



**SVSP**

Schweizerischer Verband für Strukturierte Produkte  
Swiss Structured Products Association  
Associazione Svizzera per prodotti strutturati  
Association Suisse Produits Structurés

# Structured products value creation - Q1 2018

Swiss Structured Products Association - SSPA

**BCG**

THE BOSTON CONSULTING GROUP

APRIL 2018

# Executive summary<sup>1</sup>

## Turnover for Swiss structured products of the major SVSP members amounted to CHF 92 bn in Q1 2018:

- Total turnover of CHF 92 bn is CHF 22 bn higher than in Q1 2017 (CHF 70 bn); growth rate compared to the previous year is 32%

## Yield enhancement and leverage products dominating, shares shifted compared to previous year:

- With 47%, yield enhancement products account for approx. half of the total turnover in Q1 2018, with a decline from 58% in Q1 2017. Leverage products now constitute the second largest portion with 22%, growing from 15% in Q1 2017
- Participation products are almost unchanged at 15% market share (16% in Q1 2017)
- Capital protection products make up 13% in Q1 2018, a relative growth by 69% as compared to Q1 2017. After reaching bottom in Q2 2016 with 3.1%, market share steadily grew since
- Although leverage products constitute only 22% of total turnover, they again represent the vast majority (91%) of transactions

## Equity and foreign exchange asset classes still dominating the turnover; decreasing share of foreign exchange and commodities:

- Equity products represent the largest portion of total turnover in Q1 2018, growing from 52% to 55%. Compared to prior year, the share of foreign exchange products decreased from 34% to 27%
- The share of fixed income products grew to 12% (prior year: 10%). Share of commodities decreased from 2.3% in Q1 2017 to 1.6% in Q1 2018

## Swiss structured products still mostly defined by non-listed products, nominally increasing with decreasing market share:

- Non-listed products constitute about 60% of turnover in Q1 2018; although nominally increasing from 49bn to 55bn compared to Q1 2017 the market share decreased by 11 percentage points

## Share of primary market nominally increasing with decreasing market share:

- Even though the primary market increased nominally from 43bn to 55bn, it lost 7% market share compared to previous year due to even stronger growth of secondary market (27bn to 41bn). The secondary market comprised around 98% of all transactions, growing from 95% share in Q1 2017

## With a total share of 84%, USD, EUR and CHF are still by far the major currencies used:

- USD is again the predominant currency in Q1 2018 with a share of 44% (prior year: 40%). The share of EUR slightly decreased to 27% (prior year: 29%), and CHF loses share with a new share of 14% (prior year: 19%)

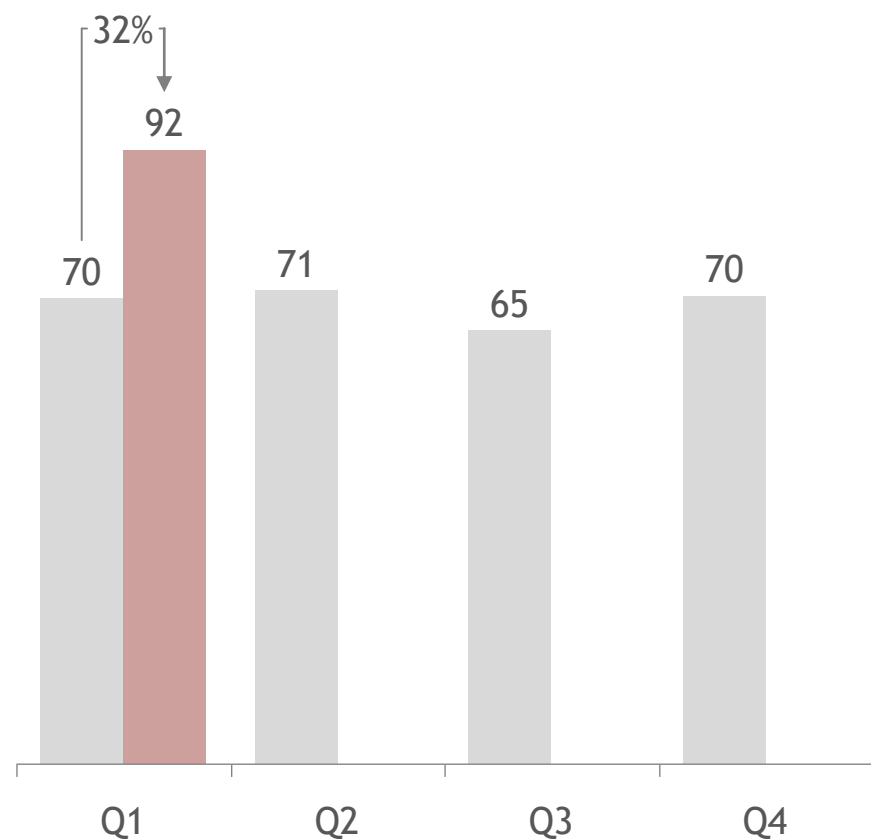
1. Numbers are commercially rounded. Compared to the preceding report, several participating banks were able to improve their data analysis. These changes were applied retroactively also to the 2017 data.

