

SwapsInfo First Half of 2022 and the Second Quarter of 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 US 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 FIRST HALF OF 2022 AND THE SECOND QUARTER OF 2022

Interest Rate Derivatives

In the first half of 2022, IRD traded notional and trade count grew by 29.4% and 17.1%, respectively, compared to the first half of 2021. Overnight index swaps (OIS) traded notional increased by 262.1%, while fixed-for-floating interest rate swaps (IRS) and forward rate agreement (FRA) traded notional decreased by 0.1% and 47.7%, respectively. OIS trade count was up by 362.7% in the first half of 2022, while fixed-for-floating IRS and FRA trade count fell by 16.4% and 41.5%, respectively.

In the first half of 2022:

- IRD traded notional increased to \$156.7 trillion in the first half of 2022 from \$121.1 trillion in the first half of 2021. Trade count rose to 1.2 million from 982.3 thousand over the same period.
- The increase in IRD traded notional was driven by a jump in OIS traded notional, which grew to \$68.3 trillion in the first half of 2022 from \$18.9 trillion in the first half of 2021. Single currency fixed-for-floating IRS traded notional fell slightly to \$50.4 trillion, while FRA traded notional dropped to \$19.5 trillion from \$37.4 trillion.
- Single currency fixed-for-floating IRS accounted for 32.2% of total IRD traded notional and 45.8% of total IRD trade count. FRAs and OIS represented 12.5% and 43.6% of total IRD traded notional and 6.7% and 34.0% of total trade count, respectively.
- Cleared IRD transactions represented 74.4% of total IRD traded notional and 74.6% of trade count. 88.6% of fixed-for-floating IRS, 94.2% of FRA, 72.7% of OIS and 20.8% of other IRD traded notional was cleared.
- SEF-traded IRD represented 58.1% of total IRD traded notional and 68.0% of trade count. 80.9% of fixed-for-floating IRS, 85.9% of FRA, 40.3% of OIS and 32.4% of

other IRD traded notional was executed on SEFs.

- IRD contracts denominated in US dollars accounted for 48.1% of total IRD traded notional and 38.3% of total trade count. Euro-denominated transactions represented 32.4% of total traded notional and 28.5% of trade count. Sterling-denominated transactions comprised 7.6% and 6.4% of total IRD traded notional and trade count, respectively.
- Fixed-for-floating OIS and IRS contracts denominated in US dollars increased by 374.9% and 5.6%, respectively, while US dollar-denominated FRAs declined by 97.0% in the first half of 2022 versus the first half of 2021. Euro-denominated OIS, IRS and FRA traded notional rose by 428.1%, 45.5%, and 52.0%, respectively. Sterling-denominated OIS traded notional grew by 58.5%, while sterling-denominated IRS and FRA traded notional dropped by 99.7% and 100.0%, respectively.

In the second quarter of 2022:

- IRD traded notional increased by 38.9% to \$70.7 trillion in the second quarter of 2022 from \$50.9 trillion in the second quarter of 2021. Trade count rose by 29.5% to 573.6 thousand from 442.9 thousand over the same period.
- OIS traded notional grew by 316.7% to \$33.0 trillion in the second quarter of 2022 from \$7.9 trillion in the second quarter of 2021. Single currency fixed-for-floating IRS traded notional declined by 9.7% to \$21.1 trillion from \$23.4 trillion. FRA traded notional dropped by 32.6% to \$8.8 trillion from \$13.0 trillion.
- Single currency fixed-for-floating IRS accounted for 29.9% of total IRD traded notional and 46.3% of total IRD trade count. FRAs and OIS represented 12.4% and 46.6% of total traded notional and 6.3% and 35.5% of total trade count, respectively.
- Cleared IRD transactions represented 74.7% of total IRD traded notional and 76.4% of trade count. 87.8% of fixed-for-floating IRS, 93.7% of FRA, 73.6% of OIS and 21.9% of other IRD traded notional was cleared.
- SEF-traded IRD accounted for 58.5% of total traded notional

and 69.9% of trade count. 79.5% of fixed-for-floating IRS, 83.7% of FRA, 43.5% of OIS and 36.6% of other IRD traded notional was executed on SEFs.

