

Increasing volume on Europe's structured products markets

EUR 313 billion open interest across reporting markets / turnover rising

Turnover in investment and leverage products on reporting European financial markets was up 14 percent quarter on quarter and 4 percent year on year in the first quarter of 2022, bringing the total to EUR 45 billion. These and other market data were sourced by the European Structured Investment Products Association (EUSIPA) from its members and analysed by Avaloq Evolution AG.

The members of EUSIPA who provide the figures for the market report include Zertifikate Forum Austria (ZFA), the 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), the Netherlands Structured Investment Products Association (NEDSIPA), the Swedish Exchange Traded Investment Products Association (SETIPA), and the Swiss Structured Products Association (SSPA).

First-quarter turnover in investment products on European trading venues amounted to EUR 13 billion, 30 percent of total traded volume. Investment product turnover decreased by 7 percent quarter on quarter and by 25 percent compared with Q1 2021. Turnover in leverage products (Warrants, Knock-Out Warrants, and Constant Leverage Certificates) reached EUR 31 billion in the period from January to March, representing 70 percent of total turnover. Turnover in leverage products increased by 25 percent year on year and by 26 percent from Q4 2021.

At the end of March, trading venues located in reporting EUSIPA markets were offering 406,794 investment products and 1,514,788 leverage products. As such, the number of listed products increased by 7 percent on a quarterly basis and by 9 percent on the previous year.

Banks issued 1,862,048 new investment and leverage products in the first quarter of 2022, up 37 percent on the previous quarter and up 35 percent annually. In total, 157,478 new investment products were launched, accounting for 8 percent of new issues; the 1,704,570 new leverage products represent 92 percent of the total. There were 5 percent more investment products launched than in the same quarter of 2021. On the leverage products side, issuance increased by 36 percent from Q4 2021 and by 39 percent on an annual basis.

For Austria, Belgium, Germany and Switzerland, the **market volume of investment and leverage products** issued as securities decreased by 1 billion compared to the last quarter to a total amount of EUR 313 billion but increased by 7 percent year on year.

At the end of March, the market volume of investment products stood at EUR 300 billion – a stable figure quarter on quarter and up 6 percent year on year.

Contact:

Thomas Wulf
Secretary General
EUSIPA - European
Structured Investment
Products Association
Tel.: +32 (0) 2550 34 15
Mobile: +32 (0) 475 25 15 99
wulf@eusipa.org
www.eusipa.org

The outstanding volume of leverage products totalled EUR 12 billion at the end of March. This represents a 17 percent increase on a year-on-year basis.

About EUSIPA

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

The umbrella association acts as a contact for politicians, the EU Commission 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 policy dialogue.

Greater protection for investors as well as a comprehensible and transparent product landscape 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 conduct for the sector.

The members of EUSIPA that provide the information for the market report are:



EUSIPA Market Report

on Structured Investment and Leverage Products

Q1/2022



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1. Highlights

Turnover: Solid increase

In the first quarter of 2022, turnover in structured investment and leverage products in note-based format accounted for 45 bn EUR across reporting markets which is a 14% increase compared to the previous quarter and a 4% increase equivalent to Q1 2021. Leverage products accounted for a turnover of 31 bn EUR in Q1 2022. Their turnover increased by 26% quarterly and by 25% compared to Q1 2021. Turnover in non-leverage investment products decreased by 25% on an annual basis.

Outstanding Volume: Growth trend stops

The Q1 2022 figures for the Austrian, Belgian, German¹ and Swiss² markets indicate a total amount of 313 bn EUR held in note-based structured products, which is in line with the last quarter Q4 2021 and an 7% increase on an annual basis.

Number of New Issuances: Overall rising figures within the past six months

The overall number of new issuances increased during Q1 2022 when measured against the preceding quarter Q4 2021 (1,862,048 versus 1,363,616 products in Q4 2021). When singled out, the number of newly issued investment products increased by 40% on a quarter-by-quarter comparison and by 5% when compared to Q1 2021. For leverage products as area having traditionally the highest share in new issuances, the number of new listings increased by 36% compared to the preceding quarter Q4 2021, and by 39% on an annual basis.

