SwapsInfo Full Year 2019 and Fourth Quarter of 2019 Review

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

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 and Bloomberg swap data repositories (SDRs). This report covers only trades required to be disclosed under US regulations.
KEY HIGHLIGHTS FOR THE FULL YEAR 2019 AND THE FOURTH QUARTER OF 2019

Interest Rate Derivatives

IRD traded notional and trade count continued to increase in 2019. IRD traded notional and trade count rose by 7.9% and 12.5%, respectively, compared with 2018. Single currency fixed-for-floating interest rate swaps (IRS) traded notional decreased by 1.3%, while forward rate agreements (FRAs) and overnight index swaps (OIS) traded notional grew by 13.2% and 21.8%, respectively, in 2019 compared with the prior year.

In the full year 2019:

• IRD traded notional increased to $255.3 trillion from $236.6 trillion in 2018. Trade count grew to 1.5 million from 1.3 million over the same period. Single currency fixed-for-floating IRS traded notional decreased to $72.1 trillion from $73.1 trillion. FRA traded notional rose to $88.1 trillion from $77.8 trillion, and OIS traded notional increased to $64.7 trillion in 2019 from $53.1 trillion in 2018.

• Single currency fixed-for-floating IRS accounted for 64.0% of total IRD trades but represented only 28.2% of IRD traded notional in 2019. FRAs and OIS represented 34.5% and 25.3% of traded notional and 15.1% and 6.0% of total trade count, respectively.

• Cleared IRD transactions represented 88.9% of total traded notional compared with 88.1% in 2018. 95.8% of fixed-for-floating IRS, 99.5% of FRA, 96.0% of OIS and 26.9% of other IRD traded notional was cleared in 2019.

• SEF-traded IRD represented 56.6% of total traded notional compared with 55.8% in 2018. 58.5% of fixed-for-floating IRS, 80.2% of FRA, 31.6% of OIS and 36.7% of other IRD traded notional was executed on SEFs in 2019.

• IRD contracts denominated in US dollars contributed 66.2% of traded notional and 53.1% of trade count. Euro-denominated transactions accounted for 13.0% of traded notional and 15.2% of trade count. Sterling-denominated transactions totaled 7.5% and 7.8% of total IRD traded notional and trade count, respectively.
• Traded notional for fixed-for-floating IRS contracts denominated in US dollars decreased by 6.9%, while US dollar-denominated FRAs and OIS contracts increased by 15.1% and 7.5%, respectively, compared with 2018. Euro-denominated IRS decreased by 3.8%, while euro-denominated FRAs and OIS increased by 6.6% and 38.5%, respectively.

In the fourth quarter of 2019:

• IRD traded notional declined to $48.3 trillion from $56.9 trillion in the fourth quarter of 2018. Trade count grew to 338.7 thousand from 321.4 thousand over the same period. Single currency fixed-for-floating IRS traded notional decreased to $14.6 trillion from $19.3 trillion. FRA traded notional dropped to $14.7 trillion from $16.6 trillion and OIS traded notional decreased to $12.5 trillion in the fourth quarter of 2019 from $13.3 trillion in the fourth quarter of 2018.

• Single currency fixed-for-floating IRS accounted for 65.3% of total IRD trades but represented only 30.3% of IRD traded notional in the fourth quarter of 2019. FRAs and OIS represented 30.4% and 25.9% of traded notional and 12.4% and 6.1% of total trade count, respectively.

• Cleared IRD transactions represented 87.4% of total traded notional and 81.9% of trade count. 95.3% of fixed-for-floating IRS, 99.1% of FRA, 95.8% of OIS and 26.2% of other IRD traded notional was cleared in the fourth quarter of 2019.

• SEF-traded swaps represented 52.0% of total traded notional and 59.2% of trade count. 57.7% of fixed-for-floating IRS, 75.7% of FRA, 27.1% of OIS and 33.5% of other IRD traded notional was executed on SEFs in the fourth quarter of 2019.

