

# SwapsInfo Third Quarter of 2021 and Year-to-September 30, 2021 Review

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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](https://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 THIRD QUARTER OF 2021 AND YEAR-TO-SEPTEMBER 30, 2021

### Interest Rate Derivatives

IRD traded notional grew by 8.9% and trade count increased by 21.0% in the third quarter of 2021 versus the third quarter of 2020. Fixed-for-floating interest rate swaps (IRS) and overnight index swaps (OIS) traded notional increased by 52.5% and 46.9%, respectively, while forward rate agreement (FRA) traded notional decreased by 43.0% over the same period.

In the nine months to September 30, 2021, IRD traded notional fell by 10.0% compared to the first nine months of 2020. Trade count increased by 13.0% over the same period.

#### In the third quarter of 2021:

- IRD traded notional increased to \$49.6 trillion in the third quarter of 2021 from \$45.5 trillion in the third quarter of 2020. Trade count rose to 434.8 thousand from 359.3 thousand over the same period.
- Single currency fixed-for-floating IRS traded notional increased to \$21.1 trillion in the third quarter of 2021 from \$13.8 trillion in the third quarter of 2020. FRA traded notional dropped to \$10.0 trillion from \$17.6 trillion and OIS traded notional rose to \$12.6 trillion from \$8.6 trillion.
- Single currency fixed-for-floating IRS accounted for 62.3% of total IRD trade count and 42.5% of total IRD traded notional. FRAs and OIS represented 20.2% and 25.5% of total traded notional and 9.1% and 15.4% of total trade count, respectively.
- Cleared IRD transactions comprised 77.1% of total IRD traded notional and 73.2% of total trade count. 85.8% of fixed-for-floating IRS, 95.0% of FRA, 73.4% of OIS and 22.6% of other IRD traded notional was cleared<sup>1</sup>.

<sup>1</sup> A planned system upgrade by the DTCC SDR on November 21, 2020 changed reporting logic for the cleared status of trades. Following the upgrade, the percentage of IRD trades indicated to be cleared appears lower in 2021 compared to historical averages as firms switched to the new reporting logic

- SEF-traded IRD represented 65.2% of total IRD traded notional and 66.1% of trade count. 76.0% of fixed-for-floating IRS, 91.5% of FRA, 39.9% of OIS and 35.4% of other IRD traded notional was executed on SEFs.
- IRD contracts denominated in US dollars equaled 52.2% of total IRD traded notional and 42.9% of total trade count. Euro-denominated transactions accounted for 21.6% of total traded notional and 19.9% of trade count. Sterling-denominated transactions comprised 13.2% and 9.3% of total IRD traded notional and trade count, respectively.
- Fixed-for-floating IRS and OIS traded notional denominated in US dollars increased by 94.2% and 111.1% respectively, compared to the third quarter of 2020, while US dollar-denominated FRAs decreased by 67.3%. Euro-denominated IRS and FRA traded notional climbed by 63.7% and 115.1%, respectively, while euro-denominated OIS dropped by 3.9%. Sterling-denominated IRS and FRA traded notional decreased by 7.1% and 66.8%, respectively, while sterling-denominated OIS traded notional increased by 28.9%.

**Year-to-September 30, 2021:**

- IRD traded notional decreased to \$170.6 trillion in the nine months to September 30, 2021 from \$189.5 trillion in the nine months to September 30, 2020. Trade count grew to 1.4 million from 1.3 million over the same period.
- Single currency fixed-for-floating IRS traded notional increased by 45.7% to \$71.5 trillion in the nine months to September 30, 2021 from \$49.1 trillion in same period last year. FRA traded notional decreased by 33.7% to \$47.4 trillion from \$71.4 trillion and OIS traded notional fell by 35.2% to \$31.5 trillion from \$48.6 trillion.
- Single currency fixed-for-floating IRS accounted for 63.7% of total IRD trade count and 41.9% of total IRD traded notional. FRAs and OIS represented 27.8% and 18.5% of total traded notional and 12.1% and 10.7% of total trade count, respectively.
- Cleared IRD transactions comprised 76.1% of total traded notional and 72.0% of total trade count. 82.8% of fixed-for-floating IRS, 95.1% of FRA, 66.7% of OIS and 22.2% of other IRD traded notional was cleared in the nine months to September 30, 2021.