Total Number of Products: Increasing level on an annual basis

Markets of contributing EUSIPA member associations reported 1,921,582 products as open (non-matured) in Q1 2022, which is an increase of 7% compared to the preceding quarter Q4 2021 and an increase of 9% on an annual basis. In the leverage products segment, the total number of products increased by 6% compared to the previous quarter Q4 2021 and increased by 14% on an annual basis.

¹ For the statistics on the German market, the DDV uses data from 15 major issuers on the sales of listed note-based structured retail products to customers based in Germany. The issuers come from all sectors of the banking industry in Germany: cooperative banks, public banks, and private banks.

² The Swiss figures are sourced in from the Swiss National Bank and represent all assets in listed note-based structured retail products held in Swiss depots of issuers domiciled in Switzerland. The figures include therefore, to a small extent, also assets from product sales of these issuers outside Switzerland. The Swiss National Bank has extended the circle of the reportable institutions for the statistics of the securities held in bank's client deposits. The survey group consists now also of institutions with a special field of business. In case of such institutions with a special field of business and especially for deposits which are stored centrally there are only securities included that are not already stored at another reportable bank and reported by it.

2. Quarterly overview (Q1/2022)

	 Austria	 Belgium	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland ¹	 EUSIPA
Exchange Turnover (Mio. EUR)									
1 Investment Products	245	631	56	4.589	2.929	3	1.802	3.201	13.456
11 Capital Protected	n/a	n/a	0	32	n/a	0	0	25	57
12 Yield-Enhancement	n/a	n/a	30	2.726	n/a	1	0	658	3.416
13 Participation	n/a	n/a	25	1.821	n/a	2	1.774	2.514	6.136
199 Various	n/a	n/a	0	10	n/a	0	28	4	42
2 Leverage Products	11	n/a ³	2.696	14.370	3.013	984	8.508	1.597	31.178
21 Without Knock-Out	n/a	n/a	572	3.586	n/a	37	86	n/a	4.281
22 With Knock-Out	n/a	n/a	1.850	9.447	n/a	940	4.224	n/a	16.461
23 Constant Leverage	n/a	n/a	274	1.337	n/a	7	4.198	n/a	5.816
Various	n/a	n/a	0	n/a	n/a	0	0	n/a	0
Total	256	631	2.751	18.959	5.942	987	10.310	4.798	44.634
Total change - Δ in % to Q1/21 ²	29	-19	43	20	-13	-32	2	-17	4
Total change - Δ in % to Q4/21 ³	33	-17	32	20	9	4	12	1	14
Outstanding Volume (Mio. EUR)									
1 Investment Products	13.719	13.325	n/a	60.467	n/a	n/a	n/a	212.886	300.397
11 Capital Protected	n/a	n/a	n/a	21.151	n/a	n/a	n/a	32.594	53.745
12 Yield-Enhancement	n/a	n/a	n/a	30.827	n/a	n/a	n/a	78.458	109.285
13 Participation	n/a	n/a	n/a	4.194	n/a	n/a	n/a	98.355	102.549
199 Various	n/a	n/a	n/a	4.295	n/a	n/a	n/a	3.479	7.774
2 Leverage Products	181	n/a ³	n/a	3.883	n/a	n/a	n/a	8.311	12.375
21 Without Knock-Out	n/a	n/a	n/a	1.965	n/a	n/a	n/a	n/a	1.965
22 With Knock-Out	n/a	n/a	n/a	1.409	n/a	n/a	n/a	n/a	1.409
23 Constant Leverage	n/a	n/a	n/a	509	n/a	n/a	n/a	n/a	509
Various	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
Total	13.900	13.325	n/a	64.350	n/a	n/a	n/a	221.197	312.772
Total change - Δ in % to Q1/21 ²	-5	n/a ³	n/a	0	n/a	n/a	n/a	11	7
Total change - Δ in % to Q4/21 ³	-6	n/a ³	n/a	-1	n/a	n/a	n/a	0	0

Source: Country Associations, Avaloq Evolution AG

¹ Please note that the product category 'Investment Products with Reference Entities' exists only in Switzerland. Values for this category are therefore shown as 'Various Investment Products'.

² Field indicates per cent change between Q1/2022 and equivalent last year quarter Q1/2021.