• IRD contracts denominated in US dollars contributed 64.0% of traded notional and 51.7% of trade count. Euro-denominated transactions accounted for 11.7% of traded notional and 14.8% of trade count. Sterling-denominated transactions totaled 9.7% and 8.5% of total IRD traded notional and trade count, respectively.

• Traded notional for fixed-for-floating IRS, FRA and OIS contracts denominated in US dollars decreased by 36.6%, 12.0% and 11.2%, respectively, compared with the fourth quarter of 2018. Euro-denominated IRS and OIS decreased by 24.9% and 38.1%, respectively, while euro-denominated FRAs increased by 0.8%.
Credit Derivatives

Credit derivatives traded notional and trade count decreased by 11.5% and 8.3%, respectively, in 2019 compared to 2018. There was less trading activity across all major indices, including CDX HY, CDX IG and iTraxx Europe.

In the full year 2019:

- Credit derivatives traded notional decreased to $8.4 trillion in 2019 from $9.5 trillion in 2018. Trade count dropped to 231.2 thousand from 252.3 thousand over the same period. CDX HY traded notional declined by 10.9% to $1.4 billion in 2019 from $1.6 billion in 2018, and CDX IG traded notional decreased by 3.4% to $3.1 trillion from $3.3 trillion over the same time frame. iTraxx Europe traded notional decreased by 15.2% to $1.5 trillion in 2019 from $1.7 trillion in 2018.

- CDX HY and CDX IG represented 16.5% and 37.2% of traded notional and 28.7% and 24.8% of total trade count, respectively. iTraxx Europe accounted for 17.5% of total credit derivatives traded notional and 13.2% of total trade count.

- Cleared transactions represented 80.0% of total traded notional and 80.6% of trade count. 97.5% of CDX HY, 98.8% of CDX IG, 92.9% of iTraxx Europe and 37.7% of other credit derivatives traded notional was cleared.

- SEF-traded credit derivatives represented 76.6% of total traded notional and 78% of trade count. 96.7% of CDX HY, 97.9% of CDX IG, 89.6% of iTraxx Europe and 29.6% of other credit derivatives traded notional was executed on SEFs.

- Credit derivatives contracts denominated in US dollars represented 70.8% of traded notional and 72.0% of trade count. Euro-denominated transactions accounted for 28.8% and 27.4% of traded notional and trade count, respectively.

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1 Credit derivatives mostly comprise CDS indices, but also include CDS index tranches, credit swaptions, exotic products, total return swaps and an insignificant amount of single-name CDS
In the fourth quarter of 2019:

- Credit derivatives traded notional decreased to $1.7 trillion from $2.7 trillion in the fourth quarter of 2018. Trade count dropped to 47.7 thousand from 73.1 thousand over the same period. CDX HY traded notional decreased by 44.6% to $285.4 billion from $515.3 billion in the fourth quarter of 2018. CDX IG traded notional decreased by 38.4% to $611.2 billion from $992.3 billion in the fourth quarter of 2018. iTraxx Europe traded notional declined by 28.3% to $286.8 billion in the fourth quarter of 2019 from $400.0 billion in the fourth quarter of 2018.

- CDX HY and CDX IG represented 16.6% and 35.6% of traded notional and 28.3% and 24.5% of total trade count, respectively. iTraxx Europe accounted for 16.7% of total credit derivatives traded notional and 12.0% of total trade count.

- Cleared transactions represented 77.4% of total traded notional and 78.5% of trade count. 96.8% of CDX HY, 98.2% of CDX IG, 92.0% of iTraxx Europe and 35.1% of other credit derivatives traded notional was cleared.

- SEF-traded credit derivatives represented 73.9% of total traded notional and 76.0% of trade count. 95.5% of CDX HY, 97.4% of CDX IG, 88.9% of iTraxx Europe and 27.4% of other credit derivatives traded notional was executed on SEFs.

