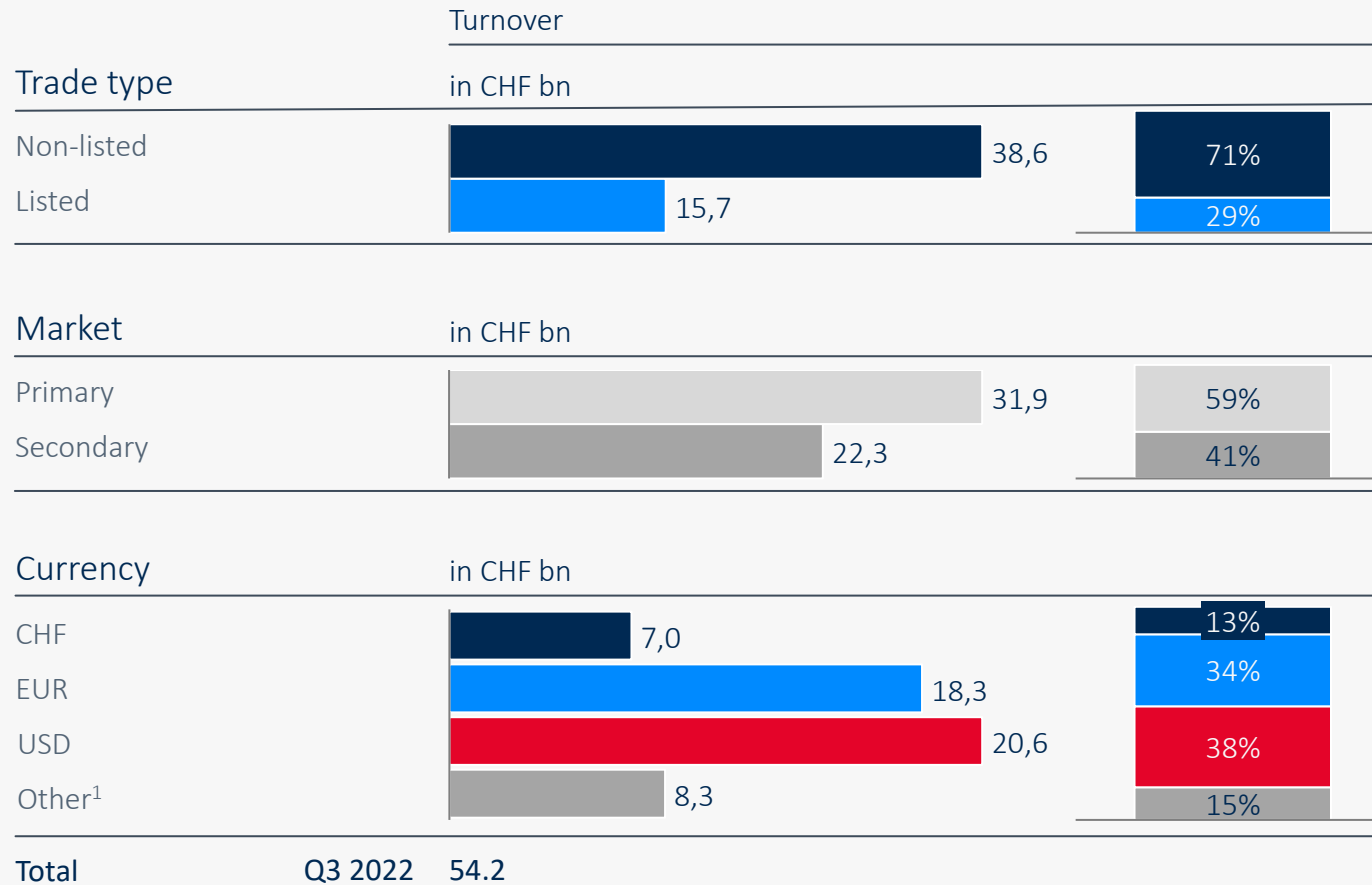
Monthly Comparison



Turnover of structured products in Q3 2022



Turnover of structured products in Q3 2022

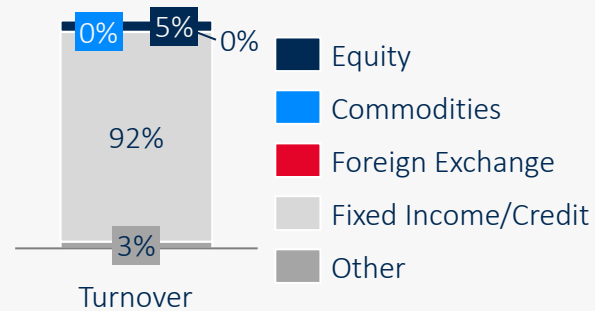


Source: Data collected monthly from SSPA member institutes. 1) Includes among others AUD, CAD, GBP, JPY, NOK and TRY

