

# SwapsInfo Full Year 2019 and Fourth Quarter of 2019 Review

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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](http://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.

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## 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<sup>1</sup>. 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.

<sup>1</sup> 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

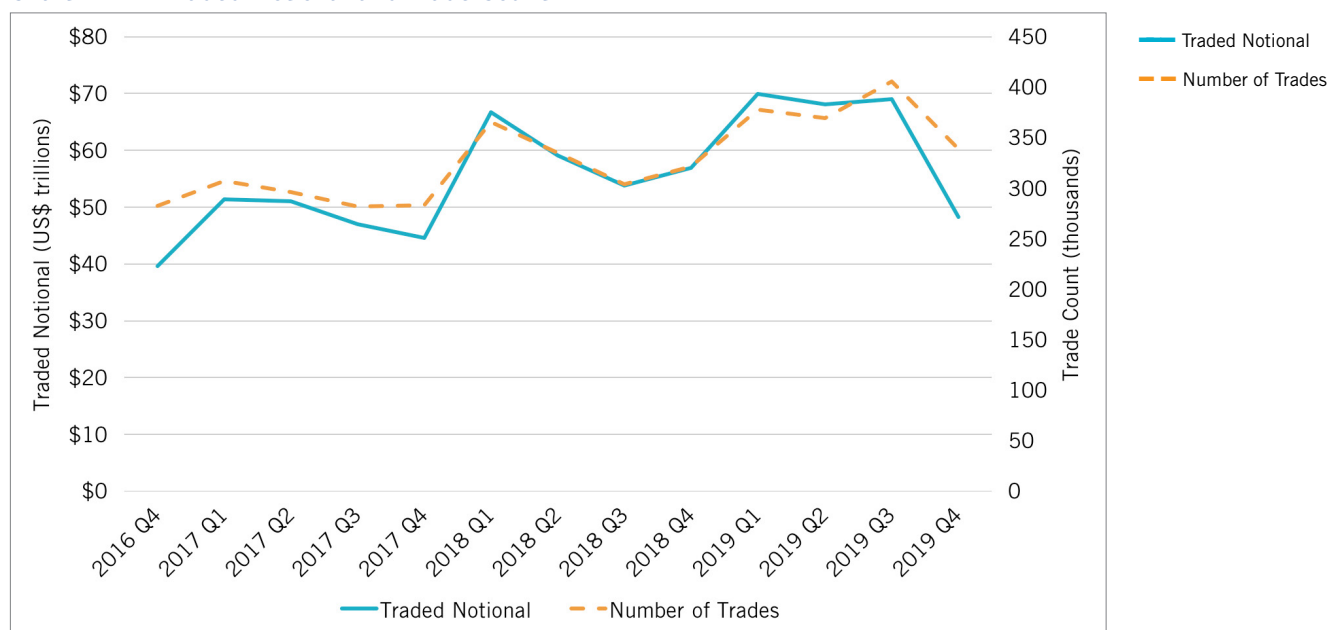
In the fourth quarter of 2019:

- 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.
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## 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**



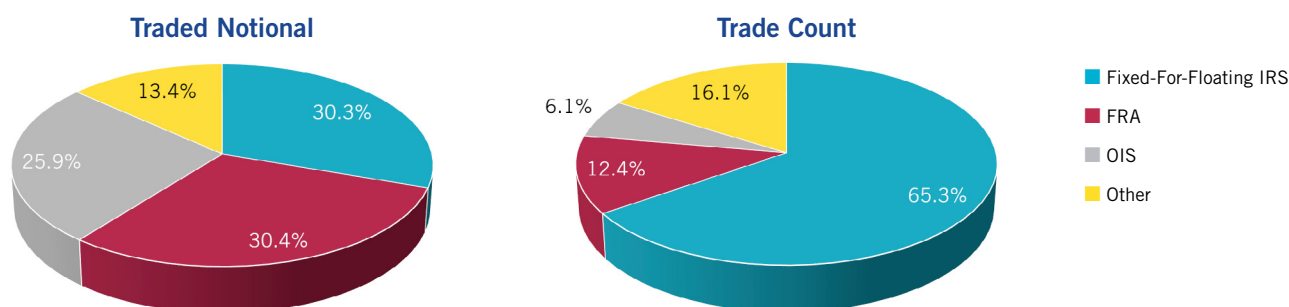
Source: DTCC and Bloomberg SDRs

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**



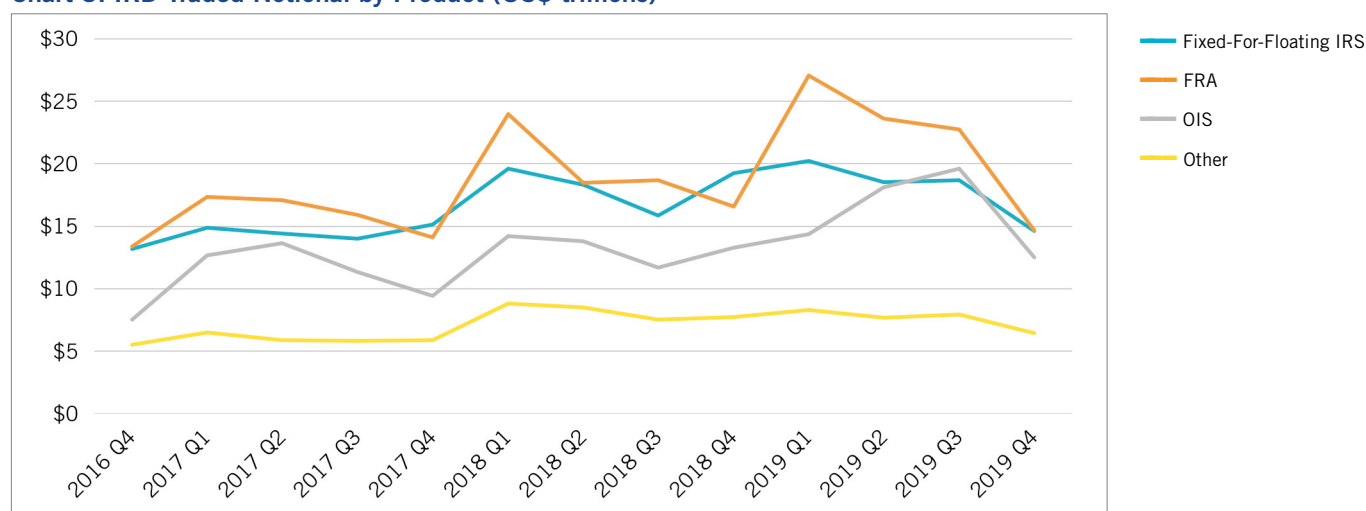
Source: DTCC and Bloomberg SDRs

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.