- Credit derivatives contracts denominated in US dollars represented 71.7% of total traded notional and 71.7% of trade count. Euro-denominated transactions accounted for 28.0% and 27.7% of traded notional and trade count, respectively.
INTEREST RATE DERIVATIVES

During the fourth quarter of 2019, IRD traded notional declined by 15.1% to $48.3 trillion from $56.9 trillion in the fourth quarter of 2018 (see Chart 1). Trade count grew by 5.4% over the same period to 338.7 thousand from 321.4 thousand.

Chart 1: IRD Traded Notional and Trade Count

In the full year 2019, IRD traded notional increased by 7.9% to $255.3 trillion from $236.6 trillion in 2018. Trade count increased by 12.5% to 1.5 million from 1.3 million over the same period.

IRD Product Taxonomy

Single currency fixed-for-floating IRS accounted for 65.3% of total IRD trade count in the fourth quarter of 2019, but represented only 30.3% of IRD traded notional (see Chart 2). FRAs and OIS represented 30.4% and 25.9% of total traded notional and 12.4% and 6.1% of trade count, respectively.

Chart 2: IRD Traded Notional and Trade Count by Product

Source: DTCC and Bloomberg SDRs
As shown in Charts 3 and 4, fixed-for-floating IRS traded notional decreased by 24.0% from $19.3 trillion in the fourth quarter of 2018 to $14.6 trillion in the fourth quarter of 2019. IRS trade count increased by 1.4% from 218.3 thousand to 221.3 thousand over the same period. Over the full year, IRS traded notional decreased by 1.3% to $72.1 trillion from $73.1 trillion in 2018. Trade count grew by 9.8% from 869.4 thousand to 954.6 thousand over the same period.

FRA traded notional decreased by 11.6% from $16.6 trillion in the fourth quarter of 2018 to $14.7 trillion in the fourth quarter of 2019. Trade count increased by 11.8% from 37.6 thousand to 42.0 thousand over the same period. In 2019, FRA traded notional increased by 13.2% to $88.1 trillion from $77.8 trillion in 2018. Trade count increased by 19.5% from 188.7 thousand to 225.5 thousand over the same period.

OIS traded notional decreased by 5.8% from $13.3 trillion in the fourth quarter of 2018 to $12.5 trillion in the fourth quarter of 2019. Over the full year, traded notional grew by 21.8% to $64.7 trillion from $53.1 trillion in 2018. OIS trade count increased by 14.9% in the fourth quarter of 2019 compared with the fourth quarter of 2018, and increased by 27.6% in 2019 versus 2018.

Chart 3: IRD Traded Notional by Product (US$ trillions)

[Chart Image]

Source: DTCC and Bloomberg SDRs

Chart 4: IRD Trade Count by Product (thousands)

[Chart Image]

Source: DTCC and Bloomberg SDRs
IRD Average Daily Traded Notional, Trade Count and Trade Size

In the fourth quarter of 2019, fixed-for-floating IRS average daily traded notional decreased by 24.0% compared with the fourth quarter of 2018 and totaled $221.8 billion. Fixed-for-floating IRS average daily trade count increased by 1.4%, while average trade size decreased by 25.3%.

FRA average daily traded notional totaled $225.8 billion in the fourth quarter of 2019, 11.6% lower compared with the fourth quarter of 2018. FRA average daily trade count increased by 11.8%, while average trade size decreased by 14.5%.

OIS average daily traded notional was $192.9 billion in the fourth quarter of 2019, a 5.8% decrease compared with the fourth quarter of 2018. OIS average daily trade count increased by 14.9%, while trade size decreased by 19.1% over the same period.