³ Field indicates per cent change between reporting quarter Q1/2022 and previous quarter Q4/2021.

2. Quarterly overview (Q1/2022)

	 Austria	 Belgium	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland ¹	 EUSIPA
Number of New Listings on Exchange									
1 Investment Products	524	34	1.178	151.302	1.227	143	21	3.049	157.478
11 Capital Protected	n/a	n/a	0	9	n/a	0	0	10	19
12 Yield-Enhancement	n/a	n/a	1.141	87.957	n/a	76	0	2.913	92.087
13 Participation	n/a	n/a	37	63.270	n/a	67	11	121	63.506
199 Various	n/a	n/a	0	66	n/a	0	10	5	81
2 Leverage Products	1.243	n/a ³	135.637	1.477.015	6.942	47.027	19.521	17.185	1.704.570
21 Without Knock-Out	237	n/a	37.557	366.056	n/a	16.279	2.131	n/a	422.260
22 With Knock-Out	1.006	n/a	96.559	1.102.751	n/a	29.590	15.247	n/a	1.245.153
23 Constant Leverage	0	n/a	1.521	8.208	n/a	1.158	2.143	n/a	13.030
Various	0	n/a	0	n/a	n/a	0	0	n/a	0
Total	1.767	34	136.815	1.628.317	8.169	47.170	19.542	20.234	1.862.048
Total change - Δ in % to Q1/21 ²	-33	n/a ³	136	30	99	20	82	35	35
Total change - Δ in % to Q4/21 ³	56	n/a ³	132	31	69	64	28	35	37
Number of Exchange Listed Products									
1 Investment Products	4.097	1.558	1.231	374.720	6.762	428	437	17.561	406.794
11 Capital Protected	n/a	n/a	0	724	n/a	0	24	361	1.109
12 Yield-Enhancement	n/a	n/a	1.112	234.613	n/a	214	41	15.226	251.206
13 Participation	n/a	n/a	119	137.801	n/a	214	276	1.832	140.242
199 Various	n/a	n/a	0	1.582	n/a	0	96	142	1.820
2 Leverage Products	3.458	n/a ³	57.945	1.332.297	5.471	49.759	28.954	36.904	1.514.788
21 Without Knock-Out	896	n/a	15.508	613.270	n/a	14.170	4.209	n/a	648.053
22 With Knock-Out	2.562	n/a	39.585	674.577	n/a	33.597	13.799	n/a	764.120
23 Constant Leverage	0	n/a	2.852	44.450	n/a	1.992	10.946	n/a	60.240
Various	0	n/a	0	n/a	n/a	0	0	n/a	0
Total	7.555	1.558	59.176	1.707.017	12.233	50.187	29.391	54.465	1.921.582
Total change - Δ in % to Q1/21 ²	-15	-6	27	7	-18	32	30	16	9
Total change - Δ in % to Q4/21 ³	-9	0	21	5	14	31	8	10	7

Source: Country Associations, Avaloq Evolution AG

¹ Please note that the product category 'Investment Products with Reference Entities' exists only in Switzerland. Values for this category are therefore shown as 'Various Investment Products'.

² Field indicates per cent change between Q1/2022 and equivalent last year quarter Q1/2021.