# Overall turnover development of structured products in 2017 and 2018

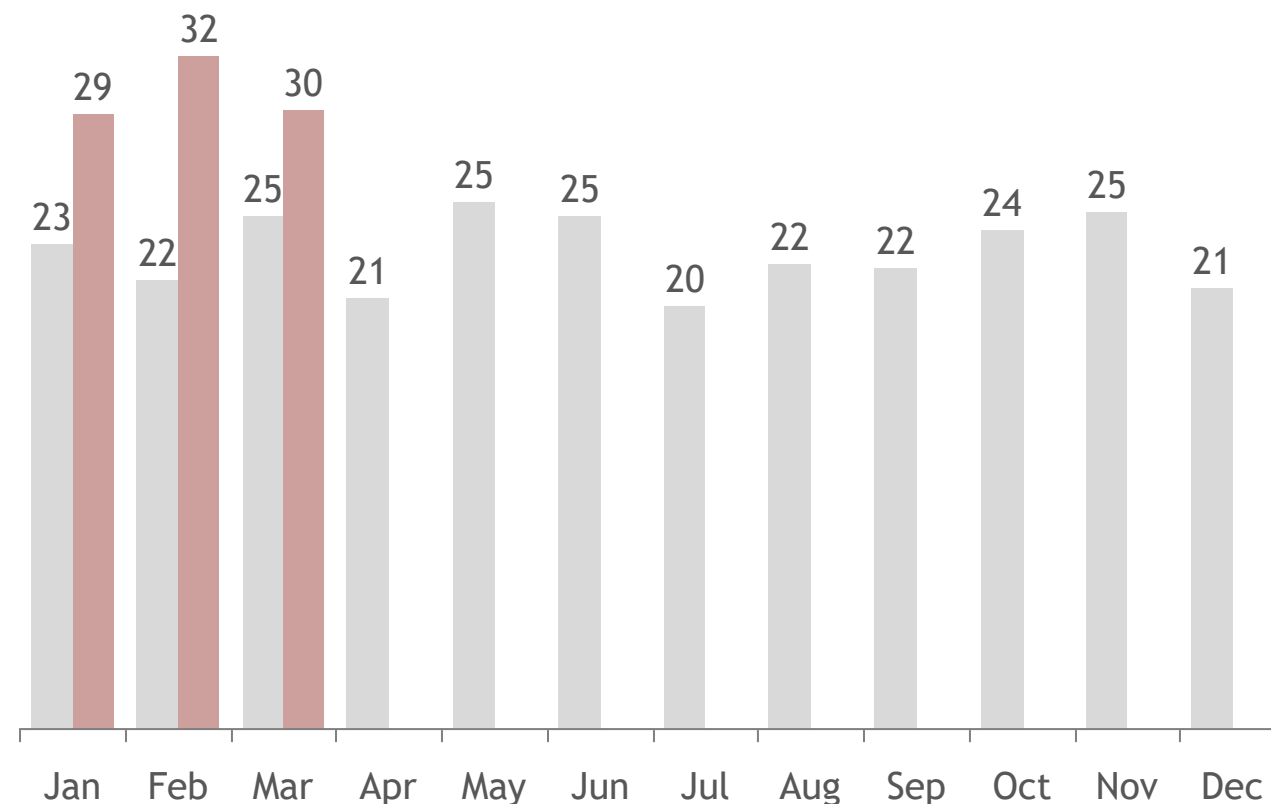
Turnover in respective timeframe in bn CHF