Table 1: IRD Average Daily Traded Notional, Daily Trade Count and Trade Size

<table>
<thead>
<tr>
<th></th>
<th>Average Daily Traded Notional (US$ billions)</th>
<th>Average Daily Trade Count</th>
<th>Average Trade Size (US$ millions)</th>
</tr>
</thead>
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<tr>
<td></td>
<td>IRS</td>
<td>FRAs</td>
<td>OIS</td>
</tr>
<tr>
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<td>221.8</td>
<td>225.8</td>
<td>192.9</td>
</tr>
<tr>
<td>Q4 2018</td>
<td>291.9</td>
<td>255.4</td>
<td>204.7</td>
</tr>
<tr>
<td>Q4 2019 vs. Q4 2018</td>
<td>-24.0%</td>
<td>-11.6%</td>
<td>-5.8%</td>
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<tr>
<td>Full Year 2019</td>
<td>277.9</td>
<td>343.8</td>
<td>249.5</td>
</tr>
<tr>
<td>Full Year 2018</td>
<td>279.9</td>
<td>303.3</td>
<td>204.9</td>
</tr>
<tr>
<td>2019 vs. 2018</td>
<td>-0.7%</td>
<td>13.3%</td>
<td>21.7%</td>
</tr>
</tbody>
</table>

Source: DTCC and Bloomberg SDRs

IRD Central Clearing

Cleared IRD transactions represented 87.4% of total IRD traded notional and 81.9% of trade count during the fourth quarter of 2019 (see Chart 5). IRD cleared notional and total trade count equalled $42.2 trillion and 277.5 thousand, respectively.

Chart 5: IRD Cleared Traded Notional and Trade Count

Source: DTCC and Bloomberg SDRs
IRD cleared notional decreased by 16.4% from $50.5 trillion in the fourth quarter of 2018 to $42.2 trillion in the fourth quarter of 2019 (see Chart 6). Cleared trade count grew by 4.1% over the same period, from 266.4 thousand to 277.5 thousand. IRD non-cleared notional fell from $6.4 trillion in the fourth quarter of 2018 to $6.1 trillion in the fourth quarter of 2019, a decline of 4.9%. Trade count increased by 11.4% over the same period, from 55.0 thousand to 61.2 thousand.

Over the full year, IRD cleared notional increased by 9.0% from $208.3 trillion in 2018 to $227.0 trillion last year. Trade count grew by 14.2% from 1.1 million to 1.2 million over the same period. IRD non-cleared notional rose by 0.3% to $28.3 trillion in 2019. Trade count increased by 4.8% from 239.4 thousand to 250.9 thousand year-over-year.

As shown in Chart 7, $14.0 trillion (95.3%) of fixed-for-floating IRS traded notional was cleared and $681.3 billion was non-cleared in the fourth quarter of 2019. The notional amount of cleared FRAs and OIS totaled $14.6 trillion (99.1%) and $12.0 trillion (95.8%), respectively. $1.7 trillion (26.2%) of other IRD products notional was cleared and $4.8 trillion was non-cleared.

In 2019, $69.1 trillion (95.8%) of fixed-for-floating IRS traded notional was cleared and $3.0 trillion was non-cleared. $87.6 trillion (99.5%) of FRAs and $62.1 trillion (96.0%) of OIS was cleared. $8.2 trillion (26.9%) of other IRD products notional was cleared and $22.2 trillion was non-cleared.
IRD Trading Venue

SEF-traded IRD represented 52.0% of total IRD traded notional and 59.2% of trade count in the fourth quarter of 2019 (see Chart 8). Total IRD traded notional executed on SEFs was $25.1 trillion, while $23.2 trillion was executed off-SEF. 200.4 thousand transactions were executed on SEFs and 138.3 thousand occurred off-SEF.

Chart 8: SEF and Off-SEF IRD Traded Notional and Trade Count

IRD traded notional executed on SEFs dropped by 16.1% in the fourth quarter of 2019 compared with the fourth quarter of 2018, from $29.9 trillion to $25.1 trillion (see Chart 9). The number of trades executed on SEFs increased by 1.6% from 197.3 thousand to 200.4 thousand over the same period. IRD traded notional executed off-SEF decreased by 14.1% from $27.0 trillion in the fourth quarter of 2018 to $23.2 trillion in the fourth quarter of 2019. The number of transactions increased by 11.5% over the same period, from 124.1 thousand to 138.3 thousand.

In the full year 2019, IRD traded notional executed on SEFs rose by 9.5% to $144.5 trillion from $132.0 trillion in 2018. Trade count increased by 11.1% from 818.9 thousand to 910.5 thousand over the same period. IRD traded notional executed off-SEF grew by 6.0% from $104.6 trillion in 2018 to $110.8 trillion in 2019. The number of transactions increased by 14.7% over the same period, from 506.9 thousand to 581.2 thousand.