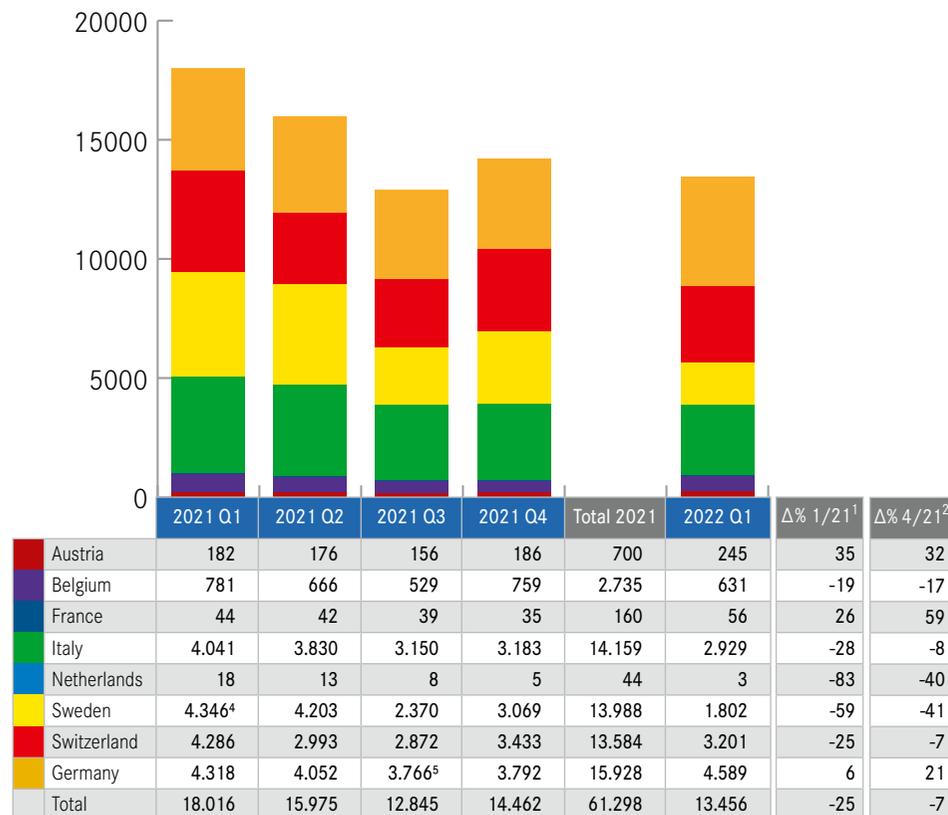
³ Field indicates per cent change between reporting quarter Q1/2022 and previous quarter Q4/2021.

⁴ Reporting disruption due to operational transformation of the relevant trading venue.

3. Exchange turnover

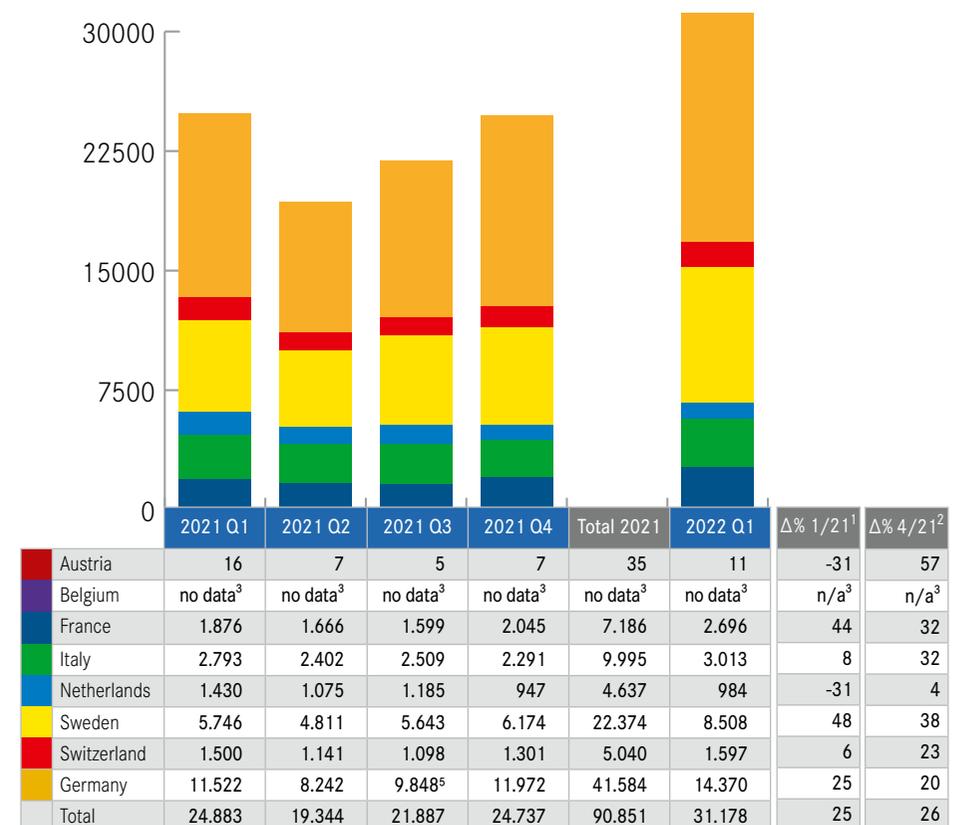
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



¹ Field indicates per cent change between Q1/2022 and equivalent last year quarter Q1/2021.

