A Highly Concentrated Field in U.S. Retail Structured Products

2017 Greenwich Leaders: U.S. Retail Structured Products

November 8, 2017

Executive Summary:



Total notional volumes for retail structured products distributed by U.S. firms declined by approximately 10% (on a matched set of accounts) at nearly $45 billion annually.

Products based on equity underlyings continue to make up the bulk of volume distributed in the U.S. (nearly 75%). Distributors are increasingly seeking out issuers for specific products, as now nearly one-third of all volume in the U.S. is based on reverse inquiry (up from 20% last year).

The competitive landscape in U.S. retail structured products is becoming even more concentrated, with the three largest issuers—HSBC, J.P. Morgan and Barclays—maintaining a sizeable advantage over other firms in terms of their breadth of franchises.

Methodology:

Between April and June 2017, Greenwich Associates conducted telephone interviews with 55 distributors of retail structured products in the United States to better understand product demand, distributor preferences and the competitive landscape.

Respondents were asked to name the firms they use for retail structured products and to rate those providers in a series of product and service quality categories. Quality Leaders have distinguished themselves from their competitors by receiving service quality ratings that exceed those of competitors by a statistically significant margin.

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greenwich.com ContactUs@greenwich.com Ph +1203.625.5038