

Research Note

Key trends in the size and composition of OTC derivatives markets in the second half of 2024

The latest data from the Bank for International Settlements (BIS) over-the-counter (OTC) derivatives statistics shows a modest increase in notional outstanding during the second half of 2024 compared to the same period in 2023. Notional outstanding for interest rate, foreign exchange (FX), equity and commodity derivatives all rose year-on-year.

As major central banks shifted from a tightening to a more neutral or easing stance, interest rate volatility declined. This typically reduces the mark-to-market value of outstanding derivatives positions, leading to a drop in the gross market value of IRD compared to the prior tightening period. Similarly, gross credit exposure declined during this period.

By year-end 2024, the notional outstanding of global OTC derivatives rose by 4.9% compared to year-end 2023. In contrast, the gross market value of OTC derivatives contracts fell by 2.8%, while gross credit exposure, which represents the gross market value after netting, fell by 2.8% over the same period.

Total mark-to-market exposure dropped by 83.2% due to close-out netting. Credit exposure was further reduced by the collateral market participants posted for cleared and non-cleared derivatives transactions.

Market participants posted \$389.8 billion of required initial margin (IM) for cleared IRD and credit default swaps (CDS) transactions at all major central counterparties (CCPs) at the end of 2024 from \$392.2 billion a year earlier. The leading derivatives market participants also collected \$1.5 trillion of IM and variation margin (VM) for non-cleared derivatives exposures, up by 6.4%.

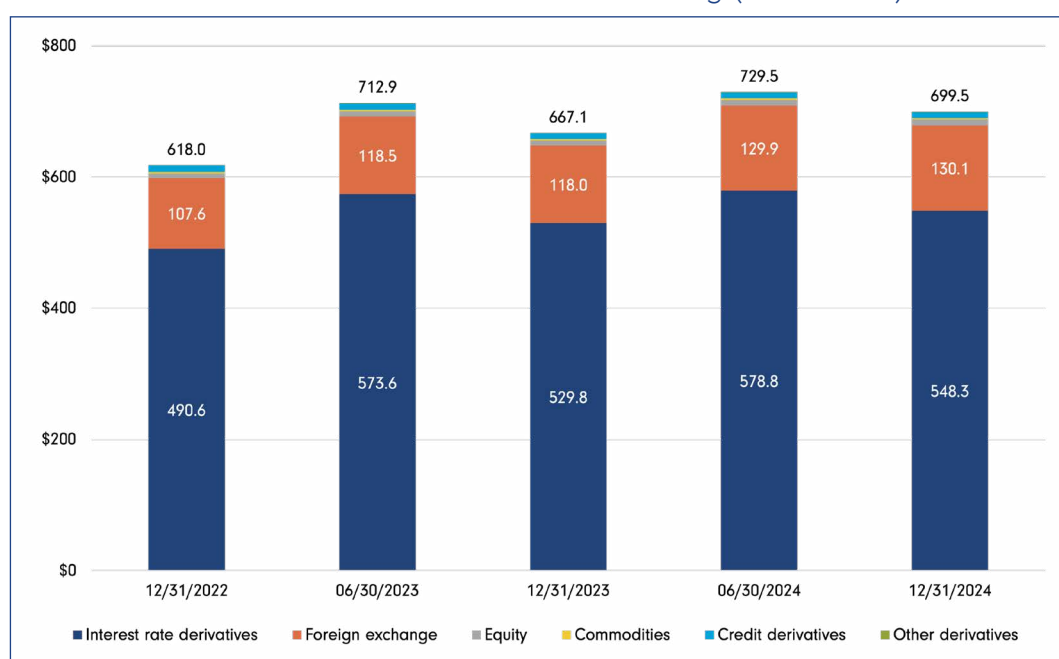
KEY GLOBAL TRENDS

Global OTC derivatives notional outstanding rose to \$699.5 trillion by the end of December 2024, a 4.9% increase from year-end 2023 and a 4.1% drop relative to mid-year 2024¹. This growth partly reflects a seasonal pattern, where notional outstanding typically rises in the first half of the year and declines in the second half.

While equity and credit derivatives posted higher year-on-year growth rates in percentage terms, the overall increase in notional outstanding was primarily driven by interest rate derivatives (IRD) and FX derivatives due to their significantly larger size in absolute terms.

IRD notional outstanding grew by 3.5% to \$548.3 trillion at year-end 2024 versus \$529.8 trillion at the end of 2023, while notional outstanding in FX derivatives grew by 10.2% to \$130.1 trillion from \$118.0 trillion. Equity and commodity derivatives notional outstanding increased by 14.4% and 9.3% and totaled \$8.9 trillion and \$2.4 trillion, respectively. Credit derivatives notional outstanding rose by 6.0% to \$9.2 trillion from \$8.7 trillion (see Chart 1).

Chart 1: Global OTC Derivatives Notional Outstanding (US\$ trillions)



Source: BIS OTC Derivatives Statistics

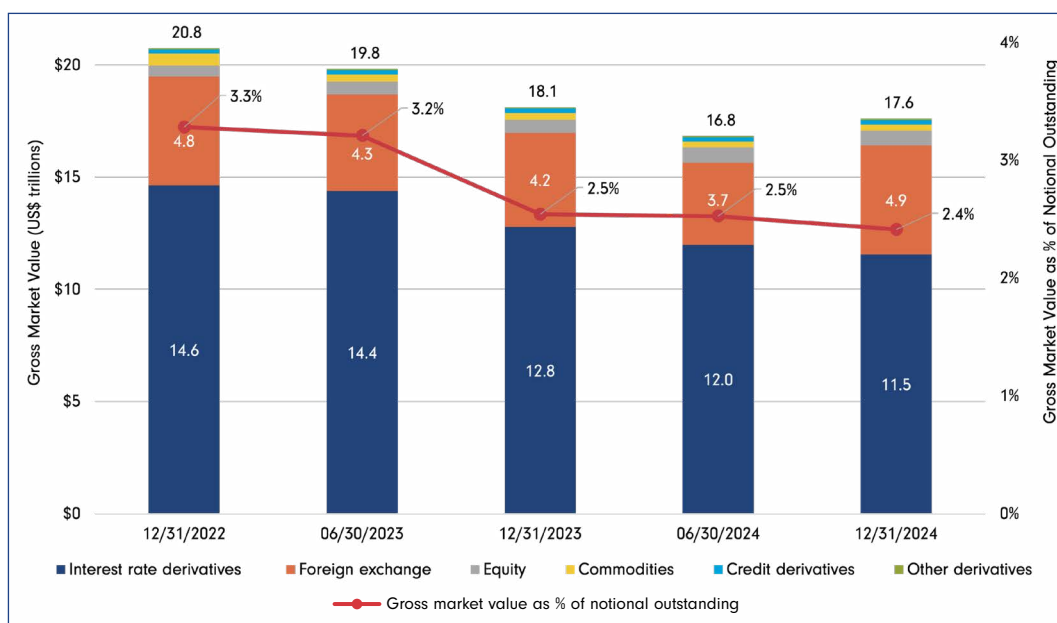
The gross market value of OTC derivatives fell by 2.8% to \$17.6 trillion², driven by the lower market value of IRD due to shifting central bank policy expectations. Gross market value equaled 2.4% of notional outstanding at year-end 2024 compared to 2.5% at the end of 2023 (see Chart 2).