² Field indicates per cent change between reporting quarter Q1/2022 and previous quarter Q4/2021.

³ Reporting disruption due to operational transformation of the relevant trading venue.

⁴ Reflects higher trading in crypto related products during the first quarter.

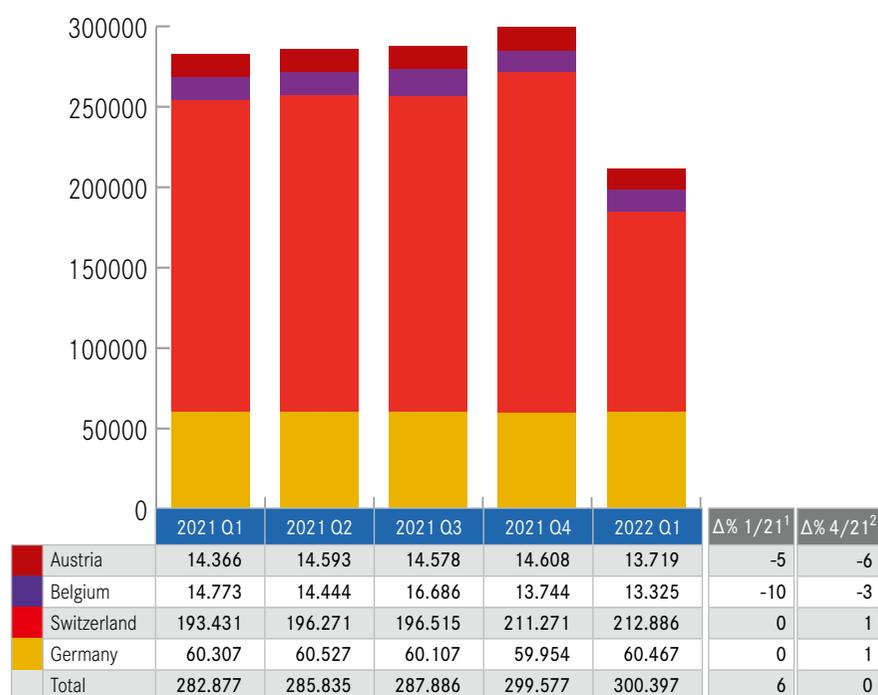
⁵ Turnover correction for the German market.

Source: Country Associations, Avaloq Evolution AG

4. Outstanding volume

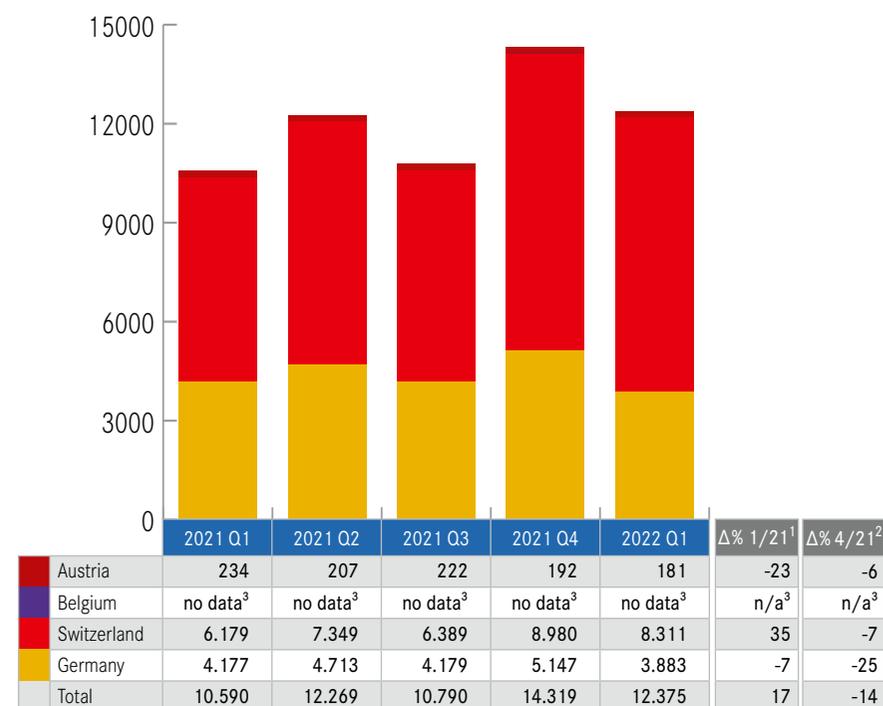
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Avaloq Evolution AG