Chart 9: SEF and Off-SEF IRD Traded Notional and Trade Count

Source: DTCC and Bloomberg SDRs
In the fourth quarter of 2019, $8.4 trillion (57.7%) of fixed-for-floating IRS was traded on SEFs and $6.2 trillion was executed off-SEF. $11.1 trillion (75.7%) of FRAs was executed on SEFs and $3.6 trillion was traded off-SEF. $3.4 trillion (27.1%) of OIS was executed on SEFs and $9.1 trillion occurred off-SEF (Chart 10).

In the full year 2019, $42.2 trillion (58.5%) of fixed-for-floating IRS was traded on SEFs and $30.0 trillion was executed off-SEF. $70.7 trillion (80.2%) of FRAs was executed on SEFs and $17.4 trillion was traded off-SEF. $20.4 trillion (31.6%) of OIS was executed on SEFs and $44.2 trillion occurred off-SEF.

Chart 10: SEF and Off-SEF IRD Traded Notional and Trade Count

Source: DTCC and Bloomberg SDRs
IRD by Currency

IRD contracts denominated in US dollars remained the most actively traded IRD instruments. US dollar-denominated IRD contributed 64.0% of total traded notional and 51.7% of trade count in the fourth quarter of 2019 (see Chart 11). Euro-denominated transactions accounted for 11.7% of total traded notional and 14.8% of trade count. Sterling-denominated transactions contributed 9.7% and 8.5% of total IRD traded notional and trade count, respectively.

Chart 11: IRD Traded Notional and Trade Count by Currency

As shown in Charts 12 and 13, US dollar- and euro-denominated IRD traded notional decreased by 20.4% and 21.2%, respectively, in the fourth quarter of 2019 versus the fourth quarter of 2018, while sterling- and yen-denominated IRD traded notional increased by 1.8% and 1.6% over the same period. US dollar-denominated traded notional totaled $30.9 trillion in the fourth quarter of 2019 compared with $38.8 trillion in the fourth quarter of 2018. Euro-denominated traded notional fell to $5.7 trillion in the fourth quarter of 2019 compared with $7.2 trillion in the fourth quarter of 2018. Traded notional for sterling- and yen-denominated trades totaled $4.7 trillion and $1.0 trillion, respectively, in the fourth quarter of 2019. Trade count decreased by 3.2% and 10.6% for US dollar- and yen-denominated trades, and increased by 22.6% and 19.0% for euro- and yen-denominated trades, respectively.

Over the full year, US dollar-denominated IRD traded notional increased by 4.2% from $162.2 trillion in 2018 to $169.0 trillion in 2019. Euro-denominated traded notional increased by 9.3% to $33.2 trillion from $30.4 trillion, sterling-denominated traded notional increased by 4.4% to $19.1 trillion, and yen-denominated traded notional grew by 15.1% to $4.4 trillion over the same period. Trade count increased by 7.7% for US dollar-denominated trades, 21.2% for euro-denominated trades, 26.1% for sterling-denominated trades and 7.2% for yen-denominated trades in 2019 compared with 2018.

Chart 12: IRD Traded Notional by Currency (US$ trillions)
US dollar-denominated fixed-for-floating IRS declined by 36.6% to $6.8 trillion in the fourth quarter of 2019 from $10.7 trillion in the fourth quarter of 2018 (see Chart 14). Euro-denominated fixed-for-floating IRS decreased by 24.8% to $2.4 trillion from $3.2 trillion over the same period. Sterling- and yen-denominated IRS totaled $1.1 trillion and $0.8 trillion, respectively, in the fourth quarter of 2019 compared with $1.2 trillion and $0.9 trillion in the fourth quarter of 2018.