The gross market value of IRD contracts declined by 9.7% to \$11.5 trillion from \$12.8 trillion, while the gross market value of FX derivatives grew by 16.1% to \$4.9 trillion from \$4.2 trillion.

¹ Bank for International Settlements (BIS) Over-the-counter (OTC) Derivatives Statistics https://data.bis.org/topics/OTC_DER/tables-and-dashboards

² Gross market value is the sum of the absolute values of all outstanding derivatives contracts with either positive or negative replacement values evaluated at market prices prevailing on the reporting date. See BIS Glossary

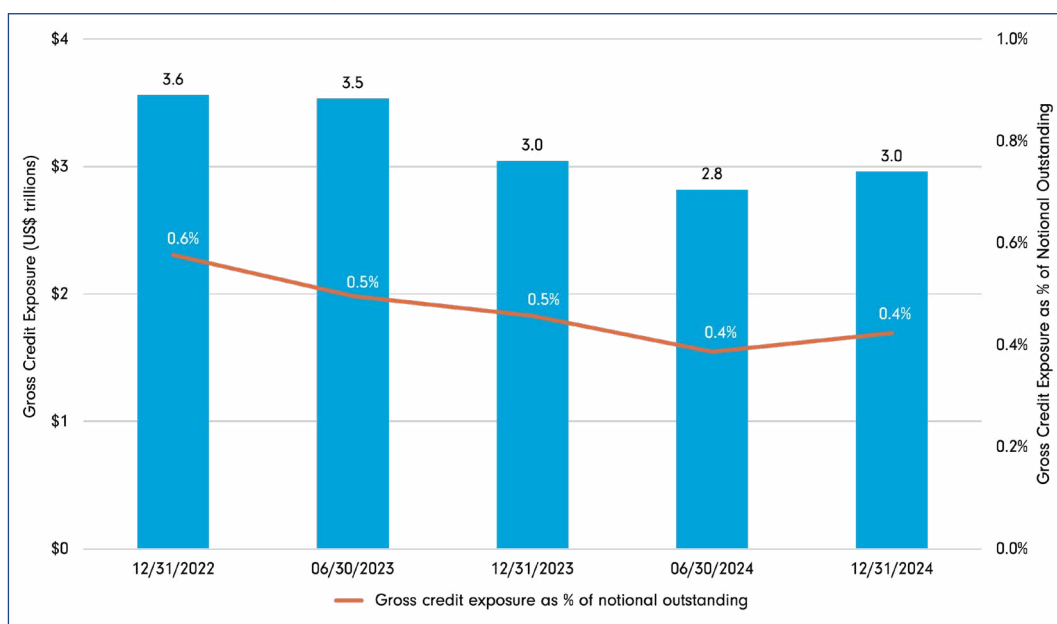
Chart 2: Gross Market Value of Global OTC Derivatives



Source: BIS OTC Derivatives Statistics

Gross credit exposure of OTC derivatives, which is a more accurate measure of counterparty credit risk, declined by 2.8% to \$3.0 trillion and accounted for 0.4% of notional outstanding³ (see Chart 3).

Chart 3: Gross Credit Exposure of Global OTC Derivatives

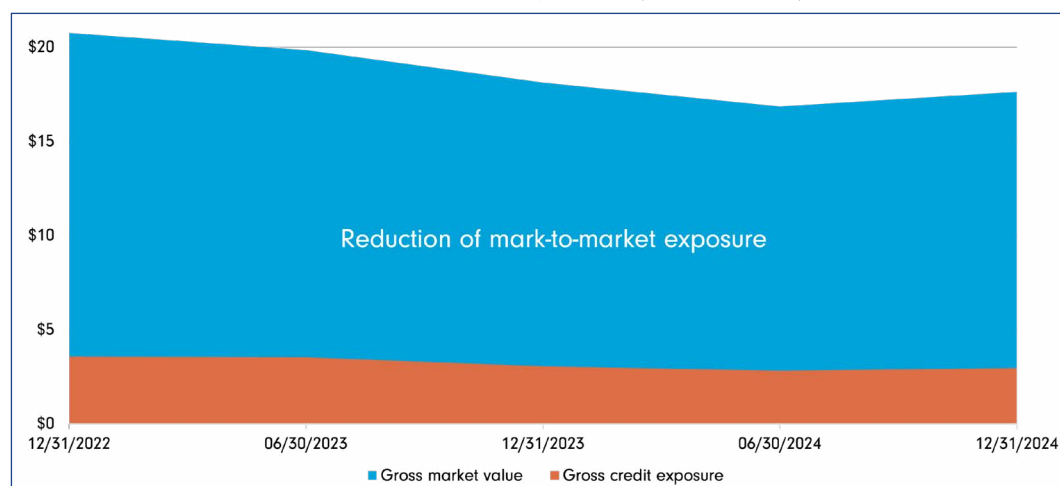


Source: BIS OTC Derivatives Statistics

As a result of close-out netting, market participants reduced their mark-to-market exposure by 83.2% at year-end 2024 (see Chart 4). The remaining gross credit exposure is further reduced by the collateral market participants post for cleared and non-cleared derivatives transactions.

³ Gross credit exposure adjusts gross market value for legally enforceable netting agreements, but not for collateral. See [BIS Glossary](#)

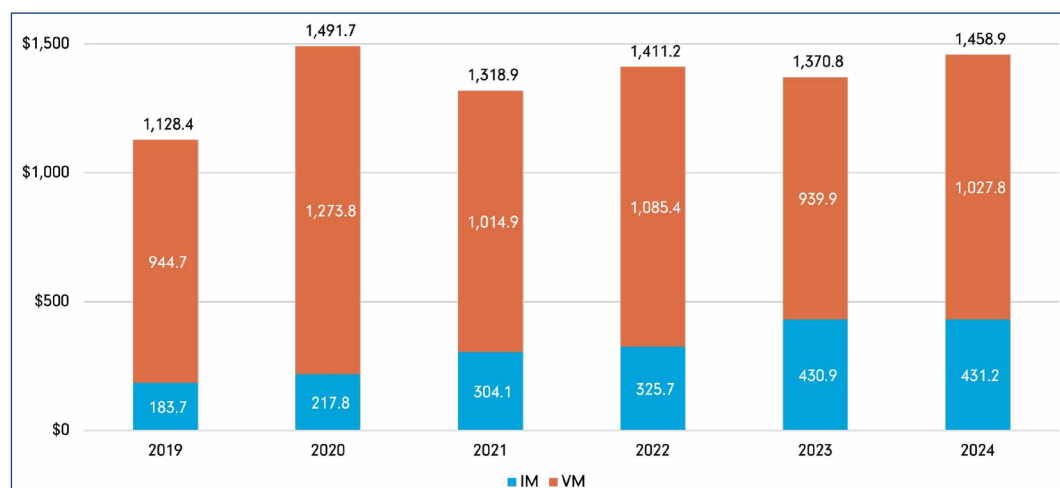
Chart 4: Reduction of Mark-to-market Exposure (US\$ trillions)



Source: BIS OTC Derivatives Statistics

IM and VM collected by leading derivatives market participants subject to regulatory margin requirements for non-cleared derivatives totaled \$1.5 trillion at year-end 2024, 6.4% higher than the year before. This included \$431.2 billion of IM and \$1.0 trillion of VM. In comparison, IM and VM collected at year-end 2023 totaled \$430.9 billion and \$939.9 billion, respectively⁴ (see Chart 5).