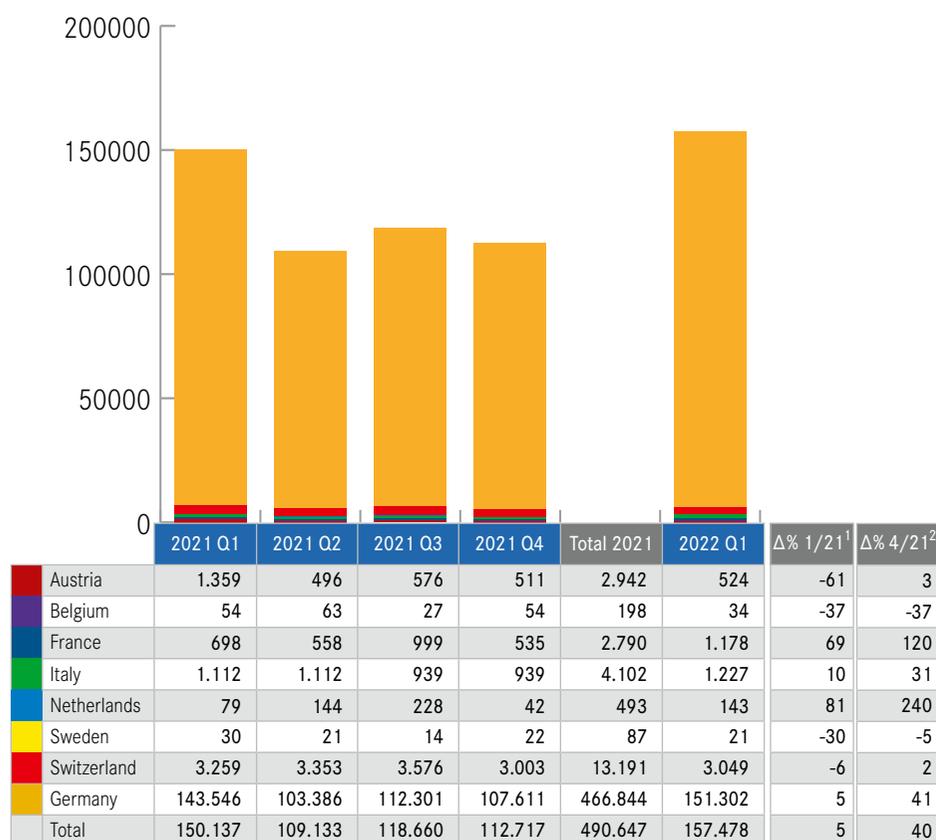
¹ Field indicates per cent change between Q1/2022 and equivalent last year quarter Q1/2021.

² Field indicates per cent change between reporting quarter Q1/2022 and previous quarter Q4/2021.