2017 2018

## Quarterly comparison



## Monthly comparison



Source: Data collected monthly from SSPA member institutes



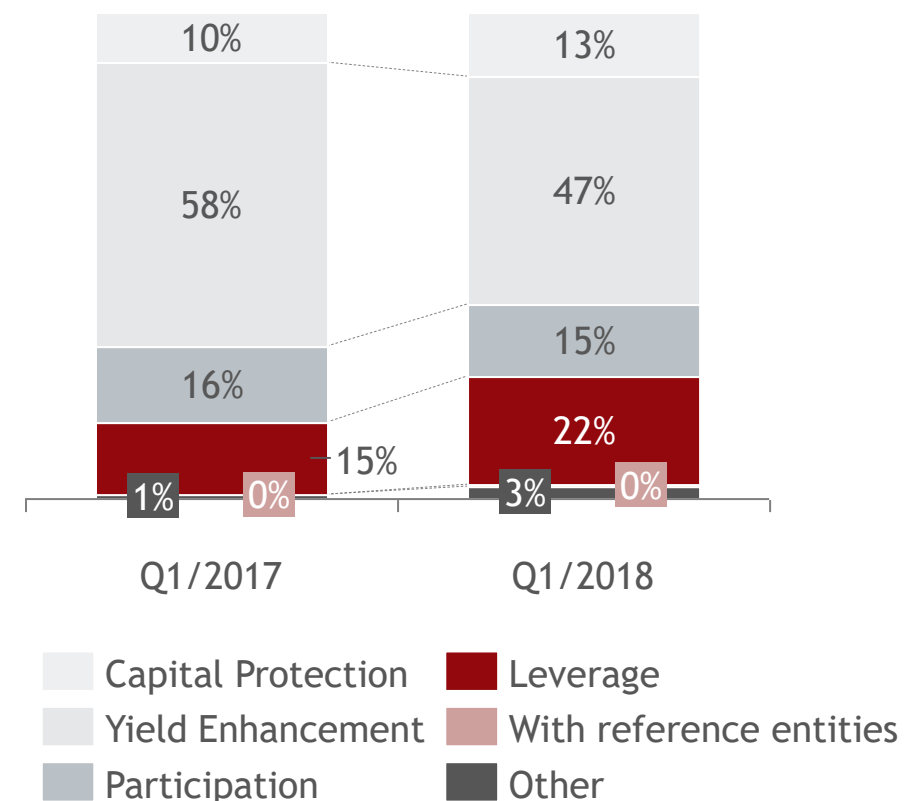
# Turnover of structured products split by product group

Turnover in respective timeframe in bn CHF

## Split by product group

Product group		Turnover		Transactions	
		CHF	in %	#	in %
Capital protection	Q1/2017	7.1	10.2%	21'577	1.3%
	Q1/2018	12.0	13.1%	5'931	0.2%
Yield enhancement	Q1/2017	40.6	58.4%	143'790	8.5%
	Q1/2018	43.0	47.0%	155'923	4.7%
Participation	Q1/2017	11.0	15.9%	70'995	4.2%
	Q1/2018	13.5	14.7%	124'986	3.8%
Leverage	Q1/2017	10.2	14.7%	1'458'630	85.9%
	Q1/2018	20.6	22.5%	3'031'793	91.3%
With reference entities	Q1/2017	0.1	0.2%	1'713	0.1%
	Q1/2018	0.2	0.2%	935	0.0%
Other	Q1/2017	0.5	0.7%	1'229	0.1%
	Q1/2018	2.3	2.5%	1'998	0.1%
Total	Q1/2017	69.5	100.0%	1'697'935	100.0%
	Q1/2018	91.6	100.0%	3'321'566	100.0%