Chart 5: Total Collateral Received by ISDA Margin Survey Participants (US\$ billions)



Source: ISDA Margin Survey

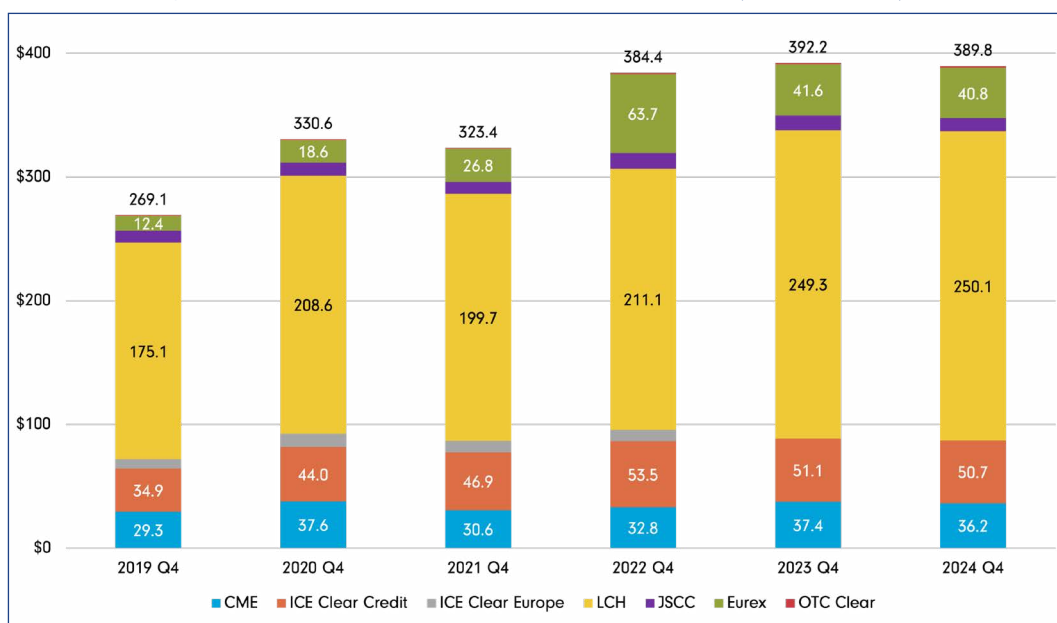
Market participants posted \$389.8 billion of required IM for cleared derivatives, including IRD and CDS, at all major CCPs in the fourth quarter of 2024^{5,6}. This represents a 0.6% decline compared to \$392.2 billion in the fourth quarter of 2023 (see Chart 6).

⁴ ISDA Margin Survey Year-End 2024 www.isda.org/a/EyfgE/ISDA-Margin-Survey-Year-end-2024.pdf

⁵ This amount reflects the initial margin (IM) required by central counterparties (CCPs) as reported in their quantitative disclosures to the International Organization of Securities Commissions and the Committee on Payments and Market Infrastructures. Market participants typically post IM amounts that exceed the minimum requirements, so the actual IM posted is likely to be higher than reported figures. All numbers are converted to US dollars based on the exchange rates at the end of each quarter: www.x-rates.com/historical

⁶ LCH includes LCH Ltd and LCH SA

Chart 6: Required IM Posted for Cleared IRD and CDS (US\$ billions)



Source: CCP Quantitative Disclosures

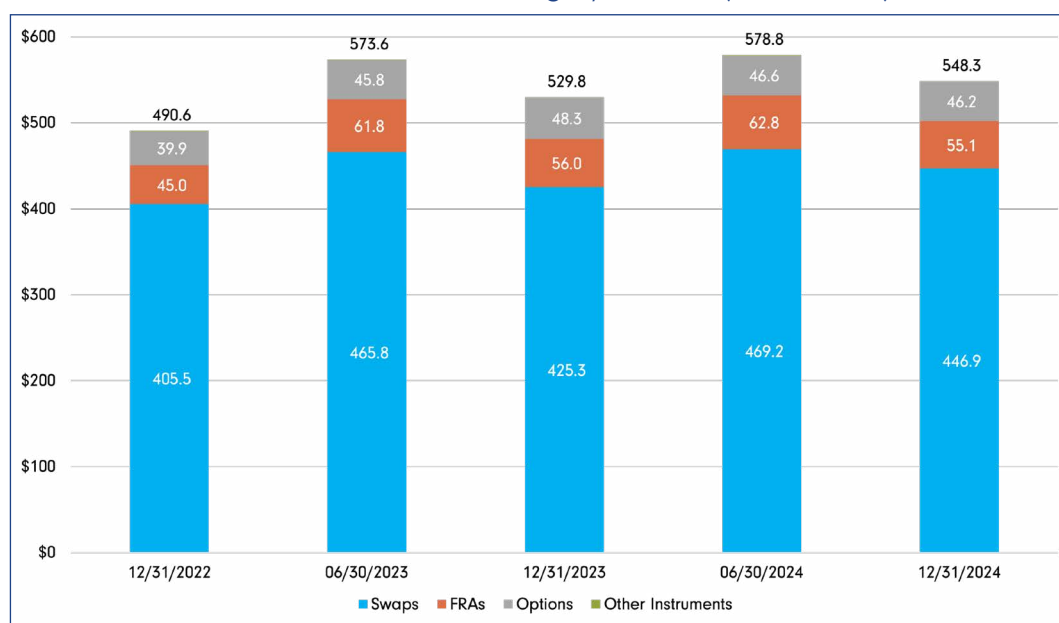
INTEREST RATE DERIVATIVES

Global Notional Outstanding

IRD notional outstanding totaled \$548.3 trillion and accounted for 78.4% of global OTC derivatives notional outstanding at year-end 2024. IRD notional outstanding increased by 3.5% versus year-end 2023 and dropped by 5.3% compared to mid-year 2024 (see Chart 1).

Interest rate swaps (IRS) notional outstanding grew by 5.1% to \$446.9 trillion and accounted for 81.5% of total IRD notional outstanding, while forward rate agreement (FRA) notional outstanding dropped by 1.6%. FRAs and options notional outstanding was \$55.1 trillion and \$46.2 trillion, respectively (see Chart 7).

