Swiss Structured Product Industry Report of the Swiss Structured Products Association (SSPA):

Turnover in Q2 2022 with CHF 57 bn at previous quarter's level – discount certificates with CHF 11 bn new top-selling products

The industry achieved a turnover of CHF 57 bn in the second quarter of 2022. It was thus at the level of the first quarter, when sales of CHF 58 bn were achieved. The largest turnover share in Q2 2022 is accounted for by yield enhancement products (42%), followed by leverage products (26%). Capital protection and participation products accounted for 20% and 10% of quarterly turnover in Q2 2022, respectively. In Q2 2022 discount certificates generated the highest turnover (CHF 11 bn), followed by capital protection certificates with coupon (CHF 10 bn), and mini-futures (CHF 7 bn). Equities remain the dominant asset class with 47% of turnover, while Foreign Exchange, Fixed Income and Commodities account for 26%, 10% and 2% of quarterly turnover, respectively. Non-listed products generate 72% of total turnover in Q2 2022. At 56%, the primary market achieves a slightly higher share of turnover than the secondary market. The USD achieved the highest share of turnover with 38%. Together with the EUR and CHF as the most important currencies for structured products, it accounts for 85% of total turnover.

Zurich, 25 August 2022. The statistics compiled by Boston Consulting Group take into account listed and non-listed products that are created in or for Switzerland and sold nationally and internationally. The report was optimised in cooperation with the participating SSPA banks as of Q1 2022. Due to the optimisation of the report, only data from Q1 2022 will be reported in future. The SSPA members Banque Cantonale Vaudoise, Barclays Capital, Credit Suisse, Goldman Sachs, Julius Bär, Leonteq, Raiffeisen Switzerland, Société Générale, UBS, Vontobel as well as Zürcher Kantonalbank took part in the survey for the second quarter of 2022. They represent a majority of the Swiss market.

Most important developments in the second quarter of 2022:

- Turnover of Swiss structured products of the major SSPA members amounted to CHF 57 bn in Q2 2022. In April, total turnover was CHF 18 bn, in May CHF 19 bn before increasing to CHF 20 bn in June. In Q2 2022 discount certificates generated the highest turnover (CHF 11 bn), followed by capital protection certificates with coupon (CHF 10 bn), and mini-futures (CHF 7 bn).
- Yield enhancement had the largest turnover share, at 42% in Q2 2022, representing CHF 24 bn, with foreign exchange as the preferred asset class (58%) and USD as the main currency (34%). 90% of turnover was not listed and 84% was traded in the primary market.
- Leverage products' turnover share amounted to 26%, representing a turnover of CHF 15 bn, with equity as the preferred asset class (82%) and EUR as the main currency (51%). 74% of turnover was listed and 93% was traded in the secondary market.
- Capital protection products' turnover share amounted to 20%, representing CHF 11 bn, preferring other asset classes (51%) and USD as the main currency (65%). 99% of turnover was not listed and 74% was traded in the primary market.

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- Participation products' turnover share amounted to 10%, representing CHF 6 bn, with equity as the preferred asset class (71%) and USD as the main currency (66%). 55% of turnover was not listed and 77% was traded in the secondary market.
- The turnover of equity products amounted to CHF 27 bn, followed by foreign exchange (CHF 15 bn), other asset classes (CHF 9 bn), fixed income (CHF 6 bn), and commodities (CHF 1 bn). Equities products thereby reached 47% turnover share, while foreign exchange, other asset classes, fixed income and commodities products was 26%, 16%, 10% and 2% respectively.
- Non-listed products realized a turnover of CHF 41 bn in Q2 2022, which translated to 72% of total turnover. The turnover share of listed products was 28%, reaching CHF 16 bn.
- With a turnover of CHF 32 bn in Q2 2022 the primary had a higher turnover than the secondary market (CHF 25 bn), the corresponding turnovers shares were 56% and 44%.
- In Q2 2022 the total turnover of USD products amounted to CHF 22 bn, representing a turnover share of 38%. The turnover share of EUR was 34%, corresponding to a total turnover CHF 19 bn. With a total turnover of CHF 8 bn the CHF accounted for a turnover share of 13%.

SSPA Chairman Markus Pfister commented: "Despite the continued significant market turbulence in the second quarter, industry turnover is on par with the previous quarter. The robust overall turnover demonstrates that the market for structured products offers investors stability even in a volatile market environment. In the second quarter, demand was particularly strong for discount certificates on foreign currencies, as the interest rate increases and currency fluctuations created interesting investment opportunities. This demonstrates that the customers are using structured products in a very skilful way."

Click on the link below for the full set of statistics: www.sspa.ch/media

For further information:

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About structured products

Structured products are investment instruments publicly issued by an issuer whose redemption value is derived from the performance of one or more underlying securities. Equities, interest rates, foreign exchange or commodities such as gold or oil may serve as underlying securities.

About the Association

The Swiss Structured Products Association (SSPA) is the first port of call for all questions associated with structured products. It represents the collective interests of the key market players who bring together over 95 percent of the market volume for structured products in Switzerland. The headquarters of the association are located in Zurich. Further information is available at www.sspa.ch.