US dollar-denominated FRAs decreased by 12.0% to $12.3 trillion in the fourth quarter of 2019 from $14.0 trillion in the fourth quarter of 2018, while euro-denominated FRAs grew by 0.8% to $1.4 trillion over the same period. Sterling-denominated FRAs decreased by 18.3% to $0.8 trillion in the fourth quarter of 2019 from $1.0 trillion in the fourth quarter of 2018.

US dollar-denominated OIS decreased by 11.2% to $6.8 trillion in the fourth quarter of 2019 from $7.7 trillion in the fourth quarter of 2018. Euro-denominated OIS decreased by 38.1% to $1.3 trillion from $2.0 trillion over the same period. Sterling-denominated OIS increased by 11.1% to $2.3 trillion in the fourth quarter of 2019 from $2.1 trillion in the fourth quarter of 2018.

**Chart 14: IRD Traded Notional by Currency and by Product (US$ trillions)**

Source: DTCC and Bloomberg SDRs
CREDIT DERIVATIVES

Credit derivatives traded notional decreased by 36.1% to $1.7 trillion in the fourth quarter of 2019 from $2.7 trillion in the fourth quarter of 2018 (see Chart 15). The number of trades declined by 34.8% to 47.7 thousand from 73.1 thousand over the same period.

Chart 15: Credit Derivatives Traded Notional and Trade Count

In the full year 2019, credit derivatives traded notional declined by 11.5% to $8.4 trillion from $9.5 trillion in 2018. Credit derivatives trade count decreased by 8.3% to 231.2 thousand from 252.3 thousand over the same period.

Credit Derivatives Product Taxonomy

In the fourth quarter of 2019, CDX HY and CDX IG represented 16.6% and 35.6% of traded notional and 28.3% and 24.5% of total trade count, respectively (see Chart 16). iTraxx Europe accounted for 16.7% of traded notional and 12.0% of trade count.

Chart 16: Credit Derivatives Traded Notional and Trade Count by Product

Source: DTCC and Bloomberg SDRs
CDX HY and CDX IG traded notional decreased by 44.6% and 38.4%, respectively, in the fourth quarter of 2019 versus the fourth quarter of 2018 (see Charts 17 and 18). CDX HY decreased to $285.4 billion from $515.3 billion, and CDX IG declined to $611.2 billion from $992.3 billion. Trade count decreased quarter-over-quarter by 42.1% for CDX HY and 34.1% for CDX IG. iTraxx Europe traded notional decreased by 28.3% to $286.8 billion in the fourth quarter of 2019 from $400.0 billion in the fourth quarter of 2018. Trade count dropped by 28.7% over the same period.

In the full year 2019, CDX HY traded notional decreased by 10.9% to $1.4 trillion from $1.6 trillion in 2018. CDX IG traded notional decreased by 3.4% over the same period to $3.1 trillion from $3.3 trillion. Trade count for CDX HY declined by 5.1%, while CDX IG grew by 0.8%. iTraxx Europe traded notional decreased by 15.2% to $1.5 trillion in 2019 compared with $1.7 trillion in 2018. Trade count decreased by 7.1% over the same period.

**Chart 17: Credit Derivatives Traded Notional By Product (US$ trillions)**

**Chart 18: Credit Derivatives Trade Count By Product (thousands)**
Credit Derivatives Average Daily Traded Notional, Trade Count and Trade Size

In the fourth quarter of 2019, average daily traded notional of CDX HY and CDX IG decreased by 42.8% and 38.4% compared with the fourth quarter of 2018 and totaled $4.6 billion and $9.7 billion, respectively. Average daily trade count of CDX HY dropped by 40.2% to 218, while average daily trade count of CDX IG declined by 34.1% to 185. Average trade size of CDX HY and CDX IG was $20.2 million and $51.3 million, respectively.

iTraxx Europe average daily traded notional decreased by 28.3% to $4.5 billion, and average daily trade count declined by 28.7% to 89. iTraxx Europe average trade size grew by 0.7% to $49.5 million in the fourth quarter of 2019 compared with $49.1 million in the fourth quarter of 2018.