Chart 7: Global IRD Notional Outstanding by Product (US\$ trillions)



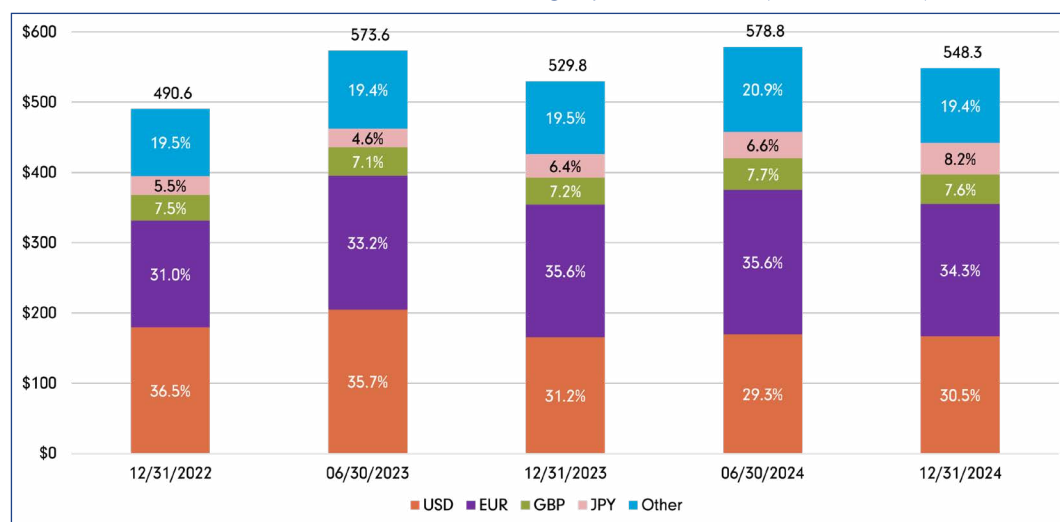
Source: BIS OTC Derivatives Statistics

Euro-denominated IRD notional outstanding fell by 0.4% to \$188.0 trillion and comprised 34.3% of total IRD notional outstanding at year-end 2024 compared to 35.6% the year before.

US-dollar-denominated IRD notional outstanding rose by 1.0% to \$167.0 trillion, accounting for 30.5% of total IRD notional outstanding at the end of 2024 versus 31.2% at year-end 2023.

Sterling-denominated IRD notional outstanding rose by 9.3% to \$41.9 trillion and represented 7.6% of total notional outstanding compared to 7.2% at the end of 2023 (see Chart 8).

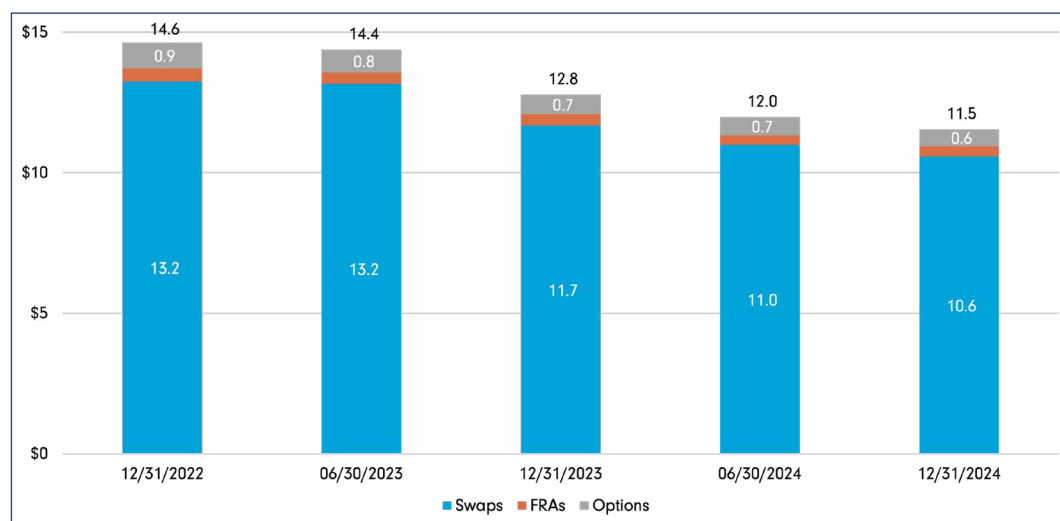
Chart 8: Global IRD Notional Outstanding by Currencies (US\$ trillions)



Source: BIS OTC Derivatives Statistics

The gross market value of IRD fell by 9.7% to \$11.5 trillion at year-end 2024 compared to \$12.8 trillion at year-end 2023. IRS gross market value declined by 9.4% to \$10.6 trillion compared to \$11.7 trillion, while FRAs and options gross market value dropped by 9.1% and 14.1%, respectively (see Chart 9).

Chart 9: Global IRD Gross Market Value by Product (US\$ trillions)



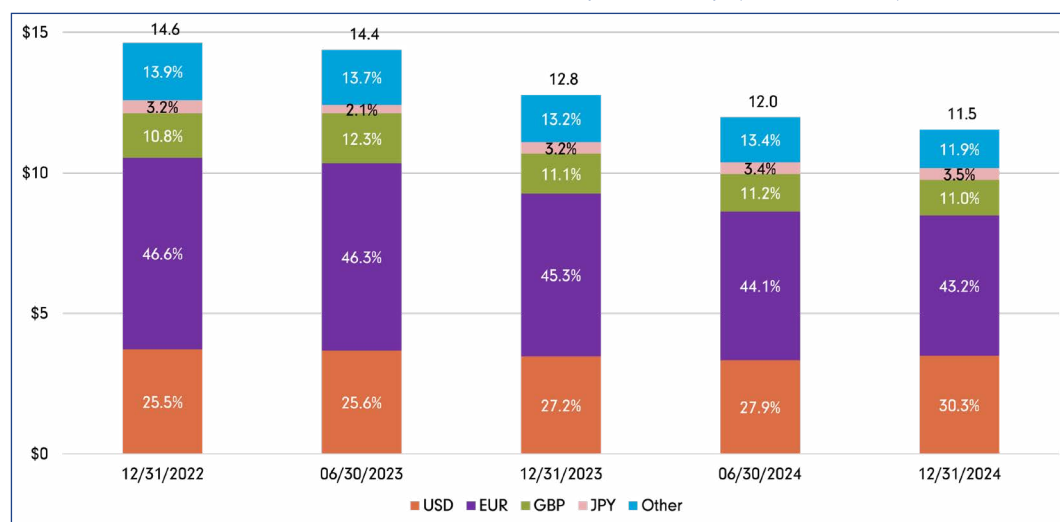
Source: BIS OTC Derivatives Statistics

Euro-denominated IRD gross market value dropped by 13.9% to \$5.0 trillion from \$5.8 trillion and accounted for 43.2% of total gross market value.

US-dollar-denominated IRD gross market value rose by 0.8% to \$3.5 trillion and comprised 30.3% of total IRD gross market value versus 27.2% at year-end 2023.