## Turnover split



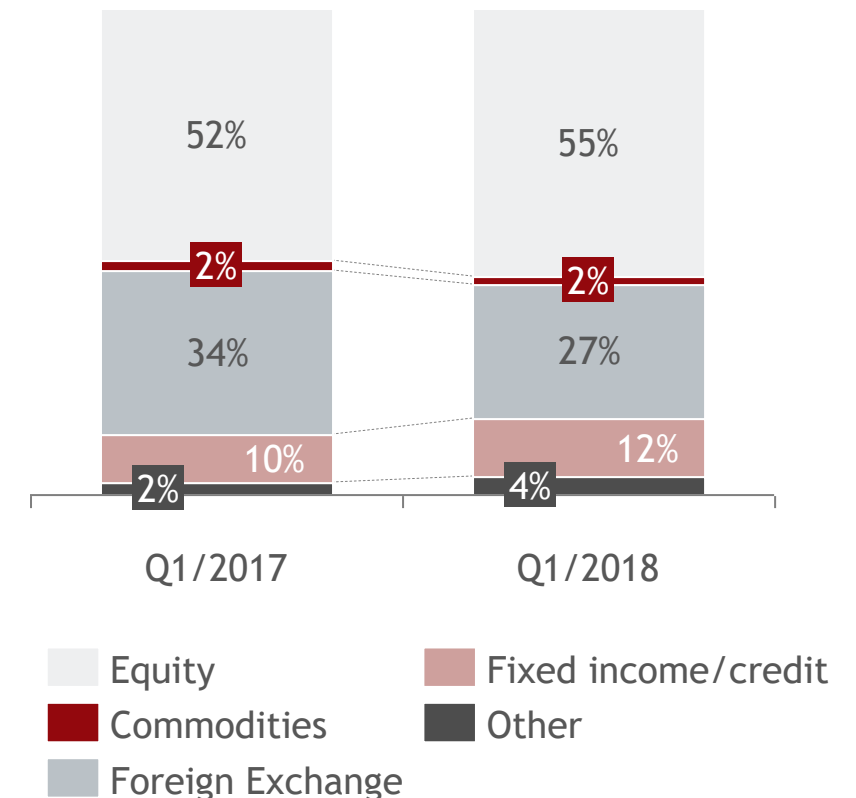
# Turnover of structured products split by asset class

Turnover in respective timeframe in bn CHF

## Split by asset class



Asset class		Turnover		Transactions	
		CHF	in %	#	in %
Equity	Q1/2017	36.0	51.7%	1'332'624	78.5%
	Q1/2018	50.4	55.1%	2'962'771	89.2%
Commodity	Q1/2017	1.6	2.3%	274'189	16.1%
	Q1/2018	1.5	1.6%	195'474	5.9%
Foreign Exchange	Q1/2017	23.4	33.7%	66'925	3.9%
	Q1/2018	25.2	27.5%	118'737	3.6%
Fixed income/ credit	Q1/2017	6.9	9.9%	17'216	1.0%
	Q1/2018	11.0	12.0%	17'105	0.5%
Other	Q1/2017	1.7	2.4%	6'981	0.4%
	Q1/2018	3.5	3.8%	27'478	0.8%
Total	Q1/2017	69.5	100.0%	1'697'935	100.0%
	Q1/2018	91.6	100.0%	3'321'566	100.0%

## Turnover split







# Turnover of structured products split by trade type, market & currency

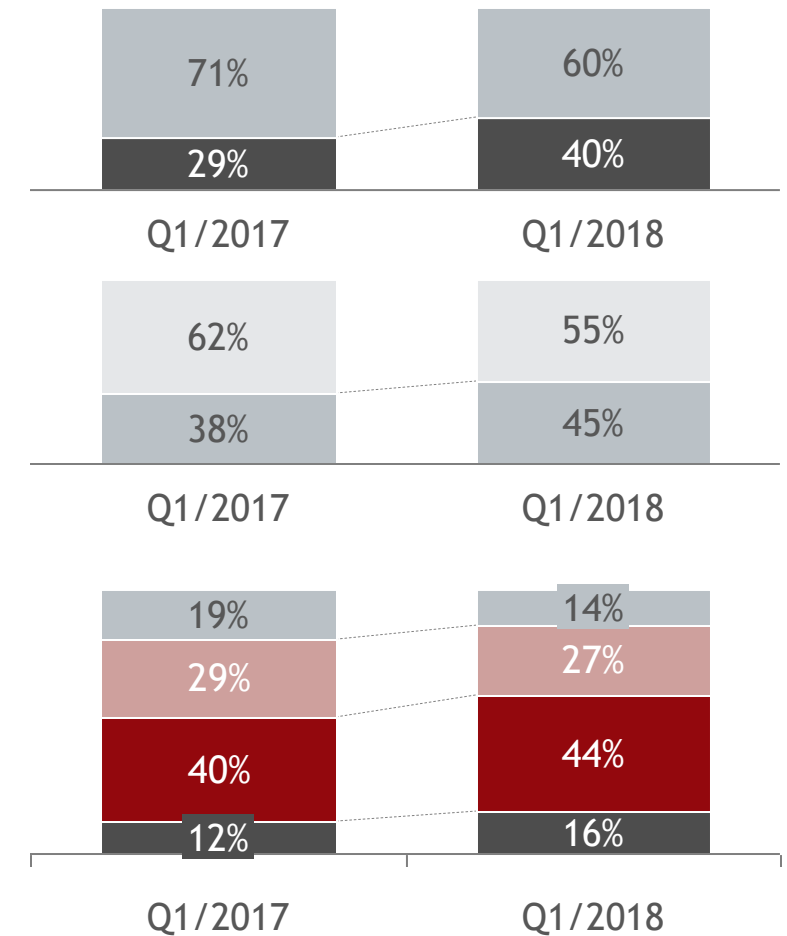
Turnover in respective timeframe in bn CHF