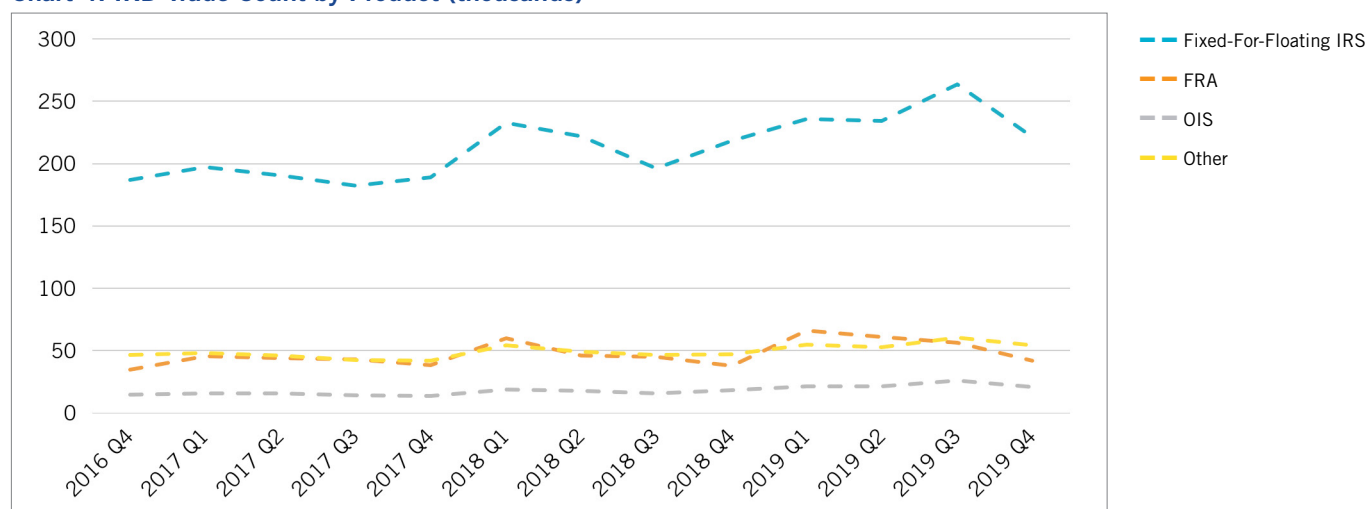
OIS traded notional decreased by 5.8% from \$13.3 trillion in the fourth quarter of 2018 to \$12.5 trillion in the fourth quarter of 2019. Over the full year, traded notional grew by 21.8% to \$64.7 trillion from \$53.1 trillion in 2018. OIS trade count increased by 14.9% in the fourth quarter of 2019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



Source: DTCC and Bloomberg SDRs

**Chart 4: IRD Trade Count by Product (thousands)**



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**

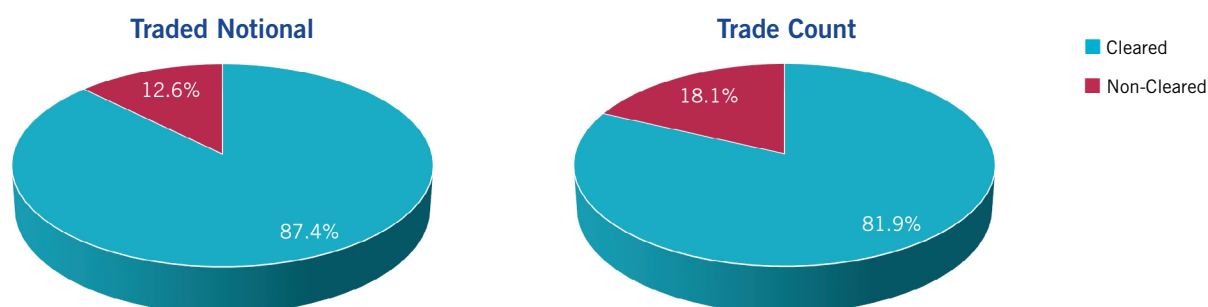
	Average Daily Traded Notional (US\$ billions)			Average Daily Trade Count			Average Trade Size (US\$ millions)		
	IRS	FRA	OIS	IRS	FRA	OIS	IRS	FRA	OIS
<b>Q4 2019</b>	221.8	225.8	192.9	3,353	647	320	65.8	755.3	601.8
<b>Q4 2018</b>	291.9	255.4	204.7	3,308	579	279	88.1	883.0	743.5
<b>Q4 2019 vs. Q4 2018</b>	-24.0%	-11.6%	-5.8%	1.4%	11.8%	14.9%	-25.3%	-14.5%	-19.1%
<b>Full Year 2019</b>	277.9	343.8	249.5	3,672	880	345	75.6	768.9	719.5
<b>Full Year 2018</b>	279.9	303.3	204.9	3,331	736	271	83.7	830.2	750.7
<b>2019 vs. 2018</b>	-0.7%	13.3%	21.7%	10.2%	19.5%	27.4%	-9.6%	-7.4%	-4.2%

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**



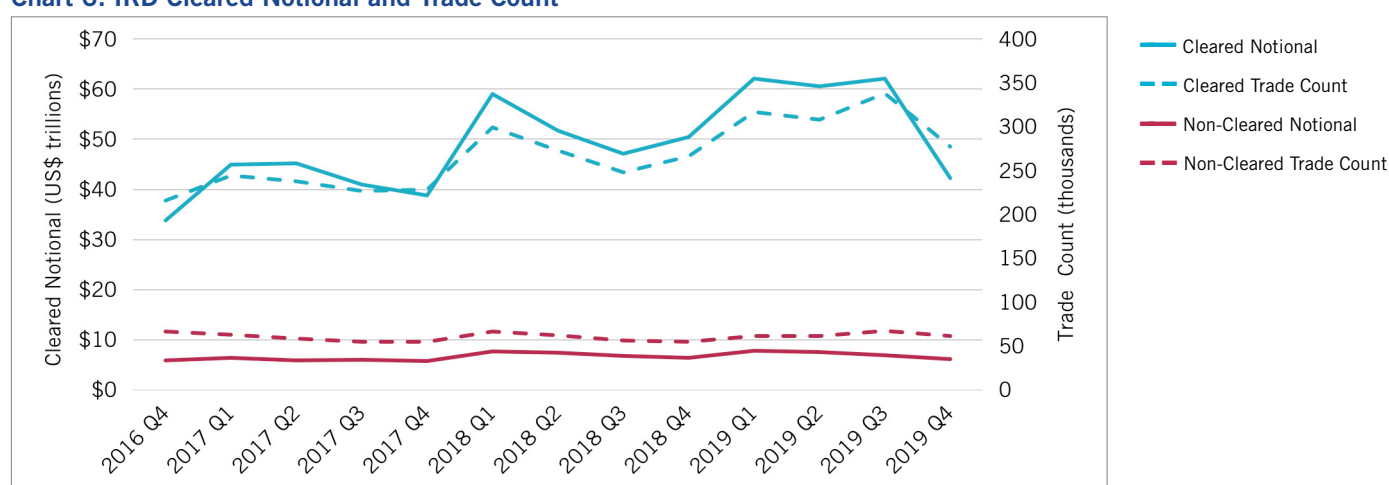
Source: DTCC and Bloomberg SDRs



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.

**Chart 6: IRD Cleared Notional and Trade Count**

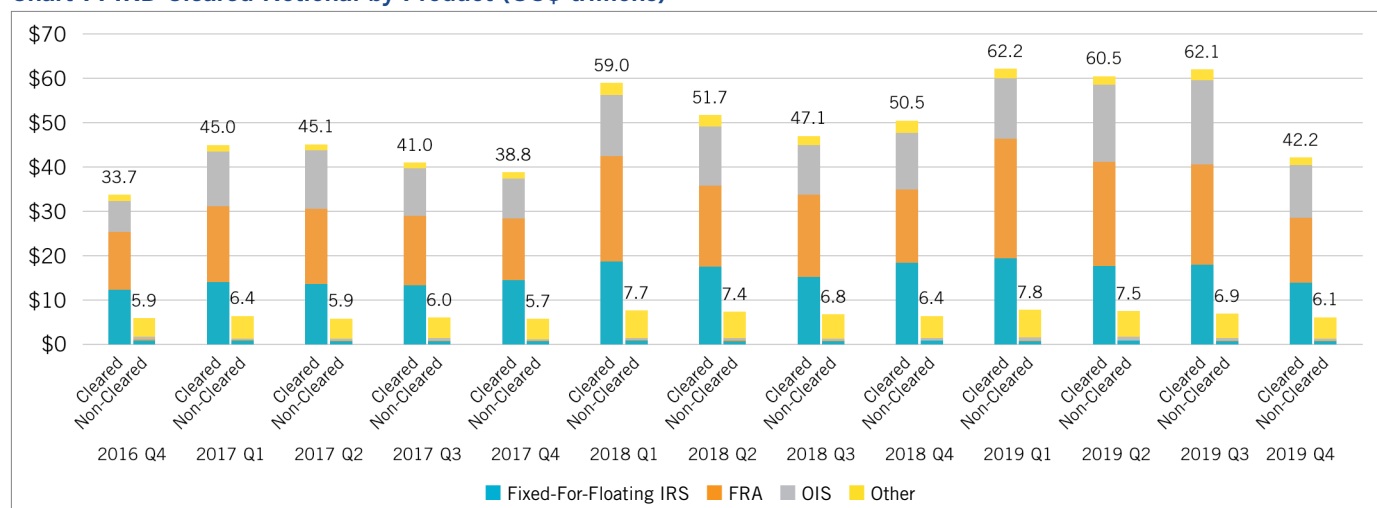


Source: DTCC and Bloomberg SDRs

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.