Sterling-denominated IRD gross market value declined by 10.6% to \$1.3 trillion and made up 11.0% of total gross market value versus 11.1% at the end of 2023 (see Chart 10).

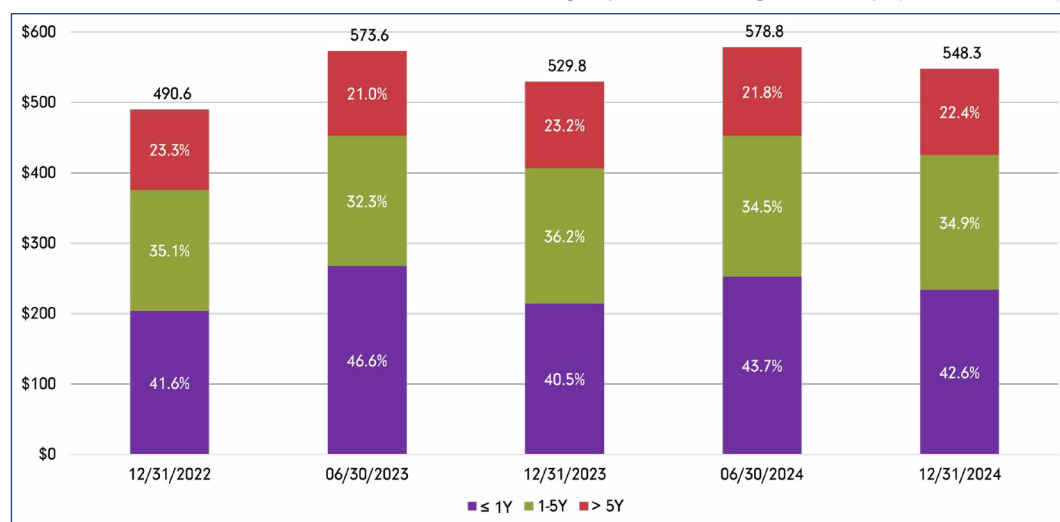
Chart 10: Global IRD Gross Market Value by Currency (US\$ trillions)



Source: BIS OTC Derivatives Statistics

IRD contracts with a remaining maturity up to and including one year totaled \$233.8 trillion and accounted for 42.6% of global IRD notional outstanding. IRD notional outstanding with a remaining maturity over one year and up to five years was \$191.3 trillion (34.9% of total notional outstanding) and contracts with a remaining maturity over five years totaled \$123.1 trillion (22.4% of total notional outstanding) (see Chart 11).

Chart 11: Global IRD Notional Outstanding by Remaining Maturity (US\$ trillions)

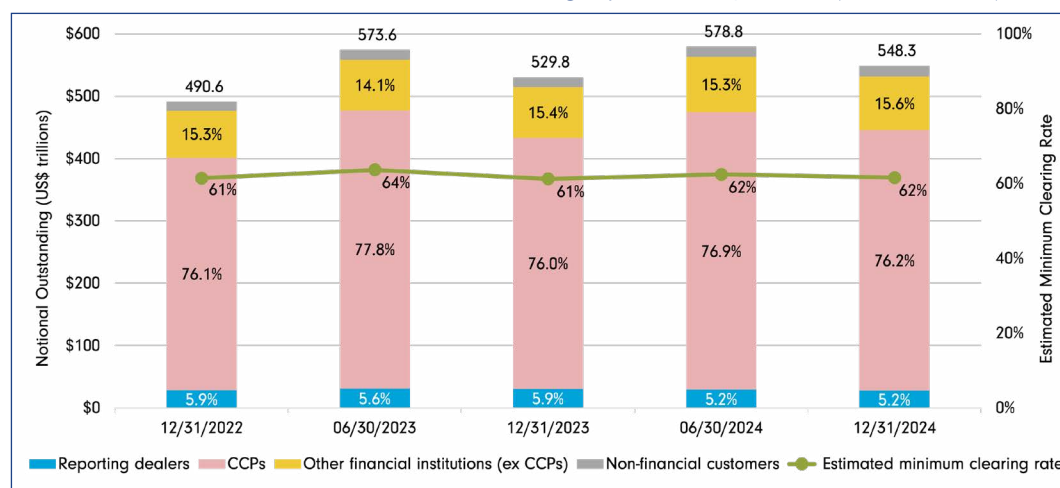


Source: BIS OTC Derivatives Statistics

The share of IRD notional cleared by CCPs was 76.2% in the second half of 2024, totaling \$418.0 trillion. The estimated minimum clearing rate for IRD was 61.6% compared to 61.2% at year-end 2023⁷ (see Chart 12).

⁷ The estimated minimum clearing rate adjusts for potential double-counting of interdealer trades novated to CCPs. It is calculated as $(CCP / 2) / (1 - (CCP / 2))$, where CCP represents the share of notional amounts outstanding that dealers report against CCPs. The true clearing rate is likely to be higher as many trades will be initiated with CCPs

Chart 12: Global IRD Notional Outstanding by Counterparties (US\$ trillions)



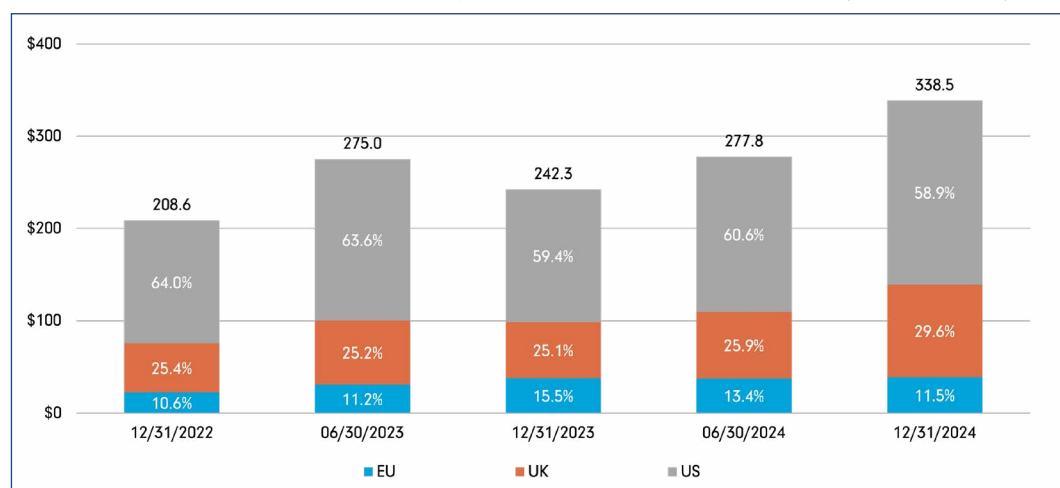
Source: BIS OTC Derivatives Statistics

IRD Trading Activity Reported in the EU, UK and US

ISDA SwapsInfo data shows that trading in IRD products reported in the EU, UK and US increased by 39.8% to \$338.5 trillion in the second half of 2024 from \$242.3 trillion a year earlier⁸.