Trade type	Turnover in Q1/2018		Transactions in Q1/2018	
	CHF	in %	#	in %
Non-listed 	55.4	60.5%	330'982	10.0%
Listed 	36.2	39.5%	2'990'584	90.0%

Market	Turnover in Q1/2018		Transactions in Q1/2018	
	CHF	in %	#	in %
Primary 	50.5	55.1%	73'350	2.2%
Secondary 	41.1	44.9%	3'248'216	97.8%

Investment Currency	Turnover in Q1/2018		Transactions in Q1/2018	
	CHF	in %	#	in %
CHF 	12.6	13.8%	355'242	10.7%
EUR 	24.3	26.5%	2'078'609	62.6%
USD 	40.2	43.9%	84'498	2.5%
Other 	14.5	15.8%	803'216	24.2%
<b>Total</b>	<b>91.6</b>	<b>100.0%</b>	<b>3'321'566</b>	<b>100.0%</b>

## Turnover split



# Data collection methods and definitions

## Data collection and verification

Issuers provide data on monthly basis

- Data is provided by SSPA members

Requested data points include

- Product group
- Asset class
- Trade type
- Market
- Investment currency
- Transactions
- Turnover in investment currency
- Turnover in CHF

Data verification

- Randomly chosen data points are cross-checked with publicly available data sources
- Data collection process is closely aligned with participating issuers

## Product groups<sup>1</sup> (I/II)

Capital protection products

- Capital Protection Certificate with Participation (1100)
- Convertible Certificate (1110)
- Barrier Capital Protection Certificate (1130)
- Capital Protection Certificate with Coupon (1140)
- Miscellaneous Capital Protection Certificates (1199)

Yield enhancement products

- Discount Certificate (1200)
- Barrier Discount Certificate (1210)
- Reverse Convertible (1220)
- Barrier Reverse Convertible (1230)
- Express Certificate (1260)
- Miscellaneous Yield Enhancement Certificates (1299)

## 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)
- Miscellaneous Participation Certificates (1399)

Leverage products

- Warrant (2100)
- Spread Warrant (2110)
- Warrant with Knock-Out (2200)
- Mini-Future (2210)
- Constant Leverage Certificate (2300)
- Miscellaneous Leverage Certificates (2099)

Investment products with reference entities

- Reference Entity Certificate with Conditional Capital Protection (1410)
- Reference Entity Certificate with Yield Enhancement (1420)
- Reference Entity Certificate with Participation (1430)

Other

- Miscellaneous Certificates (9999)

## Market

Primary

- Newly issued product volume on primary market in which the product was engineered in Switzerland

Secondary

- Product volume traded on secondary markets (e.g. stock exchanges) in which the product was engineered in Switzerland

## Asset class

Equity

- I.e. stocks, shares of ownership in publicly held companies

Commodities

- Goods traded on a commodity exchange

FX

- Foreign exchange (incl. structured deposits)

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>2</sup>

Listed

- Products listed at exchanges

Non-listed

- Products not listed at 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

1. According to SSPA Swiss Derivative Map ©, for a full version please visit [www.svsp-verband.ch](http://www.svsp-verband.ch)

2. Including primary and secondary market

# Disclaimer

## Issued by

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## Participating banks

Barclays Capital  
Banque Cantonale Vaudoise  
Commerzbank  
Credit Suisse  
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Leonteq  
Notenstein La Roche  
Raiffeisen  
UBS  
Vontobel  
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Data as of March 31st, 2018.

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