**Chart 7: IRD Cleared Notional by Product (US\$ trillions)**

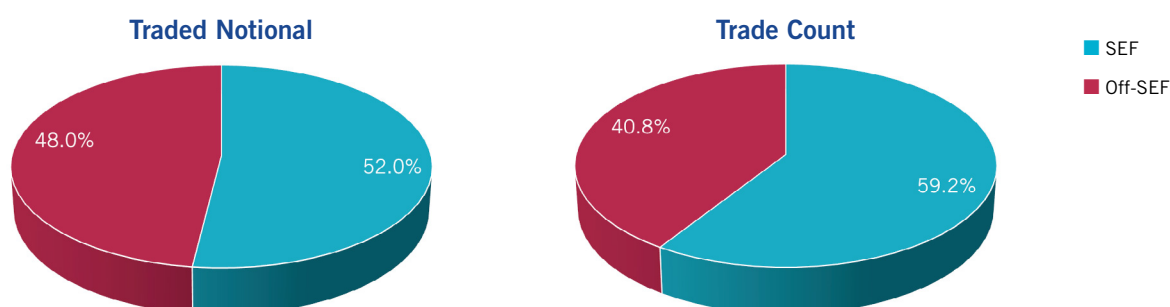


Source: DTCC and Bloomberg SDRs

## 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**

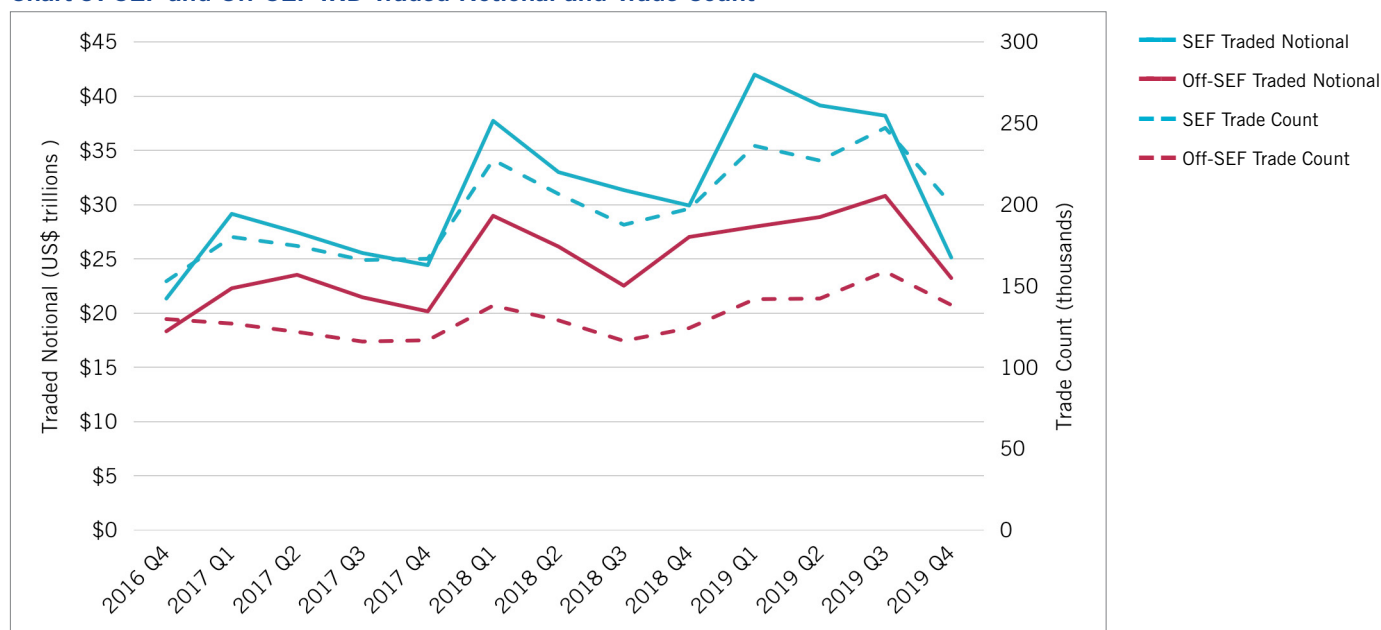


Source: DTCC and Bloomberg SDRs

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**

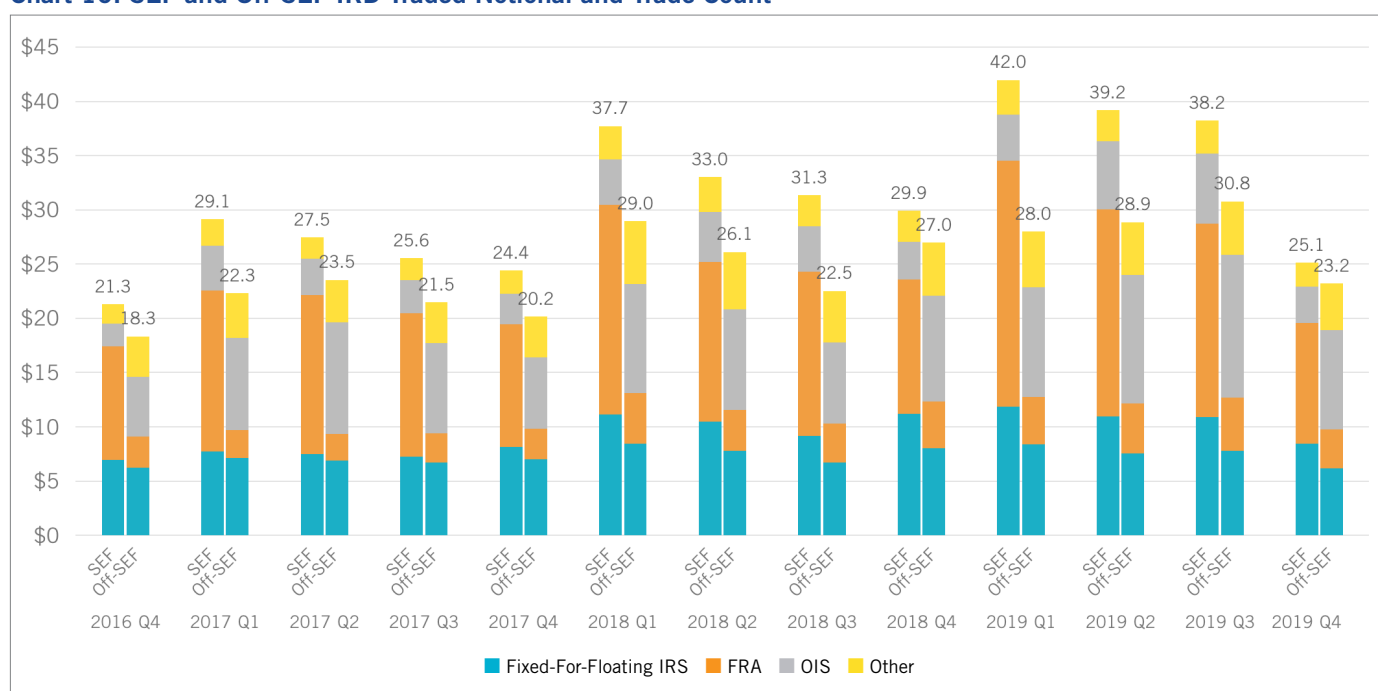


Source: DTCC and Bloomberg SDRs

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**

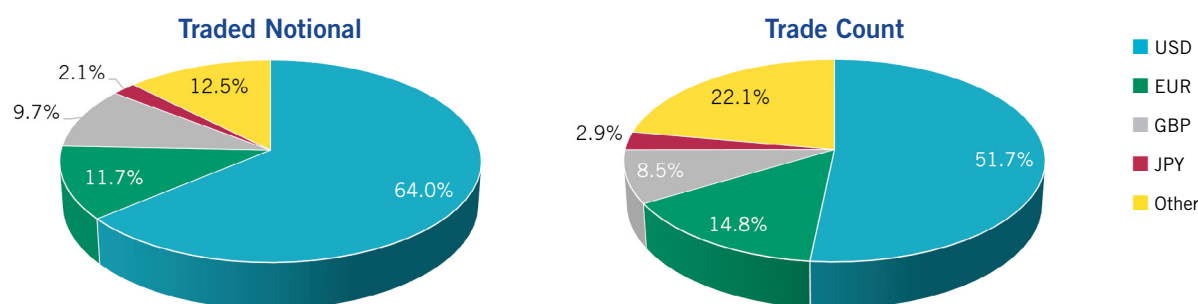


Source: DTCC and Bloomberg SDRs

## 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**

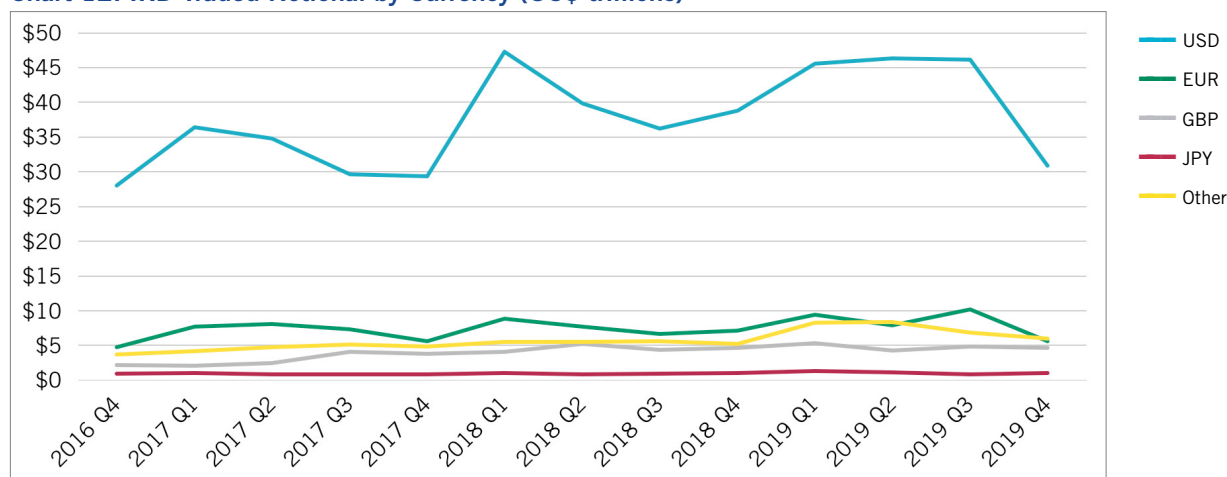