US-reported IRD traded notional accounted for 58.9% of combined EU, UK and US traded notional, while the EU and UK comprised 11.5% and 29.6%, respectively (see Chart 13).

Chart 13: IRD Traded Notional Reported in the EU, UK and US (US\$ trillions)



Source: DTCC SDR, European APAs and TVs

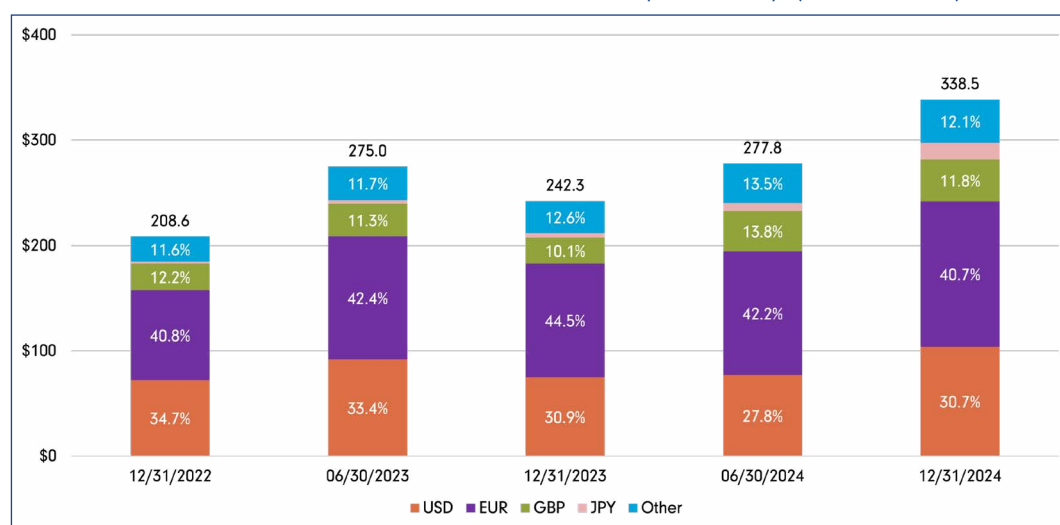
Euro-denominated IRD traded notional totaled \$137.9 trillion in the second half of 2024, up by 27.8% compared to the second half of 2023. Euros represented 40.7% of total IRD traded notional in the second half of 2024 compared to 44.5% a year earlier.

⁸ US interest rate derivatives (IRD) trading activity is measured using data from the Depository Trust & Clearing Corporation's (DTCC) swap data repository (SDR). This data includes only transactions that are subject to reporting requirements under US Commodity Futures Trading Commission (CFTC) regulations. European IRD trading activity is measured based on traded notional reported by approved publication arrangements (APAs) and trading venues (TVs) in the EU and UK. The most recent data on IRD trading activity is available on the ISDA SwapsInfo website <http://swapsinfo.org>

US-dollar-denominated IRD traded notional rose by 38.7% to \$104.0 trillion and accounted for 30.7% of total IRD traded notional versus 30.9% the year before.

Sterling-denominated IRD traded notional increased by 62.8% to \$40.0 trillion and comprised 11.8% of total IRD traded notional compared to 10.1% in the second half of 2023 (see Chart 14).

Chart 14: EU, UK and US IRD Traded Notional by Currency (US\$ trillions)



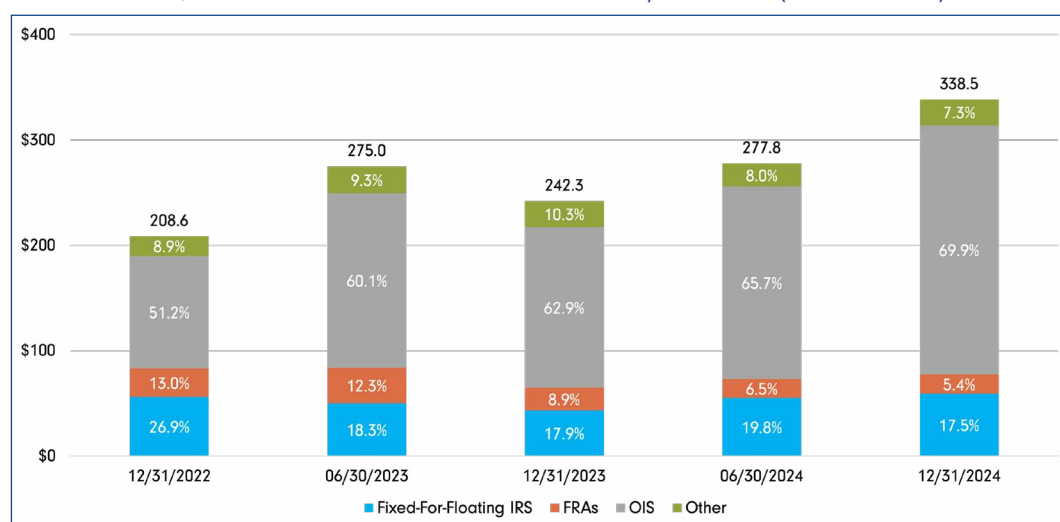
Source: DTCC SDR, European APAs and TVs

OIS traded notional rose by 55.2% to \$236.5 trillion in the second half of 2024 from \$152.4 trillion in the second half of 2023 and represented 69.9% of total EU, UK and US traded notional.

Fixed-for-floating IRS traded notional increased by 36.6% to \$59.3 trillion from \$43.4 trillion and comprised 17.5% of combined EU, UK and US traded notional.

FRA traded notional fell by 15.5% to \$18.2 trillion from \$21.5 trillion and made up 5.4% of combined EU, UK and US traded notional (see Chart 15).

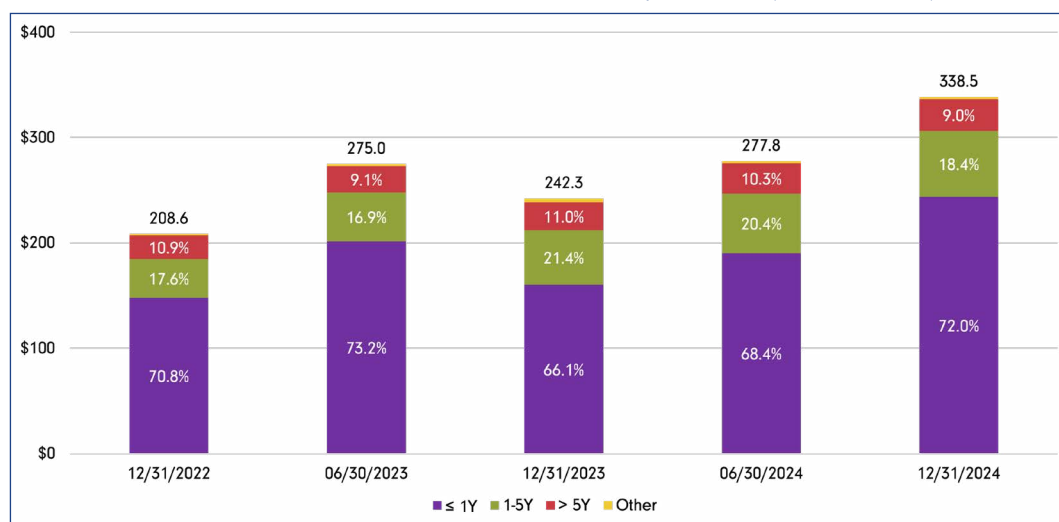
Chart 15: EU, UK and US IRD Traded Notional by Product (US\$ trillions)



Source: DTCC SDR, European APAs and TVs

In the second half of 2024, 72.0% of combined IRD trading was in contracts with a tenor up to and including one year compared to 66.1% in the second half of 2023⁹. Contracts with a tenor over one year and up to five years accounted for 18.4% of total IRD traded notional, while contracts with a tenor over five years totaled 9.0% (see Chart 16).