- SEF-traded IRD represented 68.4% of total traded notional and 66.9% of total trade count. 73.8% of fixed-for-floating IRS, 92.4% of FRA, 41.0% of OIS and 35.8% of other IRD traded notional was executed on SEFs.
- IRD contracts denominated in US dollars accounted for 55.2% of total IRD traded notional and 44.6% of total trade count. Euro-denominated transactions accounted for 20.6% of total traded notional and 19.7% of trade count. Sterling-denominated transactions made up 12.5% and 9.5% of total IRD traded notional and trade count, respectively.
- Fixed-for-floating IRS traded notional denominated in US dollars increased by 84.2% compared to the nine months to September 30, 2020, while US dollar-denominated FRAs and OIS decreased by 54.5% and 38.1%, respectively. Euro-denominated IRS and FRA traded notional rose by 38.7% and 111.9%, respectively, while euro-denominated OIS fell by 36.9%. Sterling-denominated IRS traded notional climbed by 11.7%, while sterling-denominated FRA and OIS traded notional decreased by 34.5% and 16.1%, respectively.

## Credit Derivatives

Credit derivatives traded notional increased by 17.7% and trade count decreased by 2.6% in the third quarter of 2021 compared to the third quarter of 2020<sup>2</sup>. Traded notional increased across all major indices, including CDX HY, CDX IG and iTraxx Europe.

In the nine months to September 30, 2021, credit derivatives traded notional and trade count decreased by 16.1% and 23.3%, respectively, compared to the same period in 2020.

### In the third quarter of 2021:

- Credit derivatives traded notional increased to \$2.1 trillion in the third quarter of 2021 versus \$1.8 trillion in the third quarter of 2020. Trade count fell to 52.1 thousand from 53.5 thousand over the same period.
- CDX HY traded notional grew by 9.2% to \$371.5 billion in the third quarter of 2021 from \$340.2 billion in the third quarter of 2020. CDX IG traded notional rose by 9.9% to \$765.1 billion from \$695.9 billion. iTraxx Europe traded notional increased by 32.4% to \$427.5 billion from \$322.9 billion.
- CDX HY and CDX IG represented 17.4% and 35.7% of total credit derivatives traded notional and 29.5% and 24.6% of total trade count, respectively. iTraxx Europe accounted for 20.0% of total credit derivatives traded notional and 14.2% of total trade count.
- Cleared credit derivatives transactions made up 81.1% of total traded notional and 84.2% of total trade count in the third quarter of 2021. 97.8% of CDX HY, 98.2% of CDX IG, 95.7% of iTraxx Europe and 36.9% of other credit derivatives traded notional was cleared.
- SEF-traded credit derivatives comprised 79.9% of total traded notional and 83.2% of total trade count. 96.9% of CDX HY, 96.9% of CDX IG, 93.9% of iTraxx Europe and 36.0% of other credit derivatives traded notional was executed on SEFs.
- Credit derivatives contracts denominated in US dollars represented 66.6% of total traded notional and 68.8% of total trade count. Euro-denominated transactions accounted for 33.1% and 30.6% of total traded notional and trade count, respectively.

<sup>2</sup> Credit derivatives mostly comprise CDS indices, but also include CDS index tranches, credit swaptions, exotic products, total return swaps and insignificant amount of single-name CDS