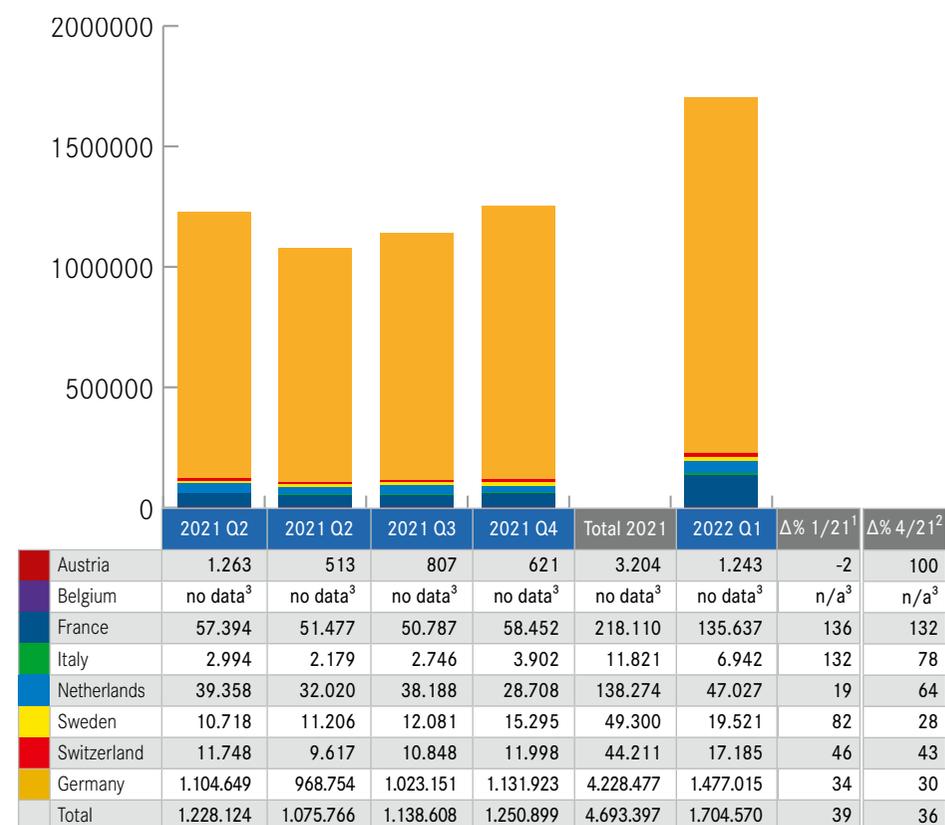
³ Reporting disruption due to operational transformation of the relevant trading venue.

5. Number of new listings on exchange

Investment Products



Leverage Products



Source: Country Associations, Avaloq Evolution AG

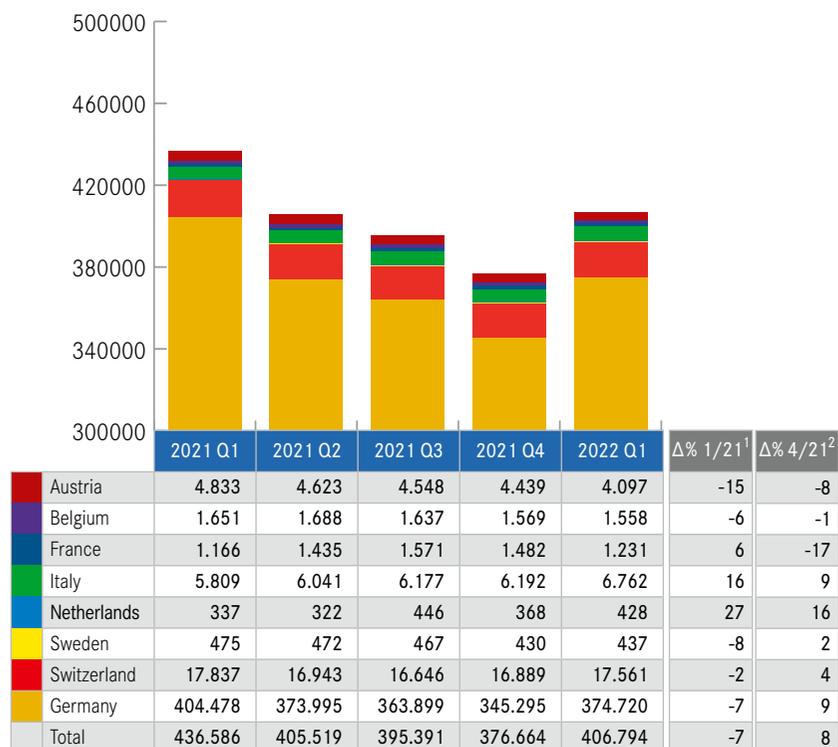
¹ Field indicates per cent change between Q1 /2022 and equivalent last year quarter Q1 /2021.