Chart 16: EU, UK and US IRD Traded Notional by Tenor¹⁰ (US\$ trillions)



Source: DTCC SDR, European APAs and TVs

⁹ Tenor is calculated as the difference between the effective date and the end date

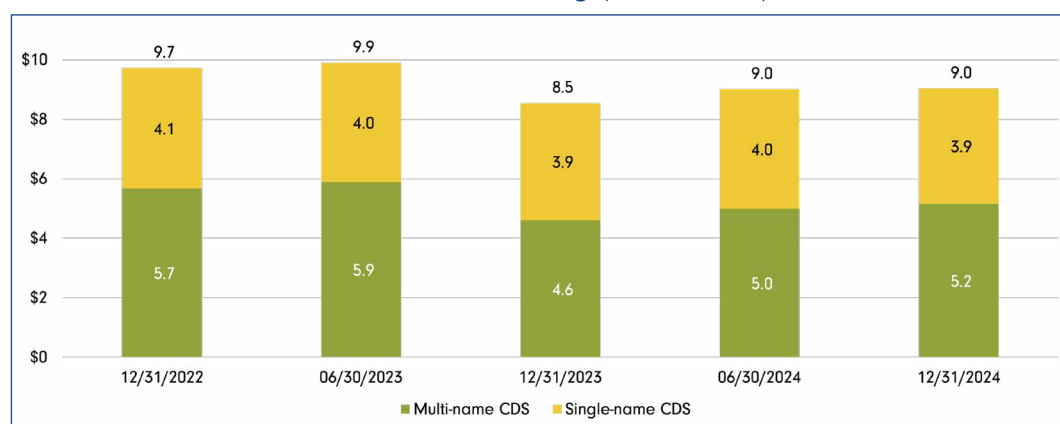
¹⁰ The 'other' category includes transactions that don't have tenor data specified in the database

CREDIT DERIVATIVES

Global Notional Outstanding

According to BIS data, global credit default swaps (CDS) notional outstanding (including single- and multiple-name CDS) totaled \$9.0 trillion at year-end 2024, up by 5.8% versus year-end 2023 and an increase of 0.4% compared to mid-year 2024. Single-name CDS notional dropped by 1.4% versus the end of 2023 to \$3.9 trillion, while multiple-name CDS notional grew by 12.0% to \$5.2 trillion (see Chart 17).

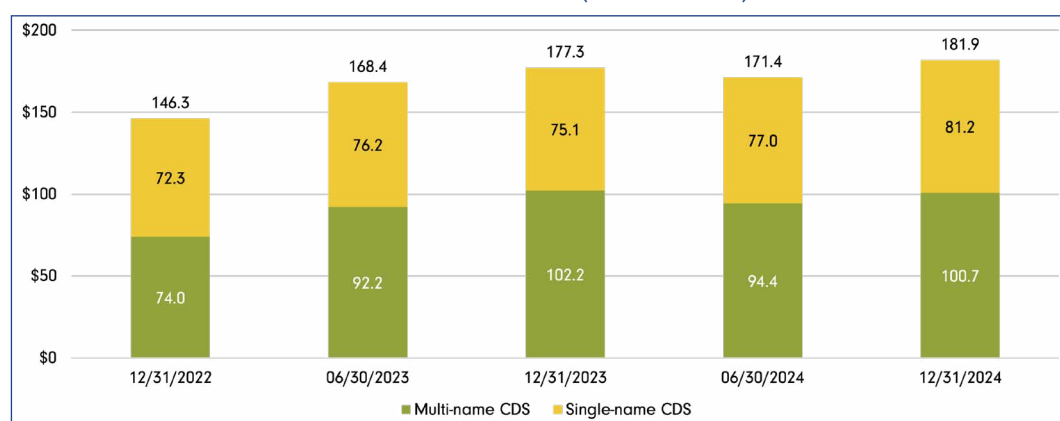
Chart 17: Global CDS Notional Outstanding (US\$ trillions)



Source: BIS OTC Derivatives Statistics

The gross market value of CDS rose by 2.6% to \$181.9 billion at year-end 2024 from \$177.3 billion at year-end 2023. Single-name CDS gross market value grew by 8.1% to \$81.2 billion from \$75.1 billion over the same period. Multiple-name CDS notional declined by 1.4% to \$100.7 billion from \$102.2 billion (see Chart 18).

Chart 18: Global CDS Gross Market Value (US\$ billions)

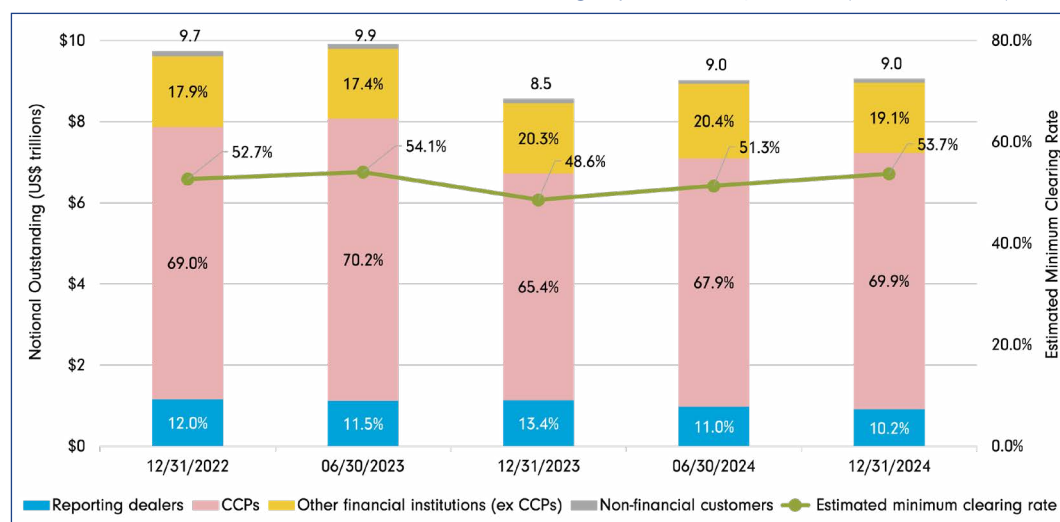


Source: BIS OTC Derivatives Statistics

The share of CDS notional outstanding cleared by CCPs was 69.9% and totaled \$6.3 trillion in the second half of 2024. The estimated minimum clearing rate for CDS contracts increased to 53.7% compared to 48.6%¹¹ (Chart 19).