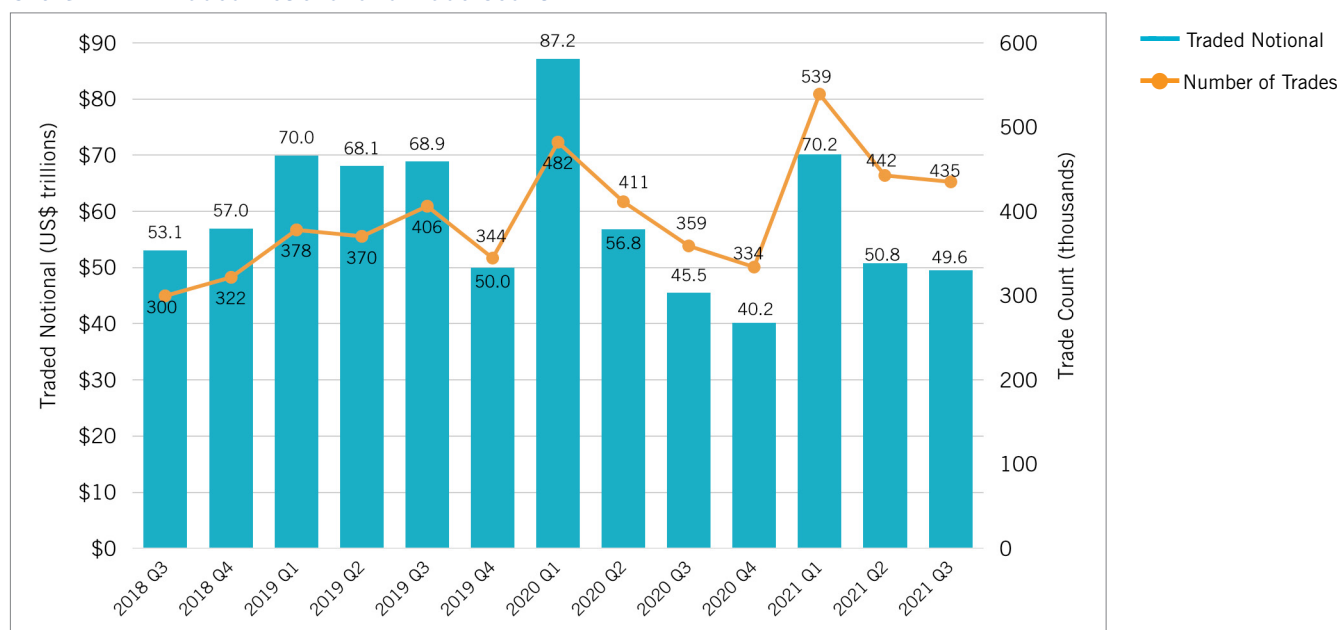
**Year-to-September 30, 2021:**

- Credit derivatives traded notional decreased to \$6.7 trillion in the nine months to September 30, 2021 from \$8.0 trillion in the nine months to September 30, 2020. Trade count dropped to 170.8 thousand from 222.7 thousand over the same period.
- CDX HY traded notional declined by 23.2% to \$1.1 trillion in the nine months to September 30, 2021 from \$1.4 trillion in the first nine months of 2020. CDX IG traded notional decreased by 26.0% to \$2.4 trillion from \$3.2 trillion. iTraxx Europe traded notional grew by 4.0% to \$1.4 trillion in the nine months to September 30, 2021.
- CDX HY and CDX IG represented 15.9% and 35.8% of total credit derivatives traded notional and 27.8% and 25.0% of total trade count, respectively. iTraxx Europe accounted for 21.6% of total credit derivatives traded notional and 15.3% of total trade count.
- Cleared credit derivatives transactions comprised 80.6% of total traded notional and 83.9% of total trade count. 96.7% of CDX HY, 97.0% of CDX IG, 93.6% of iTraxx Europe and 38.6% of other credit derivatives traded notional was cleared.
- SEF-traded credit derivatives made up 80.0% of total traded notional and 83.4% of total trade count. 96.4% of CDX HY, 96.4% of CDX IG, 92.8% of iTraxx Europe and 38.0% of other credit derivatives traded notional was executed on SEFs.
- Credit derivatives contracts denominated in US dollars represented 64.4% of total traded notional and 65.9% of total trade count. Euro-denominated transactions accounted for 35.3% and 33.6% of total traded notional and trade count, respectively.

## INTEREST RATE DERIVATIVES

IRD traded notional increased by 8.9% to \$49.6 trillion in the third quarter of 2021 from \$45.5 trillion in the third quarter of 2020. Trade count grew by 21.0% to 434.8 thousand from 359.3 thousand over the same period (see Chart 1).