- IRD contracts denominated in US dollars represented 44.4% of total IRD traded notional and 37.3% of total trade count. Euro-denominated transactions accounted for 34.9% of total traded notional and 28.8% of trade count. Sterling-denominated transactions comprised 8.1% and 6.3% of total IRD traded notional and trade count, respectively.
- US dollar-denominated OIS increased by 341.7% in the second quarter of 2022 versus the second quarter of 2021, while fixed-for-floating IRS and FRA traded notional denominated in US dollars fell by 17.8% and 96.4%, respectively. Euro-denominated OIS, IRS and FRA traded notional rose by 615.3%, 46.2% and 72.3%, respectively. Sterling-denominated OIS traded notional increased by 111.2%, 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 increased by 80.0% and 81.2%, respectively, in the first half of 2022 compared to the first half of 2021¹. There was more trading activity across CDX HY, CDX IG and iTraxx Europe.

In the first half of 2022:

- Credit derivatives traded notional increased to \$8.2 trillion in the first half of 2022 from \$4.5 trillion in the first half of 2021. Trade count grew to 215.1 thousand from 118.7 thousand over the same period.
- CDX HY traded notional rose by 82.3% to \$1.3 trillion in the first half of 2022 from \$693.3 billion in the first half of 2021. CDX IG traded notional increased by 72.6% to \$2.8 trillion from \$1.6 trillion, and iTraxx Europe traded notional rose by 103.1% to \$2.1 trillion from \$1.0 trillion.
- CDX HY and CDX IG represented 15.5% and 34.4% of total credit derivatives traded notional and 27.9% and 23.9% of total trade count, respectively. iTraxx Europe accounted for 25.2% of total credit derivatives traded notional and 17.8% of total trade count.
- Cleared credit derivatives transactions represented 83.0% of total traded notional and 87.5% of total trade count. 97.3% of CDX HY, 97.7% of CDX IG, 93.5% of iTraxx Europe and 43.4% of other credit derivatives traded notional was cleared.
- SEF-traded credit derivatives accounted for 81.9% of total traded notional and 86.6% of trade count. 96.2% of CDX HY, 96.7% of CDX IG, 92.3% of iTraxx Europe and 42.3% of other credit derivatives traded notional was executed on SEFs.
- Credit derivatives contracts denominated in US dollars represented 59.5% of total traded notional and 60.9% of total trade count. Euro-denominated transactions accounted for 40.4% and 38.8% 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

In the second quarter of 2022:

- Credit derivatives traded notional rose by 93.8% to \$3.7 trillion in the second quarter of 2022 from \$1.9 trillion in the second quarter of 2021. Trade count grew by 106.2% to 100.8 thousand from 48.9 thousand over the same period.
- CDX HY traded notional rose by 114.9% to \$595.3 billion in the second quarter of 2022 from \$277.0 billion in the second quarter of 2021. CDX IG traded notional increased by 100.7% to \$1.3 trillion from \$643.0 billion, and iTraxx Europe traded notional increased by 102.4% to \$894.9 billion from \$442.1 billion.
- CDX HY and CDX IG represented 16.2% and 35.2% of total credit derivatives traded notional and 28.9% and 25.0% of total trade count, respectively. iTraxx Europe accounted for 24.4% of total credit derivatives traded notional and 17.5% of total trade count.
- Cleared credit derivatives transactions accounted for 83.0% of total traded notional and 87.9% of total trade count. 96.9% of CDX HY, 97.3% of CDX IG, 92.8% of iTraxx Europe and 42.9% of other credit derivatives traded notional was cleared.
- SEF-traded credit derivatives represented 81.7% of total traded notional and 86.8% of trade count. 95.5% of CDX HY, 96.4% of CDX IG, 91.1% of iTraxx Europe and 41.5% of other credit derivatives traded notional was executed on SEFs.
- Credit derivatives contracts denominated in US dollars accounted for 60.8% of total traded notional and 62.4% of trade count. Euro-denominated transactions accounted for 39.1% and 37.3% of total traded notional and trade count, respectively.



ISDA has published other recent research papers:

- ***ISDA-Clarus RFR Adoption Indicator: June 2022***
<https://www.isda.org/a/DxagE/ISDA-Clarus-RFR-Adoption-Indicator-June-2022.pdf>
- ***Demystifying Derivatives Trading in the EU***
<https://www.isda.org/a/zAWgE/Demystifying-Derivatives-Trading-in-the-EU.pdf>
- ***Interest Rate Derivatives Trading Activity in the EU, UK and US: First Quarter of 2022***
<https://www.isda.org/a/INWgE/Interest-Rate-Derivatives-Trading-Activity-Reported-in-EU-UK-and-US-Markets-First-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](#).

For questions on ISDA Research, please contact:

Olga Roman
Head of Research
International Swaps and Derivatives Association, Inc. (ISDA)
Office: 212-901-6017
oroman@isda.org

ABOUT ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has more than 990 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](#).