¹¹ The estimated minimum clearing rate adjusts for potential double-counting of interdealer trades novated to CCPs. It is calculated as $(CCP / 2) / (1 - (CCP / 2))$, where CCP represents the share of notional amounts outstanding that dealers report against CCPs. The true clearing rate is likely to be higher as many trades will be initiated with CCPs

Chart 19: Global CDS Notional Outstanding by Counterparties (US\$ trillions)



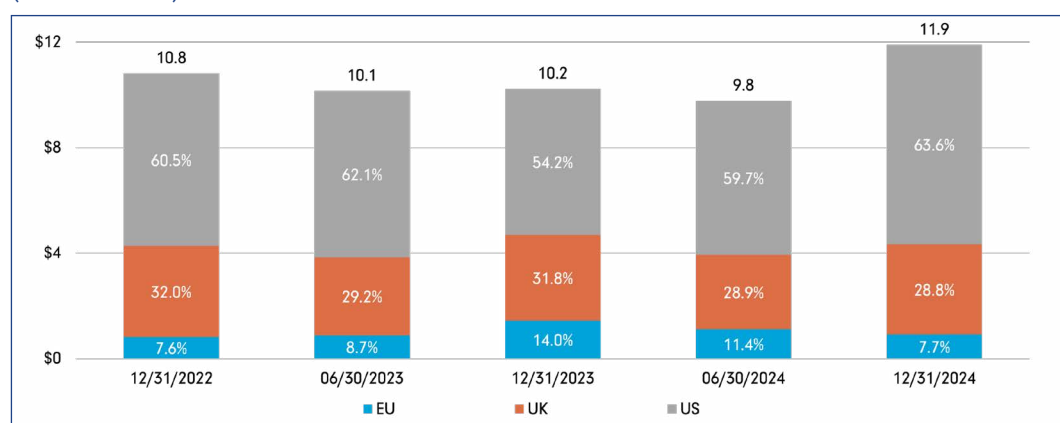
Source: BIS OTC Derivatives Statistics

Credit Derivatives Trading Activity Reported in the EU, UK and US

Credit derivatives traded notional reported in the EU, UK and US grew by 16.3% to \$11.9 trillion in the second half of 2024 from \$10.2 trillion in the second half of 2023. The share of credit derivatives trading reported in the US rose to 63.6% from 54.2% of combined traded notional¹².

The share of activity reported in the UK remained relatively steady at 28.8% and the proportion of trades reported in the EU declined to 7.7% from 14.0%¹³ (see Chart 20).

Chart 20: Credit Derivatives Traded Notional Reported in the EU, UK and US (US\$ trillions)



Source: DTCC SDR, DTCC and ICE Trade Vault SBSDRs, European APAs and TVs

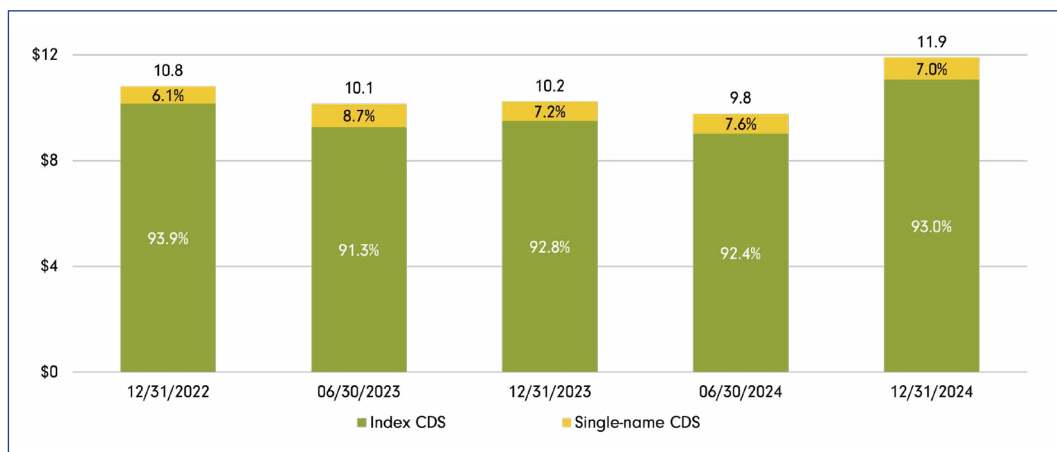
¹¹ The estimated minimum clearing rate adjusts for potential double-counting of interdealer trades novated to CCPs. It is calculated as $(CCP / 2) / (1 - (CCP / 2))$, where CCP represents the share of notional amounts outstanding that dealers report against CCPs. The true clearing rate is likely to be higher as many trades will be initiated with CCPs

¹² US data includes index credit derivatives transactions reported to the DTCC's SDR under CFTC regulations and security-based credit derivatives reported to the DTCC's security-based swap data repository and ICE Trade Vault under US Securities and Exchange Commission requirements. The reporting of security-based swap transactions started in February 2022

¹³ European credit derivatives trading activity is measured by credit derivatives traded notional reported by APAs and TVs in the EU and UK. Data includes index credit derivatives and single-name credit default swaps transactions

Index CDS consistently accounted for more than 90% of EU, UK and US CDS traded notional. In the second half of 2024, index CDS made up 93.0% of combined traded notional and single-name CDS transactions accounted for 7.0% (see Chart 21).

Chart 21: EU, UK and US Credit Derivatives Traded Notional by Product (US\$ trillions)



Source: DTCC SDR, DTCC and ICE Trade Vault SBSDRs, European APAs and TVs

ISDA HAS RECENTLY PUBLISHED OTHER RESEARCH PAPERS:

Credit Derivatives Trading Activity Reported in EU, UK and US Markets: First Quarter of 2025

<https://www.isda.org/2025/07/01/credit-derivatives-trading-activity-reported-in-eu-uk-and-us-markets-first-quarter-of-2025/>

Developments in the Interest Rate Derivatives Markets in Mainland China and Hong Kong

<https://www.isda.org/2025/06/24/developments-in-the-interest-rate-derivatives-markets-in-mainland-china-and-hong-kong/>

Interest Rate Derivatives Trading in the US, EU and UK: Growth, Structural Shifts and the Rise of OIS

<https://www.isda.org/2025/06/18/interest-rate-derivatives-trading-in-the-us-eu-and-uk-growth-structural-shifts-and-the-rise-of-ois/>

FOR QUESTIONS ON ISDA RESEARCH, PLEASE CONTACT:

Olga Roman
Head of Research
oroman@isda.org

Adam Perlaky
Director of Research
aperlaky@isda.org

Melissa Yu
Assistant Director of Research
hyu@isda.org

ABOUT ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 76 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 [LinkedIn](#) and [YouTube](#).