² Field indicates per cent change between reporting quarter Q1/2022 and previous quarter Q4/2021.

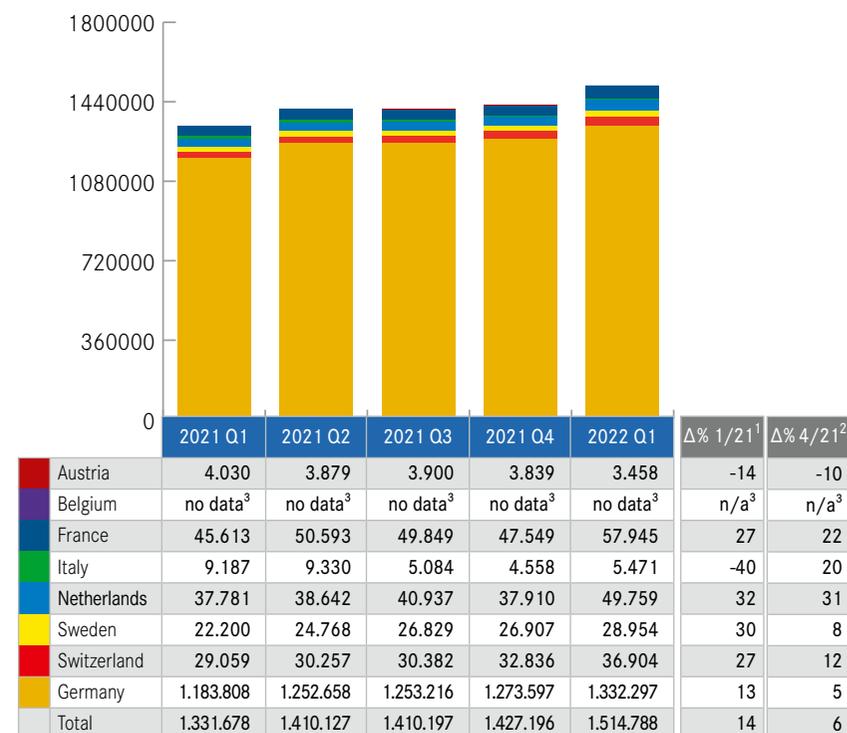
³ Reporting disruption due to operational transformation of the relevant trading venue.

6. Number of exchange listed products

Investment Products



Leverage Products



Source: Country Associations, Avaloq Evolution AG

¹ Field indicates per cent change between Q1/2022 and equivalent last year quarter Q1/2021.

² Field indicates per cent change between reporting quarter Q1/2022 and previous quarter Q4/2021.

³ Reporting disruption due to operational transformation of the relevant trading venue.

7. Appendix

Data sources

EUSIPA Members

Avaloq Evolution AG

Key date is 31st March 2022. The exchange rates for CHF/EUR and SEK/EUR are defined at the last trading day of each quarter.

Contact

Thomas Wulf | Secretary General

EUSIPA - European Structured Investment Products Association

Rond Point Schuman 2-4

Level 6

1040 Brussels | Belgium

Phone: +32 2 550 34 15

Mobile: +32 475 25 15 99

wulf@eusipa.org

www.eusipa.org

The data is collected by Avaloq Evolution AG

Patrick Walther | Data Management & Valuation Services

Allmendstrasse 140

8027 Zurich | Switzerland

Phone: +41 (0) 58 316 10 10

patrick.walther@avaloq.com

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Further information about Structured Investment Products is provided by the country associations on their websites:

Austria

Zertifikate Forum Austria (ZFA)

www.zertifikateforum.at



France

Association française des produits d'investissement de détail et de bourse (AFPDB)

www.afpdb.org



Germany

Deutscher Derivate Verband (DDV)

www.derivateverband.de



Italy

Associazione Italiana Certificati e prodotti di Investimento (ACEPI)

www.acepi.it



Netherlands

Netherlands Structured Investment Products Association (NEDSIPA)

www.nedsipa.nl



Sweden

Swedish exchange-traded investment products association (SETIPA)

www.setipa.se



Switzerland

Swiss Structured Products Association (SSPA)

www.sspa.ch



Belgium

Belgian Structured Investment Products Association (BELSIPA)

www.belsipa.be