| Table 2: Credit Derivatives Average Daily Traded Notional, Daily Trade Count and Trade Size |
|--------------------------------------|--|--|--|---|--|---|--|--|--|---|--|--|
|                                      | Average Daily Traded Notional (US$ billions) | Average Daily Trade Count | Average Trade Size (US$ millions) |
|                                      | CDX HY | CDX IG | iTraxx Europe | CDX HY | CDX IG | iTraxx Europe | CDX HY | CDX IG | iTraxx Europe |
| Q4 2019                              | 4.6    | 9.7    | 4.5           | 218    | 185    | 89           | 20.2   | 51.3   | 49.5           |
| Q4 2018                              | 8.1    | 15.8   | 6.2           | 365    | 281    | 125          | 21.5   | 54.5   | 49.1           |
| Q4 2019 vs. Q4 2018                  | -42.8% | -38.4% | -28.3%        | -40.2% | -34.1% | -28.7%       | -6.0%  | -6.0%  | 0.7%           |
| Full Year 2019                        | 5.6    | 12.5   | 5.8           | 265    | 228    | 121          | 20.1   | 53.2   | 47.1           |
| Full Year 2018                        | 6.2    | 13.0   | 6.9           | 276    | 227    | 130          | 21.5   | 55.3   | 51.4           |
| 2019 vs. 2018                         | -10.1% | -3.5%  | -15.0%        | -4.1%  | 0.8%   | -6.8%        | -6.6%  | -3.8%  | -8.4%          |

Source: DTCC and Bloomberg SDRs

Credit Derivatives Central Clearing

Credit derivatives cleared transactions represented 77.4% of traded notional and 78.5% of trade count during the fourth quarter of 2019 (see Chart 19). Traded notional and trade count of credit derivatives cleared transactions was $1.3 trillion and 37.4 thousand, respectively.

Chart 19: Credit Derivatives Cleared Traded Notional and Trade Count

Source: DTCC and Bloomberg SDRs
Credit derivatives cleared notional decreased by 39.9% to $1.3 trillion in the fourth quarter of 2019 from $2.2 trillion in the fourth quarter of 2018 (see Chart 20). Cleared trade count decreased by 38.6% over the same period to 37.4 thousand from 60.9 thousand. Non-cleared notional decreased by 19.0% to $388.2 billion in the fourth quarter of 2019 from $479.5 billion in the fourth quarter of 2018. Non-cleared trade count decreased by 15.5% over the same period.

In the full year 2019, credit derivatives cleared notional decreased by 14.5% to $6.7 trillion from $7.9 trillion in 2018. Cleared trade count declined by 11.0% to 186.5 thousand from 209.5 thousand over the same period. Non-cleared notional grew to $1.7 trillion in 2019, a 2.8% increase compared with $1.6 trillion in 2018. Non-cleared trade count rose by 4.7% to 44.8 thousand from 42.8 thousand over the same period.

**Chart 20: Credit Derivatives Cleared Notional and Trade Count**

In the fourth quarter of 2019, $276.4 billion (96.8%) of CDX HY and $600.5 billion (98.2%) of CDX IG was cleared and $9.1 billion and $10.7 billion, respectively, was non-cleared (see Chart 21). Cleared notional of iTraxx Europe totaled $263.8 billion (92.0%), while non-cleared notional was $23.0 billion. Only $186.8 billion (35.1%) of other credit derivatives traded notional was cleared and $345.5 billion was non-cleared.

In the full year 2019, $1.4 trillion (97.5%) of CDX HY and $3.1 trillion (98.8%) of CDX IG traded notional was cleared and $34.6 billion and $38.9 billion, respectively, was non-cleared. Cleared notional of iTraxx Europe totaled $1.4 trillion (92.9%). $911.1 billion (37.7%) of other credit derivatives traded notional was cleared and $1.5 trillion was non-cleared.
Credit Derivatives Trading Venue

SEF-traded credit derivatives represented 73.9% of total traded notional and 76.0% of trade count in the fourth quarter of 2019 (see Chart 22). Total credit derivatives traded notional executed on SEFs was $1.3 trillion, while $0.5 trillion was executed off-SEF. 36.2 thousand transactions were executed on SEFs and 11.5 thousand transactions were transacted off-SEF.