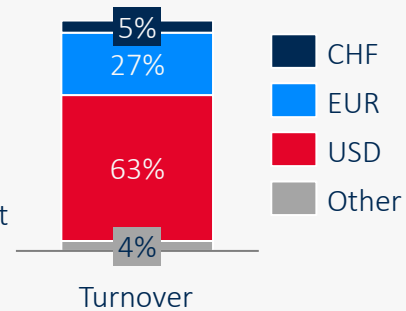
Turnover of capital protection products in Q3 2022

Product type	Turnover		Transactions	
	in CHF bn	in %	# in k	in %
Participation	0.9	8.0%	1.3	29.6%
Barrier	0.2	2.0%	0.3	6.3%
Twin-Win	0.0	0.4%	0.1	1.1%
Coupon	10.1	89.5%	2.8	63.0%
Other	0.0	0.0%	0.0	0.0%
Total	Q3 2022 11.3	100.0%	4.5	100.0%

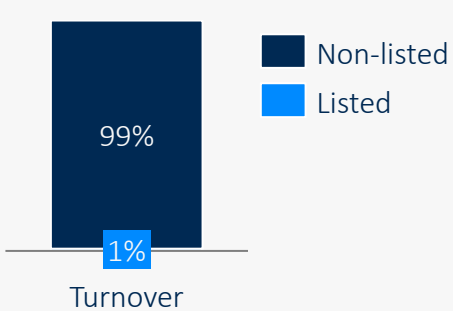
Asset class



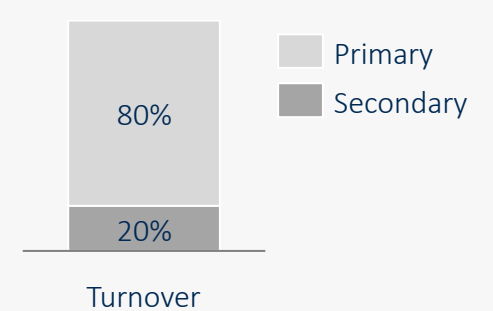
Currency



Trade type



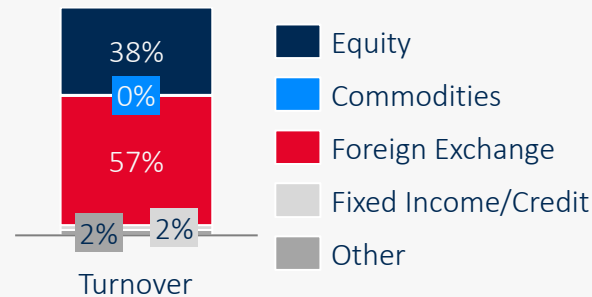
Market



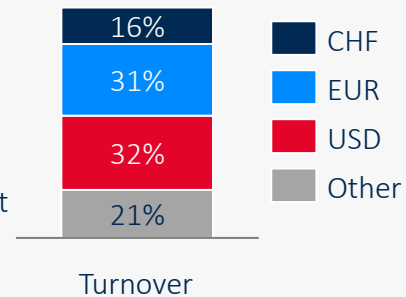
Turnover of yield enhancement products in Q3 2022

Product type	Turnover		Transactions	
	in CHF bn	in %	# in k	in %
Discount	3.6	16.6%	13.1	13.6%
Barrier Discount	0.0	0.0%	0.1	0.1%
Reverse Convertible	11.6	52.9%	21.9	22.9%
Barrier Reverse Convertible	3.3	15.1%	29.3	30.6%
Conditional Coupon Reverse Convertible	0.2	1.1%	7.5	7.8%
Conditional Coupon Barrier Reverse Convertible	1.7	7.7%	20.9	21.8%
Andere	1.5	6.6%	3.2	3.3%
Total	Q3 2022 22.0	100.0%	95.9	100.0%

