

SwapsInfo Third Quarter of 2022 and Year-to-September 30, 2022 Review: Summary

The ISDA SwapsInfo Quarterly Review provides analysis of interest rate derivatives (IRD) and credit derivatives trading. The report provides a breakdown of cleared and non-cleared activity, swap execution facility (SEF) and off-SEF traded notional, product taxonomy and currency information.

IRD and credit derivatives traded notional and trade count data is taken from the ISDA SwapsInfo website (swapsinfo.org), using information from the Depository Trust & Clearing Corporation (DTCC) swap data repository (SDR).

This report covers only transactions required to be disclosed under Commodity Futures Trading Commission regulations. Security-based swap transactions reported to the DTCC SDR under US Securities and Exchange Commission regulations are not included in this report.

KEY HIGHLIGHTS FOR THE THIRD QUARTER OF 2022 AND YEAR-TO-SEPTEMBER 30, 2022

Interest Rate Derivatives

In the third quarter of 2022, IRD traded notional and trade count grew by 38.1% and 30.0%, respectively, compared to the third quarter of 2021. Overnight index swaps (OIS) traded notional increased by 166.8%, while fixed-for-floating interest rate swaps (IRS) and forward rate agreement (FRA) traded notional fell by 11.1% and 12.1%, respectively. OIS trade count rose by 228.7%, FRA trade count increased by 4.3% and fixed-for-floating IRS trade count fell by 12.1%.

In the third quarter of 2022:

- IRD traded notional rose to \$68.5 trillion in the third quarter of 2022 from \$49.6 trillion in the third quarter of 2021. Trade count climbed to 563.8 thousand from 433.8 thousand over the same period.
- The increase in IRD traded notional was driven by a rise in OIS traded notional, which grew to \$33.7 trillion in the third quarter of 2022 from \$12.6 trillion in the third quarter of 2021. Single currency fixed-for-floating IRS traded notional fell to \$18.7 trillion and FRA traded notional dropped to \$8.8 trillion from \$10.0 trillion.
- Single currency fixed-for-floating IRS accounted for 27.3% of total IRD traded notional and 42.2% of total IRD trade count. FRAs and OIS represented 12.9% and 49.2% of total IRD traded notional and 7.4% and 39.1% of total trade count, respectively.
- Cleared IRD transactions represented 75.2% of total IRD traded notional and 77.6% of total trade count. 87.8% of fixed-for-floating IRS, 95.0% of FRA, 74.2% of OIS and 23.7% of other IRD traded notional was cleared.
- SEF-traded IRD comprised 58.9% of total IRD traded notional and 71.4% of trade count. 78.3% of fixed-for-

floating IRS, 88.5% of FRA, 45.2% of OIS and 37.1% of other IRD traded notional was executed on SEFs.

- IRD contracts denominated in US dollars represented 46.9% of total IRD traded notional and 37.7% of total trade count. Euro-denominated transactions accounted for 31.4% of total traded notional and 25.7% of trade count. Sterling-denominated transactions comprised 8.5% and 7.5% of total IRD traded notional and trade count, respectively.
- Fixed-for-floating OIS contracts denominated in US dollars increased by 242.9%, while US dollar-denominated IRS and FRAs declined by 14.9% and 93.5%, respectively. Euro-denominated IRS, FRA and OIS traded notional rose by 24.3%, 68.1% and 378.8%, respectively. Sterling-denominated OIS traded notional grew by 22.3%, while sterling-denominated IRS and FRA traded notional dropped by 99.8% and 100.0%, respectively.

Year-to-September 30, 2022:

- IRD traded notional increased by 31.9% to \$225.3 trillion in the nine months to September 30, 2022 from \$170.7 trillion in the nine months to September 30, 2021. Trade count rose by 21.1% to 1.7 million from 1.4 million over the same period.
- OIS traded notional grew by 223.9% to \$102.0 trillion in the nine months to September 30, 2022 from \$31.5 trillion in the same period last year. Single currency fixed-for-floating IRS traded notional fell by 3.4% to \$69.1 trillion from \$71.5 trillion. FRA traded notional dropped by 40.2% to \$28.4 trillion from \$47.4 trillion.
- Single currency fixed-for-floating IRS accounted for 30.7% of total IRD traded notional and 44.6% of total IRD trade count. FRAs and OIS represented 12.6% and 45.3% of total traded notional and 6.9% and 35.7% of total trade count, respectively.
- Cleared IRD transactions comprised 74.6% of total traded notional and 75.6% of trade count. 88.4% of fixed-for-floating IRS, 94.5% of FRA, 73.2% of OIS and 21.6% of other IRD traded notional was cleared in the nine months to September 30, 2022.

- SEF-traded IRD represented 58.4% of total IRD traded notional and 69.1% of trade count. 80.2% of fixed-for-floating IRS, 86.7% of FRA, 41.9% of OIS and 33.8% of other IRD traded notional was executed on SEFs.
- IRD contracts denominated in US dollars accounted for 47.7% of total IRD traded notional and 38.1% of total trade count. Euro-denominated transactions comprised 32.1% of total traded notional and 27.6% of trade count. Sterling-denominated transactions made up 7.8% and 6.7% of total IRD traded notional and trade count, respectively.
- US dollar-denominated OIS increased by 321.4% in the nine months to September 30, 2022 compared to the nine months to September 30, 2021. Fixed-for-floating IRS and FRA traded notional denominated in US dollars fell by 0.4% and 96.4%, respectively. Euro-denominated IRS, FRA and OIS traded notional rose by 38.6%, 56.6% and 411.1%, respectively. Sterling-denominated OIS traded notional increased by 44.3%, while sterling-denominated IRS and FRA traded notional declined by 99.8% and 100.0%, respectively.