**Chart 1: IRD Traded Notional and Trade Count**



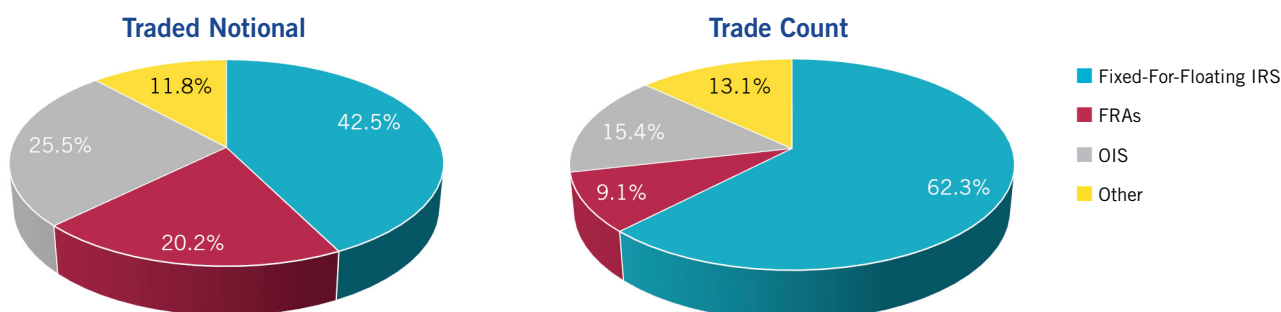
Source: DTCC and Bloomberg SDRs

In the nine months to September 30, 2021, IRD traded notional decreased by 10.0% to \$170.6 trillion from \$189.5 trillion in the nine months to September 30, 2020. Trade count increased by 13.0% to 1.4 million from 1.3 million over the same interval.

## IRD Product Taxonomy

Single currency fixed-for-floating IRS accounted for 62.3% of total IRD trade count and 42.5% of IRD total traded notional in the third quarter of 2021. FRAs and OIS represented 20.2% and 25.5% of total traded notional and 9.1% and 15.4% of trade count, respectively (see Chart 2).

**Chart 2: IRD Traded Notional and Trade Count by Product**



Source: DTCC and Bloomberg SDRs

Fixed-for-floating IRS traded notional increased by 52.5% from \$13.8 trillion in the third quarter of 2020 to \$21.1 trillion in the third quarter of 2021. IRS trade count grew by 21.1% from 223.7 thousand to 270.8 thousand over the same period (see Chart 3 and Chart 4).

In the nine months to September 30, 2021, IRS traded notional rose by 45.7% to \$71.5 trillion from \$49.1 trillion in the first nine months of 2020. Trade count grew by 17.4% from 767.7 thousand to 901.7 thousand over the same interval.

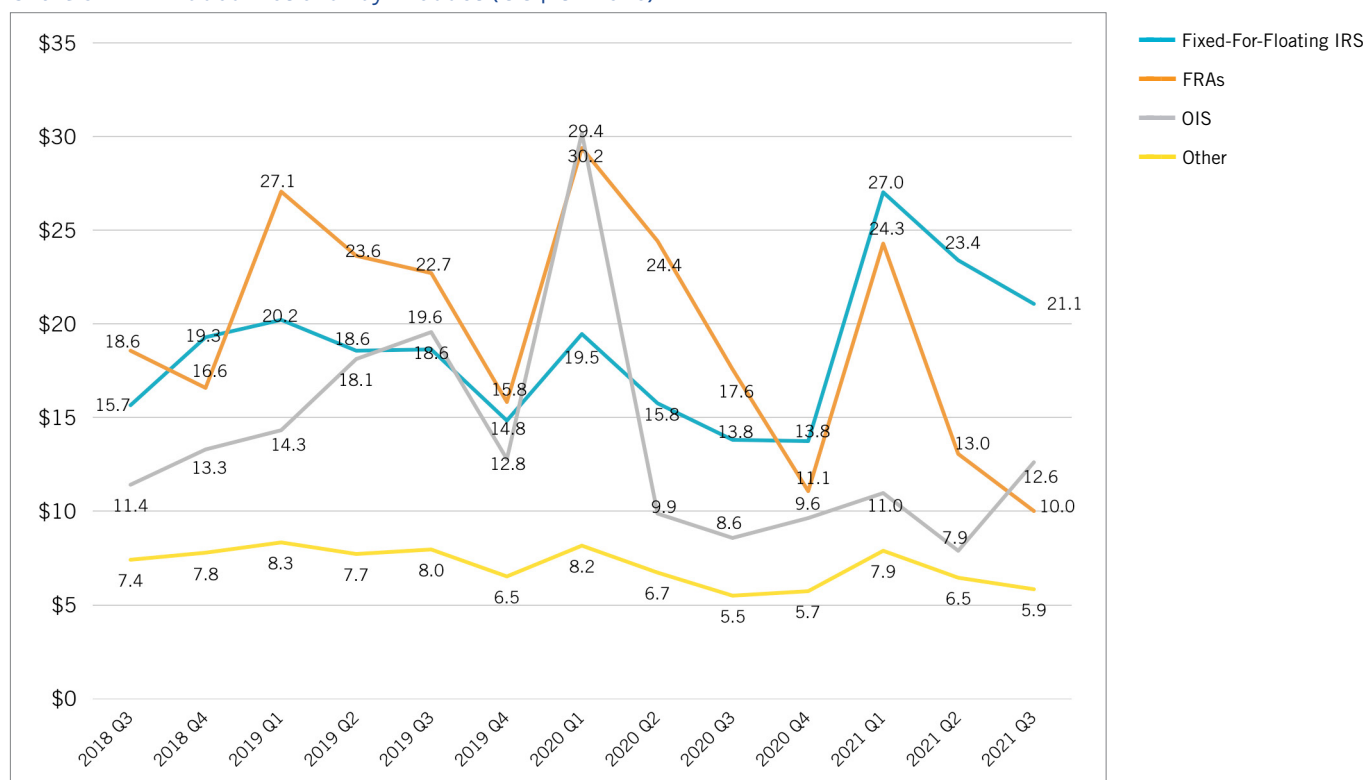
FRA traded notional decreased by 43.0% from \$17.6 trillion in the third quarter of 2020 to \$10.0 trillion in the third quarter of 2021. Trade count dropped by 34.3% from 60.5 thousand to 39.8 thousand over the same period.