Source: DTCC and Bloomberg SDRs

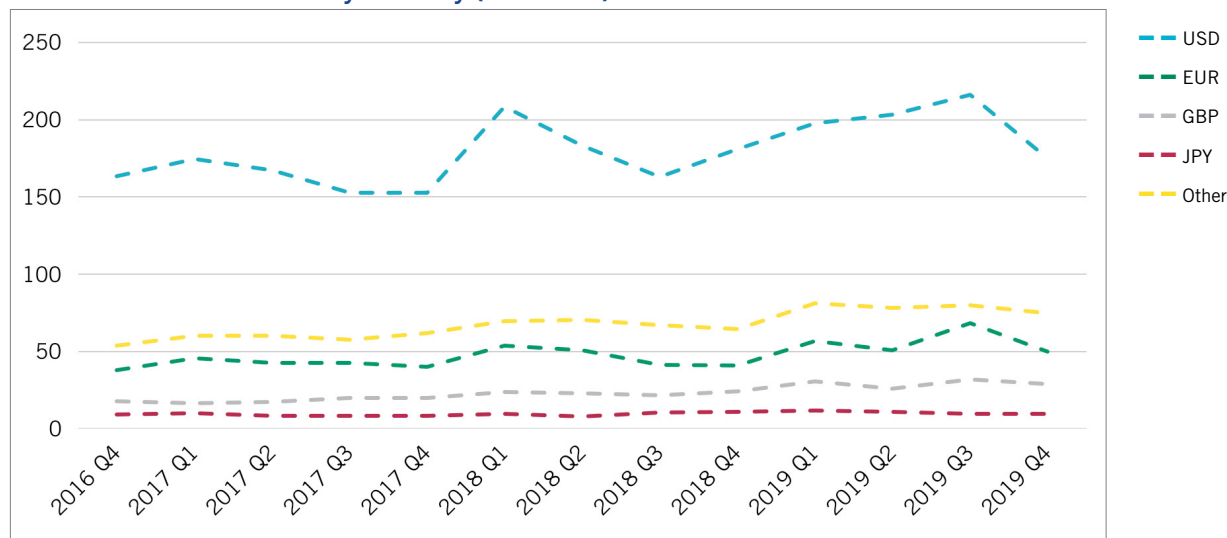
As shown in Charts 12 and 13, US dollar- and euro-denominated IRD traded notional decreased by 20.4% and 21.2%, respectively, in the fourth quarter of 2019 versus the fourth quarter of 2018, while sterling- and yen-denominated IRD traded notional increased by 1.8% and 1.6% over the same period. US dollar-denominated 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)**



Source: DTCC and Bloomberg SDRs

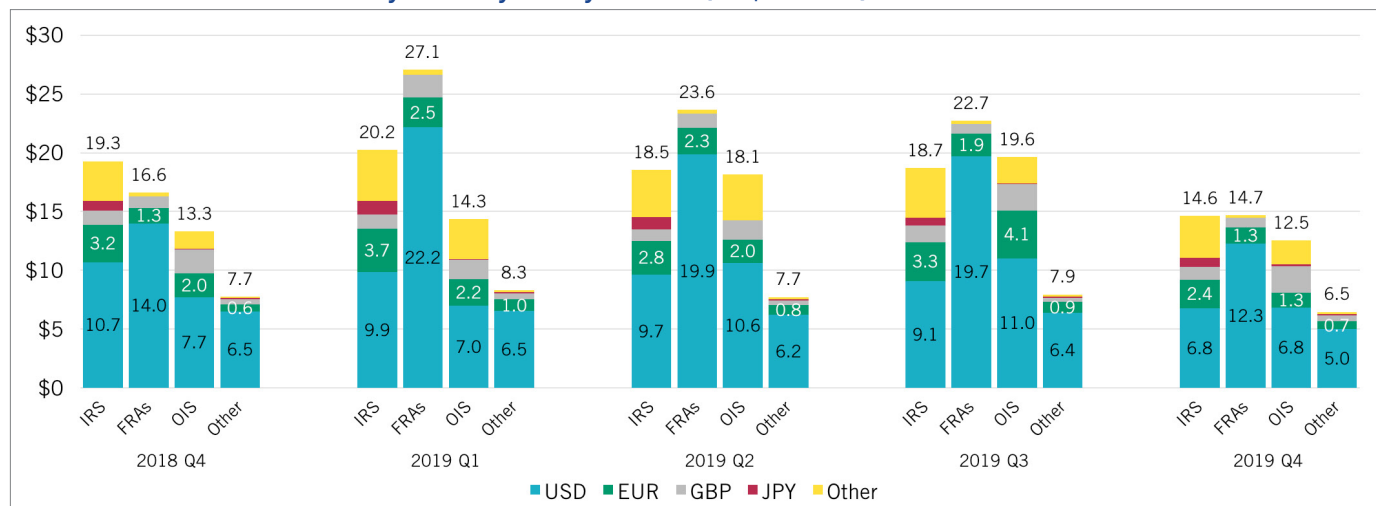
**Chart 13: IRD Trade Count by Currency (thousands)**


Source: DTCC and Bloomberg SDR

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.