Chart 22: SEF and Off-SEF Credit Derivatives Traded Notional and Trade Count

Traded notional executed on SEFs decreased by 39.9% to $1.3 trillion in the fourth quarter of 2019 from $2.1 trillion the fourth quarter of 2018. The number of trades executed on SEFs decreased by 38.7% over the same period. Traded notional executed off-SEF decreased by 22.1% to $447.2 billion in the fourth quarter of 2019 from $574.2 billion in the fourth quarter of 2018. The number of transactions decreased by 18.3% over the same period (see Chart 23).

In the full year 2019, traded notional executed on SEFs declined by 13.9% to $6.5 trillion from $7.5 trillion in 2018. Trade count declined by 10.5% to 180.3 thousand from 201.4 thousand over the same period. Traded notional executed off-SEF fell by 2.5% to $2.0 trillion in 2019, while the number of transactions increased by 0.2%.
In the fourth quarter of 2019, $272.5 billion (95.5%) of CDX HY and $595.4 billion (97.4%) of CDX IG notional was traded on SEFs and $12.9 billion and $15.8 billion, respectively, was executed off-SEF (see Chart 24). $254.9 billion (88.9%) of iTraxx Europe traded notional was executed on SEFs and $31.9 billion occurred off-SEF. Only $145.7 billion (27.4%) of traded notional for other credit derivatives was executed on SEFs and $386.7 billion was traded off-SEF.

In the full year 2019, $1.4 trillion (96.7%) of CDX HY, $3.1 trillion (97.9%) of CDX IG and $1.3 trillion (89.6%) of iTraxx Europe notional was traded on SEFs. $715.7 billion (29.6%) of other credit derivatives traded notional was executed on SEFs and $1.7 trillion was traded off-SEF.
Credit Derivatives Currency

Credit derivatives contracts denominated in US dollars represented 71.7% of both traded notional and trade count in the fourth quarter of 2019 (see Chart 25). Euro-denominated transactions accounted for 28.0% and 27.7% of traded notional and trade count, respectively.

**Chart 25: Credit Derivatives Traded Notional and Trade Count by Currency**

![Pie chart showing Credit Derivatives Traded Notional and Trade Count by Currency](Source: DTCC and Bloomberg SDRs)

US dollar- and euro-denominated traded notional decreased by 37.1% and 34.0%, respectively, in the fourth quarter of 2019 compared with the fourth quarter of 2018. US dollar-denominated traded notional declined to $1.2 trillion in the fourth quarter of 2019 from $2.0 trillion in the fourth quarter of 2018. Euro-denominated traded notional declined to $480.1 billion from $726.9 billion over the same period. Trade count fell by 36.6% for US dollar-denominated trades and by 30.2% for euro-denominated trades over the same period (Chart 26).

In the full year 2019, US dollar-denominated traded notional dropped by 5.2% to $6.0 trillion from $6.3 trillion in 2018. Euro-denominated traded notional decreased by 24.3% to $2.4 trillion from $3.2 trillion over the same period. Trade count fell by 3.8% and 19.1% for US dollar- and euro-denominated transactions, respectively, in 2019 versus 2018. For other currencies, traded notional and trade count grew by 63.8% and 49.2%, respectively, over the same period.

**Chart 26: Credit Derivatives Traded Notional and Trade Count by Currency**

![Graph showing Credit Derivatives Traded Notional and Trade Count by Currency](Source: DTCC and Bloomberg SDRs)
ISDA has published other recent research papers:

- **Interest Rate Benchmarks Review: Full Year 2019 and the Fourth Quarter of 2019, January 2020**


- **SwapsInfo Third Quarter of 2019 and Year-to-September 30, 2019 Review, October 2019**

For questions on ISDA Research, please contact:
Olga Roman
Director of Research
International Swaps and Derivatives Association, Inc. (ISDA)
Office: 212-901-6017
oroman@isda.org

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