In the nine months to September 30, 2021, FRA traded notional decreased by 33.7% to \$47.4 trillion from \$71.4 trillion in the nine months to September 30, 2020. Trade count declined by 23.2% to 171.8 thousand from 223.6 thousand.

OIS traded notional increased by 46.9% from \$8.6 trillion in the third quarter of 2020 to \$12.6 trillion in the third quarter of 2021. OIS trade count rose by 208.2% in the third quarter of 2021 compared to the third quarter of 2020.

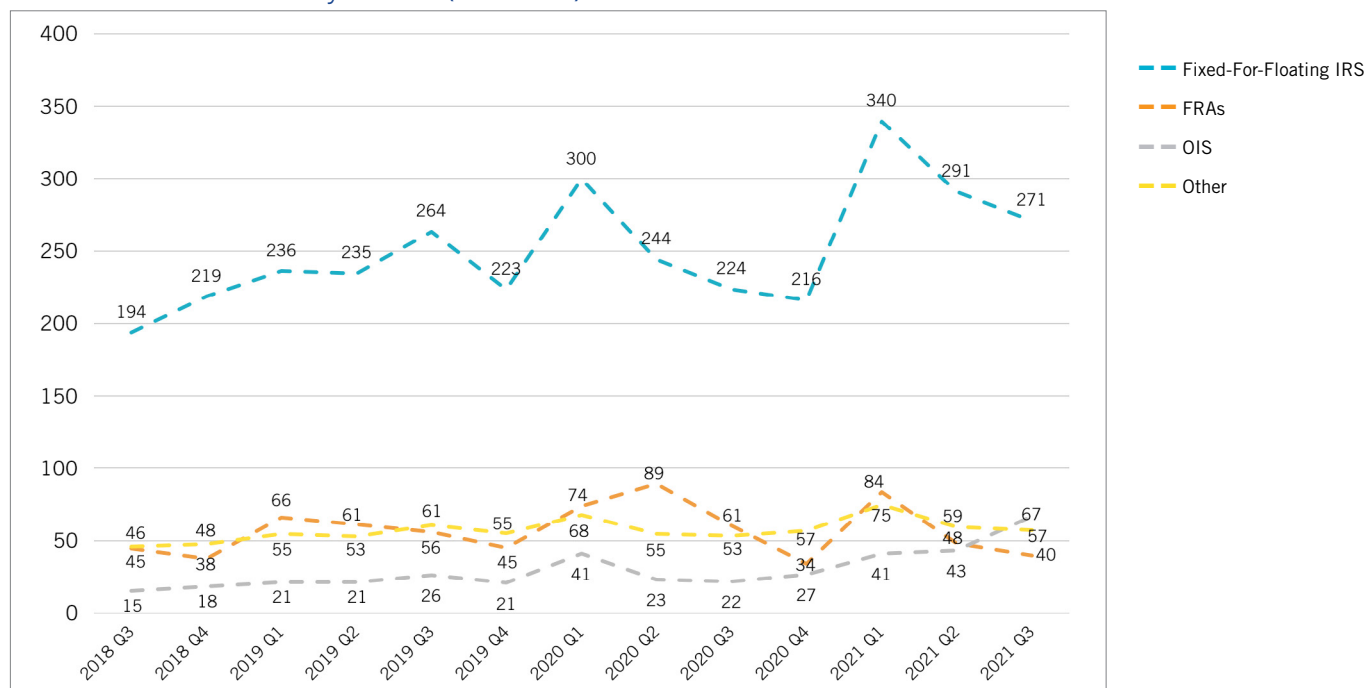
In the nine months to September 30, 2021, OIS traded notional declined by 35.2% to \$31.5 trillion from \$48.6 trillion in the nine months to September 30, 2020. Trade count grew by 76.4% to 151.7 thousand from 86.0 thousand over the same period.