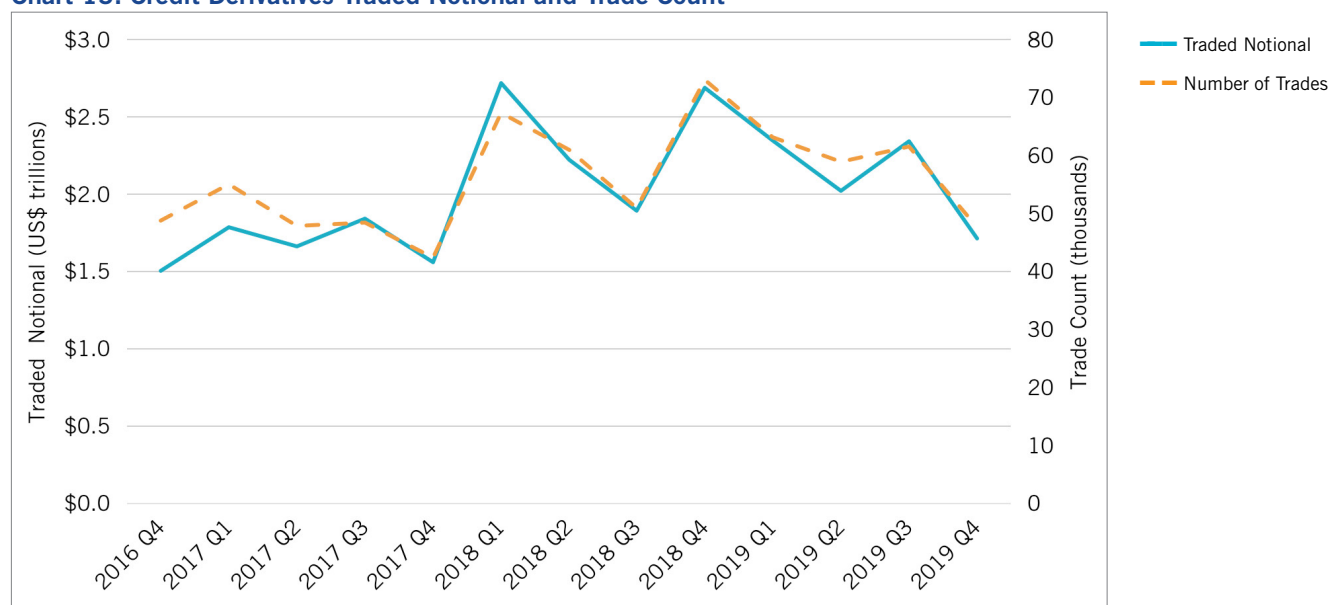
**Chart 14: IRD Traded Notional by Currency and by Product (US\$ trillions)**


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**



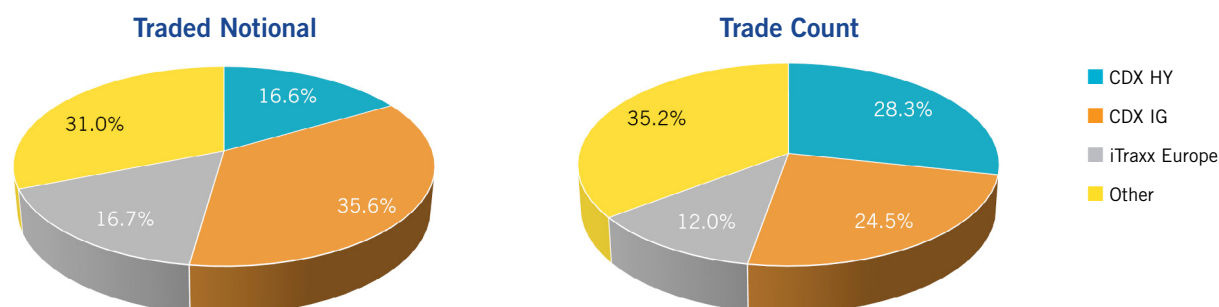
Source: DTCC and Bloomberg SDRs

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**

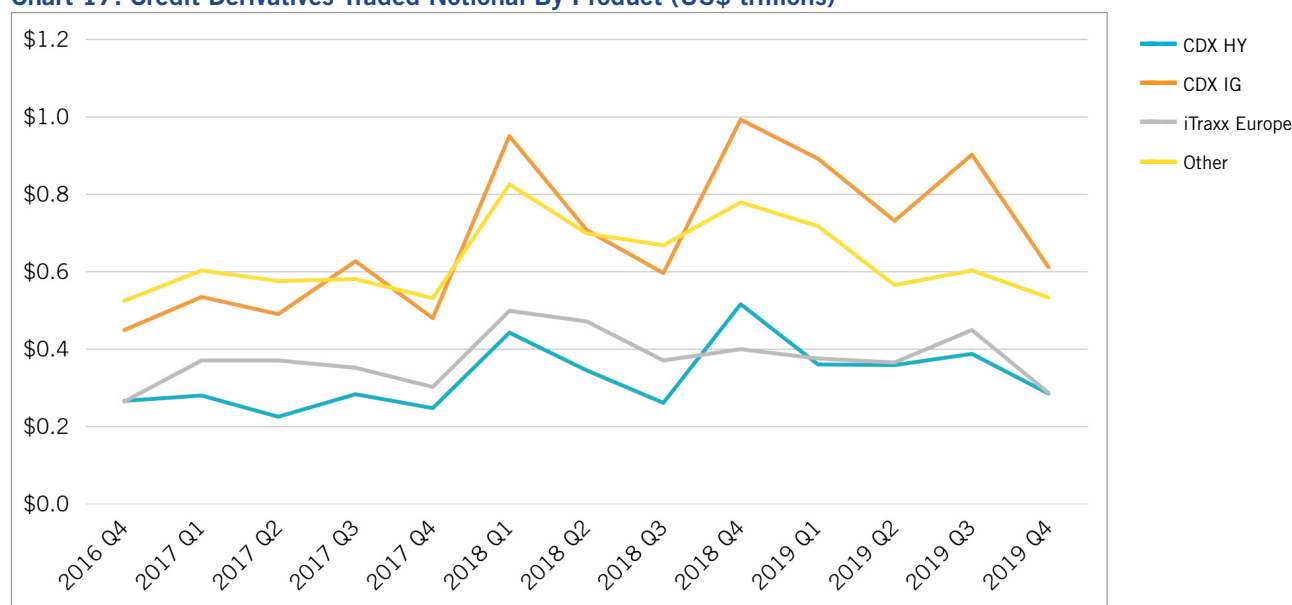


Source: DTCC and Bloomberg SDRs

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.