Credit Derivatives

Credit derivatives traded notional and trade count grew by 56.0% and 80.6%, respectively, in the third quarter of 2022 compared to the third quarter of 2021¹. There was more trading activity across CDX HY, CDX IG and iTraxx Europe.

In the third quarter of 2022:

- Credit derivatives traded notional increased to \$3.6 trillion in the third quarter of 2022 from \$2.3 trillion in the third quarter of 2021. Trade count grew to 100.0 thousand from 55.4 thousand over the same period.
- CDX HY traded notional rose by 55.0% to \$575.8 billion in the third quarter of 2022 from \$371.5 billion in the third quarter of 2021. CDX IG traded notional increased by 68.8% to \$1.3 trillion from \$765.0 billion and iTraxx Europe traded notional climbed by 61.7% to \$849.6 billion from \$525.5 billion.
- CDX HY and CDX IG represented 16.2% and 36.3% of total credit derivatives traded notional and 28.7% and 24.3% of total trade count, respectively. iTraxx Europe accounted for 23.9% of total credit derivatives traded notional and 18.2% of total trade count.
- Cleared credit derivatives transactions accounted for 85.1% of total traded notional and 88.9% of total trade count. 97.8% of CDX HY, 98.0% of CDX IG, 94.7% of iTraxx Europe and 46.6% of other credit derivatives traded notional was cleared.
- SEF-traded credit derivatives comprised 84.1% of total traded notional and 88.1% of trade count. 97.3% of CDX HY, 97.5% of CDX IG, 93.3% of iTraxx Europe and 45.2% of other credit derivatives traded notional was executed on SEFs.
- Credit derivatives contracts denominated in US dollars represented 61.7% of total traded notional and 61.6% of total trade count. Euro-denominated transactions accounted for 38.2% and 38.1% of total traded notional and trade count, respectively.

¹ Credit derivatives mostly comprise credit default swap (CDS) indices, but also include CDS index tranches, credit swaptions, exotic products, total return swaps and insignificant amount of single-name CDS

Year-to-September 30, 2022:

- Credit derivatives traded notional increased by 72.0% to \$11.7 trillion in the nine months to September 30, 2022 from \$6.8 trillion in the nine months to September 30, 2021. Trade count grew by 81.1% to 315.3 thousand from 174.1 thousand over the same period.
- CDX HY traded notional rose by 72.8% to \$1.8 trillion in the first nine months of 2022 versus \$1.1 trillion in the nine months to September 30, 2021. CDX IG traded notional increased by 71.4% to \$4.1 trillion from \$2.4 trillion. iTraxx Europe traded notional grew by 88.9% to \$2.9 trillion from \$1.5 trillion.
- CDX HY and CDX IG represented 15.7% and 35.0% of total credit derivatives traded notional and 28.2% and 24.0% of total trade count, respectively. iTraxx Europe accounted for 24.8% of total credit derivatives traded notional and 17.9% of total trade count.
- Cleared credit derivatives transactions comprised 83.6% of total traded notional and 87.9% of total trade count. 97.5% of CDX HY, 97.8% of CDX IG, 93.8% of iTraxx Europe and 44.3% of other credit derivatives traded notional was cleared.
- SEF-traded credit derivatives made up 82.6% of total traded notional and 87.0% of total trade count. 96.5% of CDX HY, 96.9% of CDX IG, 92.6% of iTraxx Europe and 43.1% of other credit derivatives traded notional was executed on SEFs.
- Credit derivatives contracts denominated in US dollars represented 60.1% of total traded notional and 61.1% of total trade count. Euro-denominated transactions accounted for 39.7% and 38.6% of total traded notional and trade count, respectively.



ISDA has published other recent research papers:

- ***ISDA-Clarus RFR Adoption Indicator: September 2022***
<https://www.isda.org/a/LF3gE/ISDA-Clarus-RFR-Adoption-Indicator-September-2022.pdf>
- ***Interest Rate Derivatives Trading Activity Reported in EU, UK and US Markets: First Half of 2022 and Second Quarter of 2022***
<https://www.isda.org/a/182gE/Interest-Rate-Derivatives-Trading-Activity-Reported-in-EU-UK-and-US-Markets-First-Half-of-2022-and-the-Second-Quarter-of-2022.pdf>
- ***Transition to RFRs Review: First Half of 2022 and the Second Quarter of 2022***
<https://www.isda.org/a/jQagE/Transition-to-RFRs-Review-First-Half-of-2022-and-the-Second-Quarter-of-2022.pdf>

ISDA has expanded its SwapsInfo website to include IRD trading activity reported in the EU and UK. The new data is based on transactions publicly reported by 30 European APAs and TVs. European data is based on the location of reporting venues (EU versus UK), product taxonomy, currency, tenor, and execution venue. To access the expanded SwapsInfo website, [click here](#).

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ABOUT ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has more than 1,000 member institutions from 78 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In

addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website: www.isda.org. Follow us on [Twitter](#), [LinkedIn](#), [Facebook](#) and [YouTube](#).