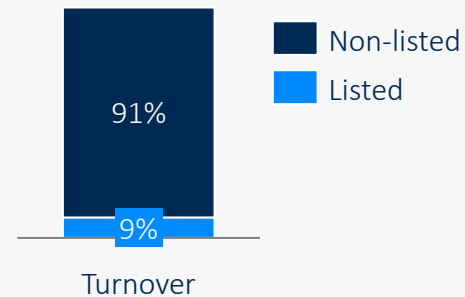
Asset class



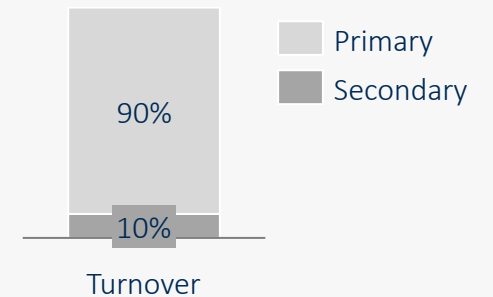
Currency



Trade type



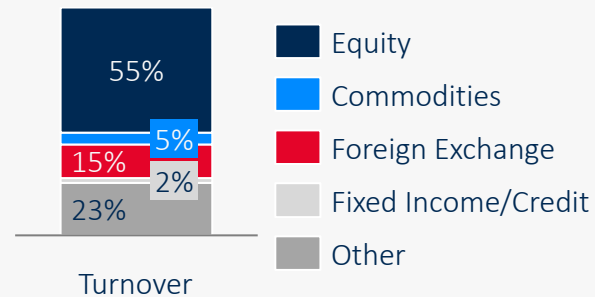
Market



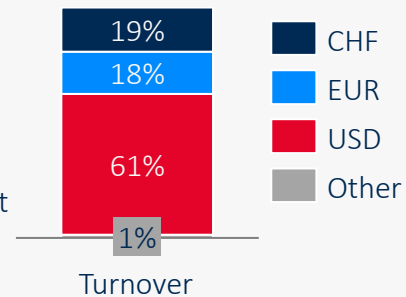
Turnover of participation products in Q3 2022

Product type	Turnover		Transactions	
	in CHF bn	in %	# in k	in %
Tracker	5.2	86.2%	38.5	88.2%
Outperformance	0.1	2.1%	0.5	1.0%
Bonus	0.4	7.0%	3.5	7.9%
Bonus Outperformance	0.0	0.3%	0.0	0.1%
Twin-Win	0.1	1.0%	0.1	0.3%
Other	0.2	3.3%	1.1	2.4%
Total	Q3 2022 6.0	100.0%	43.7	100.0%

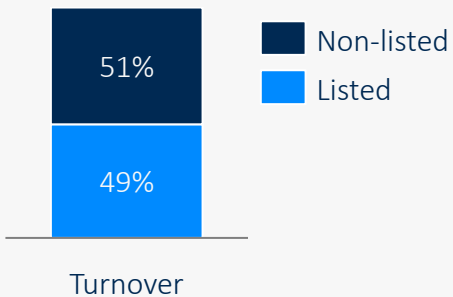
Asset class



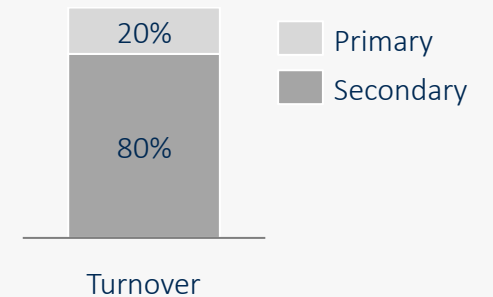
Currency



Trade type



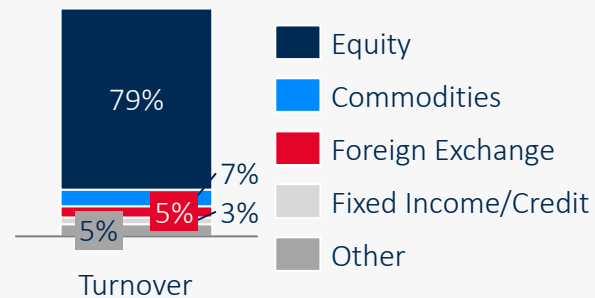
Market



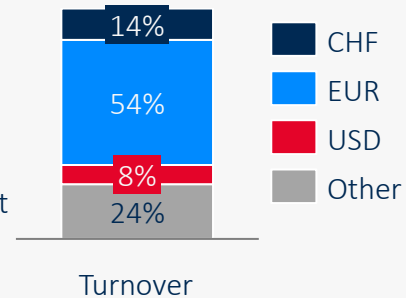
Turnover of leverage products in Q3 2022