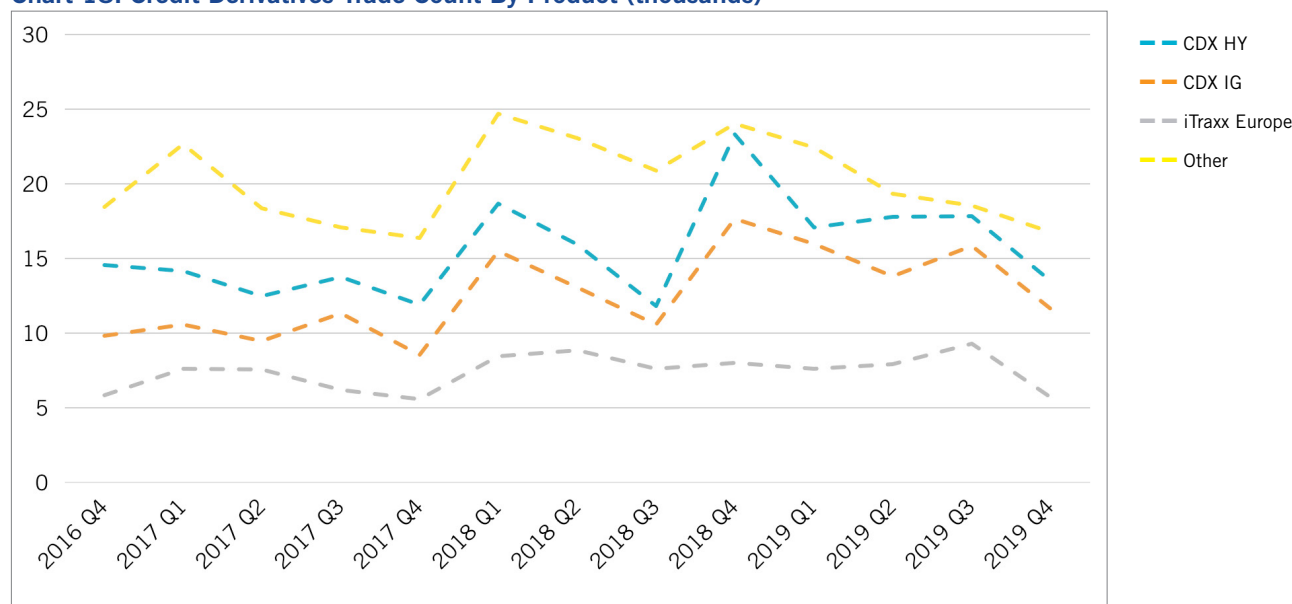
In the full year 2019, CDX HY traded notional decreased by 10.9% to \$1.4 trillion from \$1.6 trillion in 2018. CDX IG traded notional decreased by 3.4% over the same period to \$3.1 trillion from \$3.3 trillion. Trade count for CDX HY declined by 5.1%, while CDX IG grew by 0.8%. iTraxx Europe traded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



Source: DTCC and Bloomberg SDRs

**Chart 18: Credit Derivatives Trade Count By Product (thousands)**



Source: DTCC and Bloomberg SDRs



## 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**

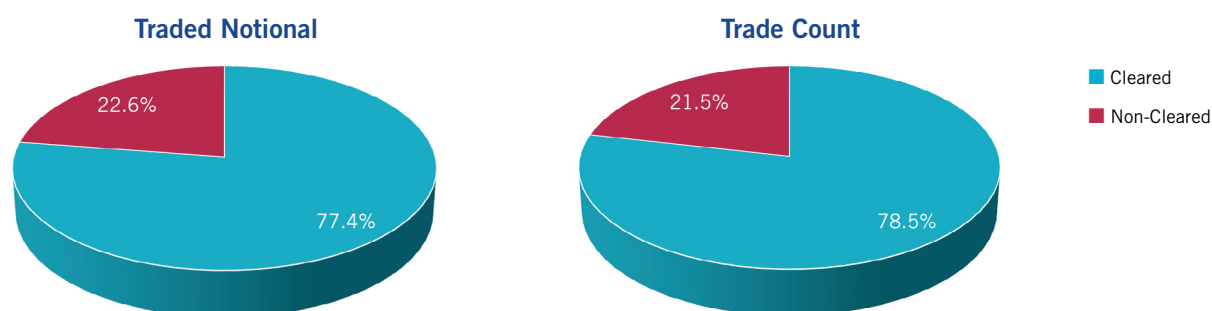
	Average Daily Traded Notional (US\$ billions)			Average Daily Trade Count			Average Trade Size (US\$ millions)		
	CDX HY	CDX IG	iTraxx Europe	CDX HY	CDX IG	iTraxx Europe	CDX HY	CDX IG	iTraxx Europe
<b>Q4 2019</b>	4.6	9.7	4.5	218	185	89	20.2	51.3	49.5
<b>Q4 2018</b>	8.1	15.8	6.2	365	281	125	21.5	54.5	49.1
<b>Q4 2019 vs. Q4 2018</b>	-42.8%	-38.4%	-28.3%	-40.2%	-34.1%	-28.7%	-6.0%	-6.0%	0.7%
<b>Full Year 2019</b>	5.6	12.5	5.8	265	228	121	20.1	53.2	47.1
<b>Full Year 2018</b>	6.2	13.0	6.9	276	227	130	21.5	55.3	51.4
<b>2019 vs. 2018</b>	-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**



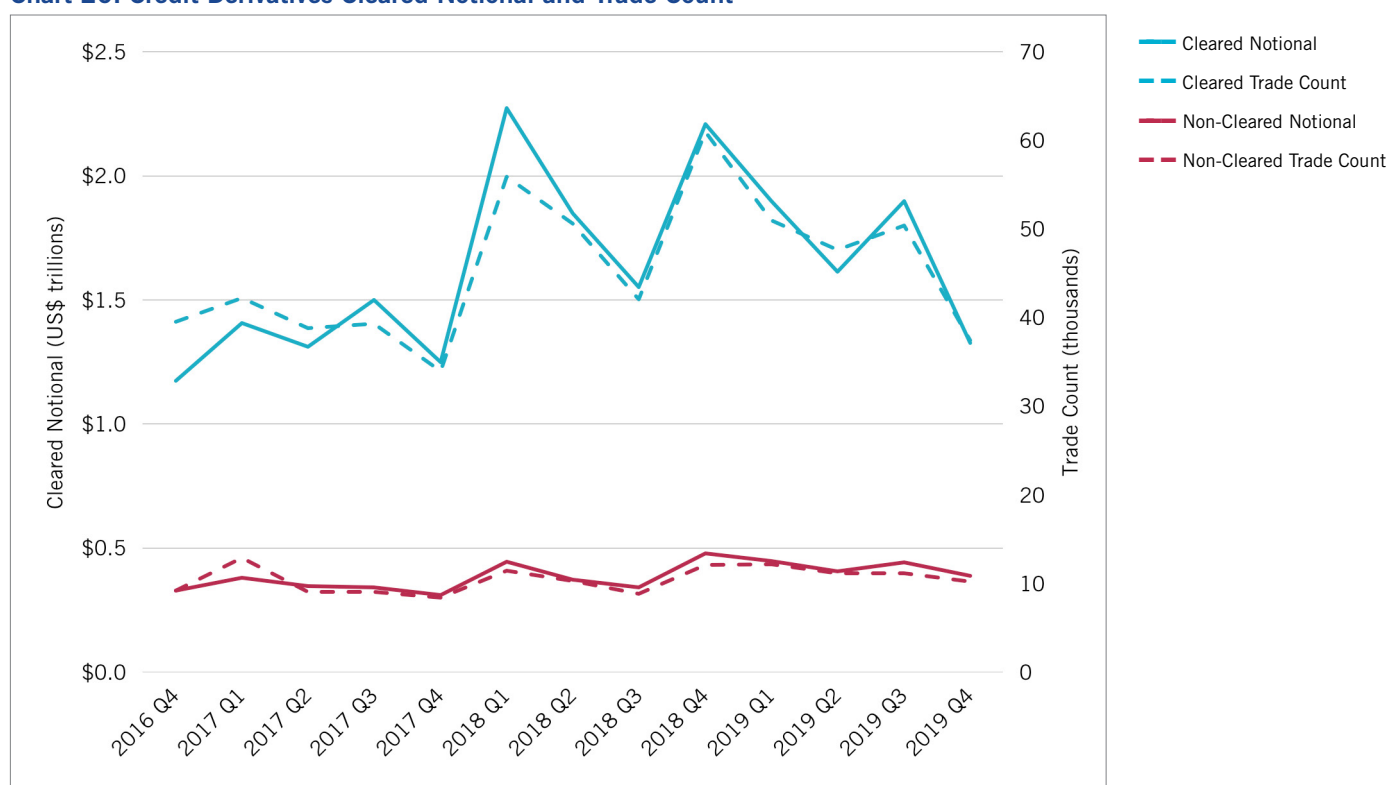
Source: DTCC and Bloomberg SDRs



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.

