

Volume growth on the European market for structured securities

European structured products exchanges generate turnover of EUR 25.4 billion / significantly higher number of new issues

Exchange turnover in investment products and leverage products decreased on Europe's financial markets in the third quarter of 2016. Compared with the second quarter of the year, the volume dropped by 9.0 percent to stand at EUR 25.4 billion. This represented a 26.0 percent decrease year on year. That is one of the outcomes of an analysis by Derivative Partners AG of the latest market data collected by the European Structured Investment Products Association (EUSIPA) from its members.

The members of EUSIPA include: Zertifikate Forum Austria (ZFA), Belgian Structured Investment Products Association (BELSIPA), Association Française des Produits Dérivés de Bourse (afpdb), Deutscher Derivate Verband (DDV), Associazione Italiana Certificati e Prodotti di Investimento (ACEPI), Swedish Exchange Traded Investment Products Association (SETIPA), Swiss Structured Products Association (SSPA) and the Netherlands Structured Investment Products Association (NEDSIPA).

The third-quarter turnover in investment products trading on European exchanges amounted to EUR 9.2 billion. This represented a 36.2 percent share of the total transaction volume. Exchange turnover was on a par with the previous quarter's level and up 3.0 percent on the figure recorded a year earlier.

Turnover in the leverage products segment (Warrants, Knock-Out Warrants, Factor Certificates etc.) came to EUR 16.2 billion in the period from July to September. They therefore accounted for 63.8 percent of the total turnover. The volume was 13.0 percent lower than in the second quarter of 2016. This represented a year-on-year loss of 37.0 percent.

At the end of September, trading venues located in EUSIPA member countries were offering 549,495 investment products and 827,523 leverage products. The number of products listed rose by 3.0 percent in comparison with the previous quarter. The figure was down by 2.0 percent on the same period of 2015.

Banks issued a total of 839,744 new investment and leverage products in the third quarter of the year. Compared to the period from April to June, the new issues activity recorded a 5.0 percent upsurge. However, the volume decreased by 10.0 percent when seen on a year-on-year basis. In total 191,778 new investment products were launched, accounting for 22.8 percent of all new issues. 647,966 new leverage products were listed, accounting for 77.2 percent of the aggregate new issues volume.

At the end of the third quarter, the **market volume of investment and leverage products** in Austria, Belgium, Germany and Switzerland came in at EUR 255.8 billion – up 6 percent on the figure recorded in the previous quarter. The volume rose by 16.0 percent when compared with the third quarter of 2015.

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At the end of September the market volume of investment products totalled EUR 216.0 billion and was on about the same level as in the second quarter. On a year-over-year basis, turnover was up 2.0 percent.

The outstanding volume of leverage products climbed to approximately EUR 39.8 billion in the third quarter of the year. This represented growth of 66.0 percent on the second quarter of 2016. In comparison with the same period of the preceding year, outstanding volume registered a plus of 336.0 percent. This increase is mainly attributable to developments in Switzerland.

About EUSIPA

EUSIPA represents the interests of the European structured investment products business. Derivative instruments such as structured investment products and warrants are the focal point of its activities. EUSIPA makes efforts to create an attractive and fair regulatory framework for these financial products.

The umbrella association acts as a contact for politicians and the European Securities and Markets Authority (ESMA) in all questions concerning structured products. Whenever the need arises, the association is at hand to provide expert advice and opinions, thus playing an active role in the opinion process on the political level.

Greater protection for investors and more comprehensible and transparent products are important concerns for the association. Together with its members, it is actively engaged in promoting Europe-wide standards throughout the sector. These include clear product classification, standardised technical terms and a broad commitment among the member associations to abide by a code of practice for the sector.

The members of EUSIPA are:



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