Product type	Turnover		Transactions	
	in CHF bn	in %	# in k	in %
Warrant	2.0	15.8%	512.3	19.3%
Spread Warrant	0.2	1.4%	30.5	1.1%
Warrant with Knock-Out	5.0	38.7%	825.7	31.1%
Mini-Future	4.1	32.1%	877.5	33.0%
Constant Leverage Certificate	1.5	12.0%	412.1	15.5%
Other	0.0	0.0%	0.1	0.0%
Total	Q3 2022 12.8	100.0%	2,658.2	100.0%

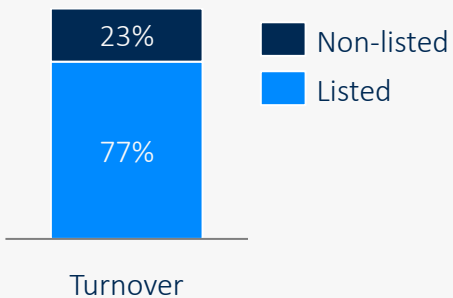
Asset class



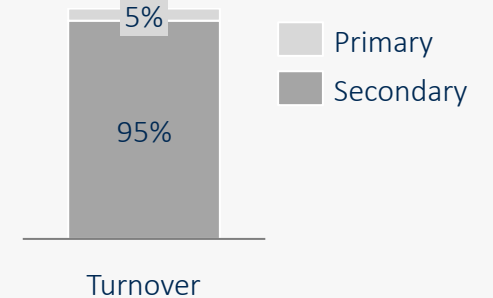
Currency



Trade type



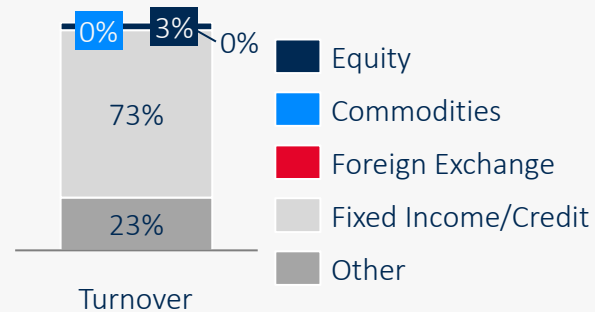
Market



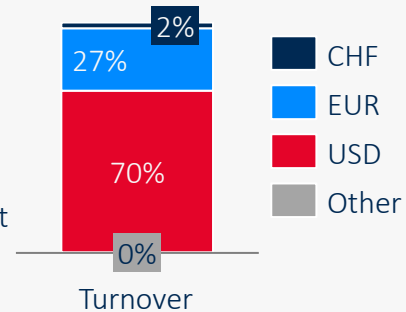
Turnover of products with additional credit risk in Q3 2022

Product type	Turnover		Transactions	
	in CHF bn	in %	# in k	in %
Credit-linked Note	0.00	3.5%	0.00	1.0%
Capital protection with additional credit risk	0.09	85.5%	0.12	59.3%
Yield enhancement with additional credit risk	0.01	7.6%	0.06	29.9%
Participation with additional credit risk	0.00	3.5%	0.02	9.8%
Andere	0.00	0.0%	0.00	0.0%
Total	Q3 2022 0.10	100.0%	0.19	100.0%

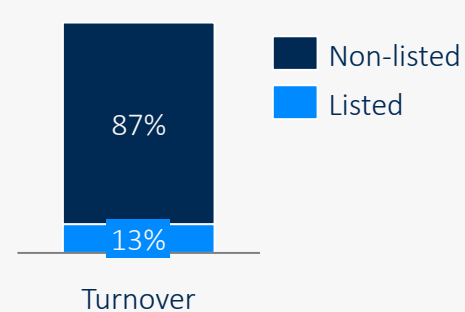
Asset class



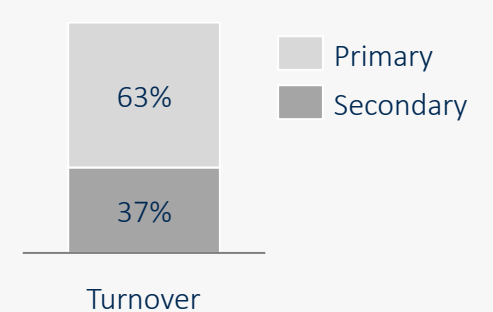
Currency



Trade type



Market



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 groups¹ (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 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 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 type¹

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

Contact: 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 September 30th, 2022.

Disclaimer

We cannot guarantee the accuracy of this document, see 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.