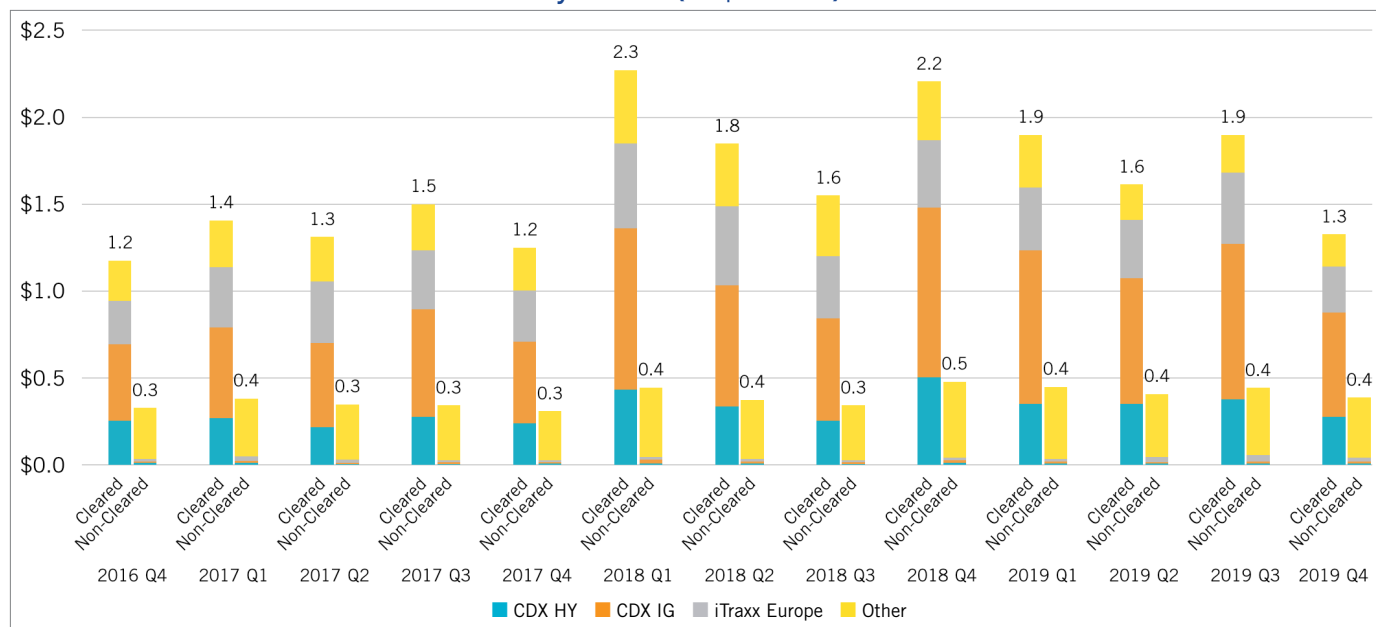
**Chart 20: Credit Derivatives Cleared Notional and Trade Count**



Source: DTCC and Bloomberg SDRs

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.

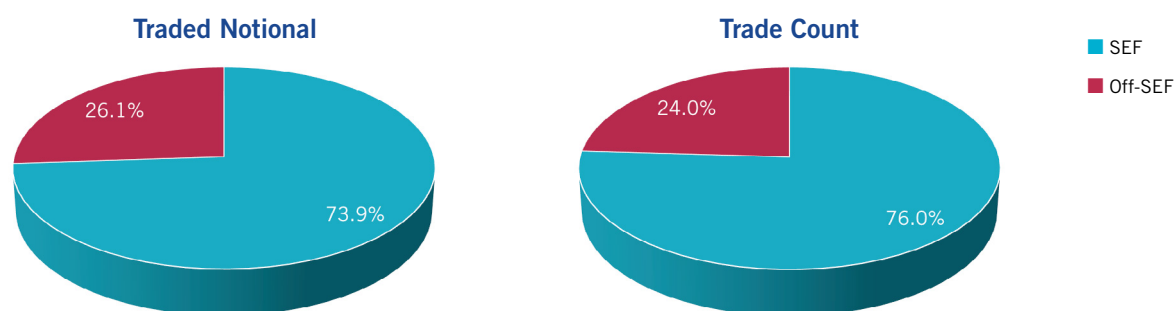
In the full year 2019, \$1.4 trillion (97.5%) of CDX HY and \$3.1 trillion (98.8%) of CDX IG traded notional was cleared and \$34.6 billion and \$38.9 billion, respectively, was non-cleared. Cleared notional of iTraxx Europe totaled \$1.4 trillion (92.9%). \$911.1 billion (37.7%) of other credit derivatives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

**Chart 21: Credit Derivatives Cleared Notional by Product (US\$ trillions)**


Source: DTCC and Bloomberg SDRs

## Credit Derivatives Trading Venue

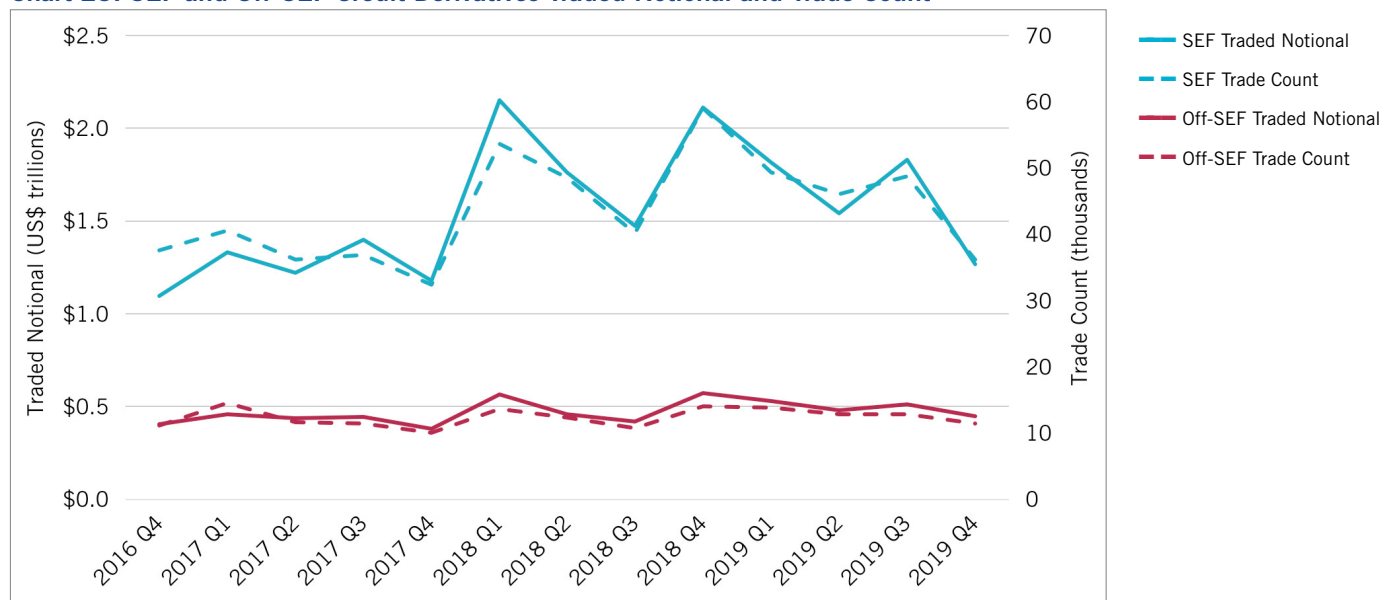
SEF-traded credit derivatives represented 73.9% of total traded notional and 76.0% of trade count in the fourth quarter of 2019 (see Chart 22). Total credit derivatives traded notional executed on SEFs was \$1.3 trillion, while \$0.5 trillion was executed off-SEF. 36.2 thousand transactions were executed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

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


Source: DTCC and Bloomberg SDRs

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).

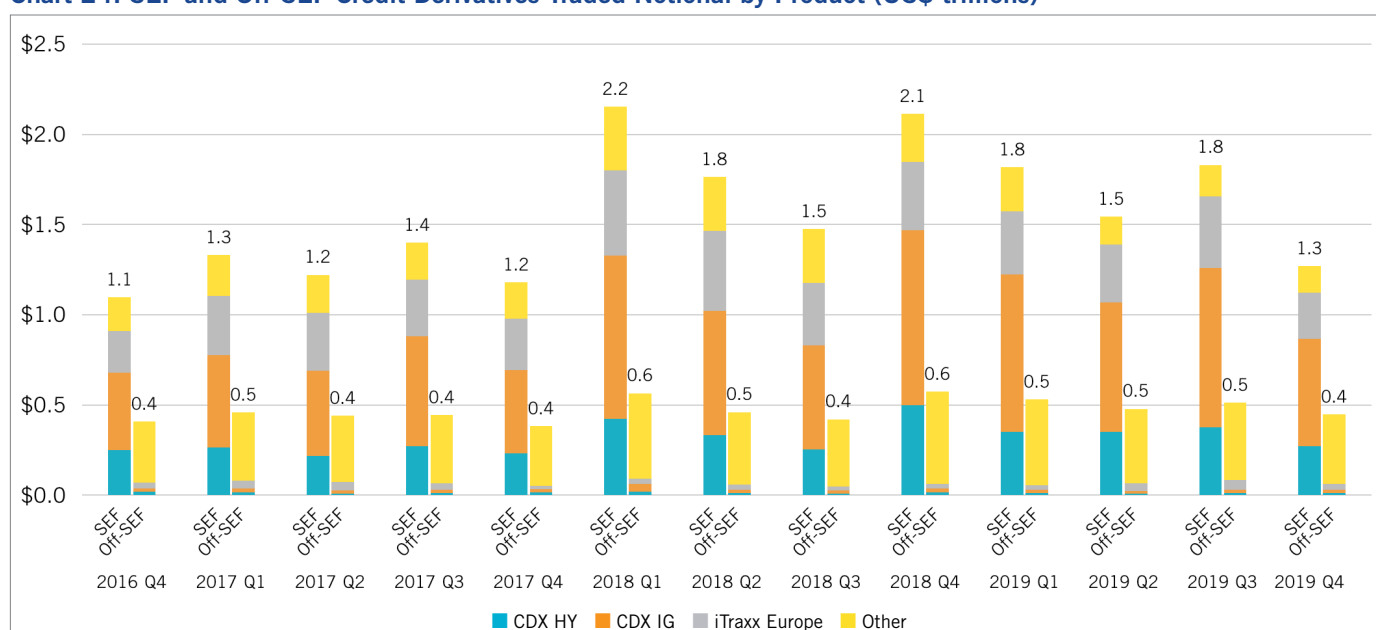
In the full year 2019, traded notional executed on SEFs declined by 13.9% to \$6.5 trillion from \$7.5 trillion in 2018. Trade count declined by 10.5% to 180.3 thousand from 201.4 thousand over the same period. Traded notional executed off-SEF fell by 2.5% to \$2.0 trillion in 2019, while the number of transactions increased by 0.2%.

**Chart 23: SEF and Off-SEF Credit Derivatives Traded Notional and Trade Count**


Source: DTCC and Bloomberg SDRs

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.

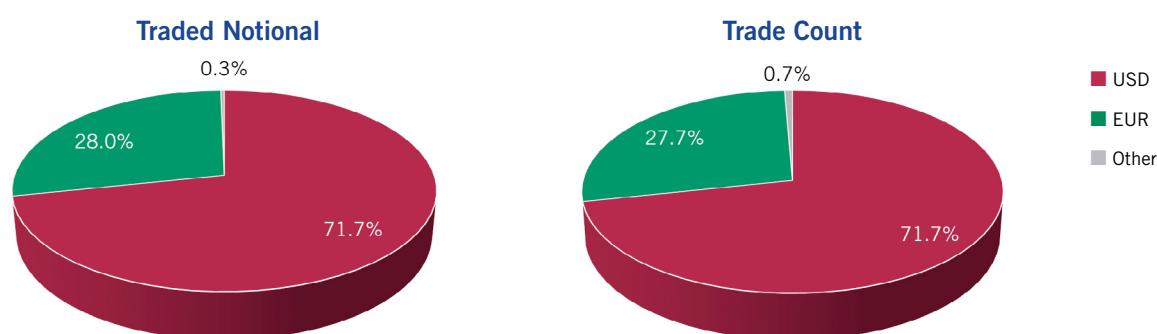
**Chart 24: SEF and Off-SEF Credit Derivatives Traded Notional by Product (US\$ trillions)**


Source: DTCC and Bloomberg SDRs

## 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**

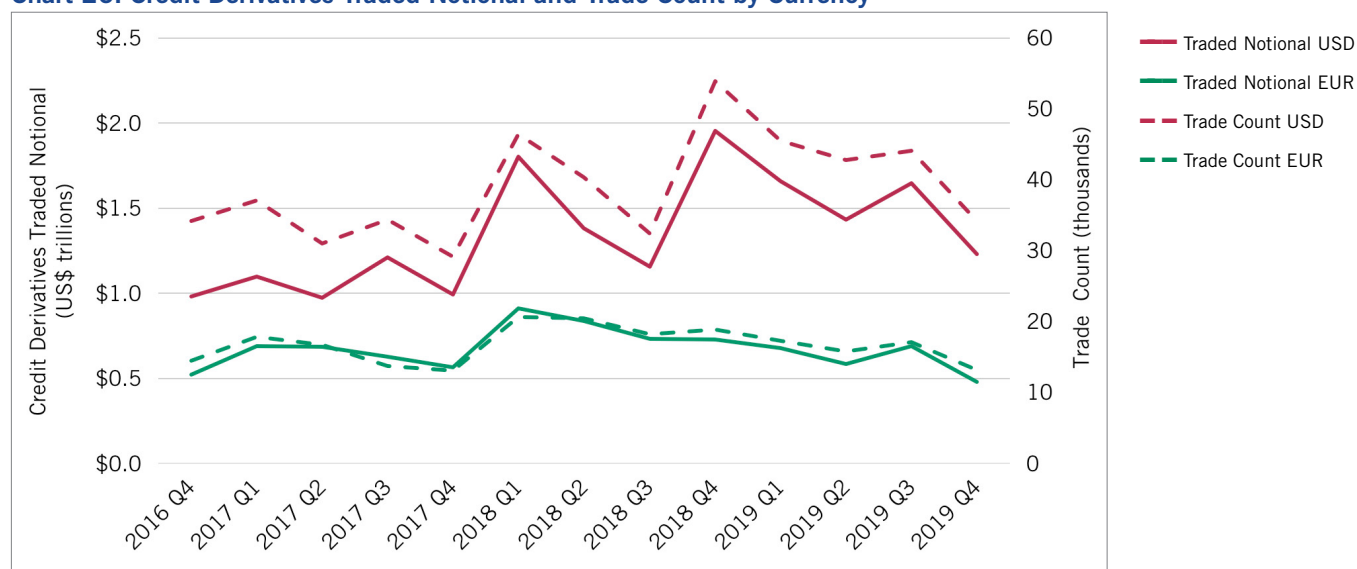


Source: DTCC and Bloomberg SDRs

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**



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***

<https://www.isda.org/a/W5LTE/Interest-Rate-Benchmarks-Review-Full-Year-2019-and-Q4-2019.pdf>

- ***Key Trends in The Size and Composition of OTC Derivatives Markets in the First Half of 2019, November 2019***

<https://www.isda.org/a/CicTE/Key-Trends-in-the-Size-and-Composition-of-OTC-Derivatives-Markets-1H-2019.pdf>

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

<https://www.isda.org/a/m4aTE/SwapsInfo-Q3-2019-and-Year-to-Sept.-30-2019-Review-Full-Report.pdf>

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