**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

Fixed-for-floating IRS average daily traded notional increased by 52.5% in the third quarter of 2021 versus the third quarter of 2020, totaling \$319.4 billion. Fixed-for-floating IRS average daily trade count and average trade size rose by 21.1% and 21.4%, respectively (see Table 1).

FRA average daily traded notional totaled \$151.8 billion in the third quarter of 2021, 43.0% lower compared to the third quarter of 2020. FRA average daily trade count and average trade size decreased by 34.3% and 32.2%, respectively.

OIS average daily traded notional was \$191.2 billion in the third quarter of 2021, a 46.9% increase compared to the third quarter of 2020. OIS average daily trade count grew by 208.2%, while average trade size fell by 53.4%.

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

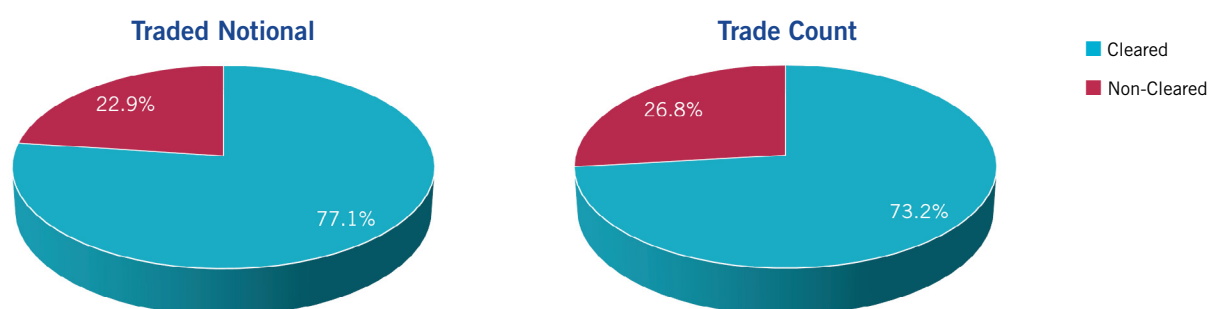
	Average Daily Traded Notional (US\$ billions)			Average Daily Trade Count			Average Trade Size (US\$ millions)		
	IRS	FRAs	OIS	IRS	FRAs	OIS	IRS	FRAs	OIS
<b>2021 Q3</b>	319.4	151.8	191.2	4,103	602	1,017	75.7	463.3	184.7
<b>2020 Q3</b>	209.5	266.4	130.2	3,390	917	330	62.3	683.0	396.0
<b>2021 Q3 vs. 2020 Q3</b>	52.5%	-43.0%	46.9%	21.1%	-34.3%	208.2%	21.4%	-32.2%	-53.4%
<b>YTD 2021</b>	367.3	248.2	162.3	4,630	899	779	77.4	541.4	213.4
<b>YTD 2020</b>	250.6	369.2	248.7	3,920	1,155	439	63.8	671.9	503.5
<b>YTD 2021 vs. YTD 2020</b>	46.6%	-32.8%	-34.7%	18.1%	-22.1%	77.5%	21.3%	-19.4%	-57.6%

Source: DTCC and Bloomberg SDRs

## IRD Central Clearing

Cleared IRD transactions represented 77.1% of total IRD traded notional and 73.2% of total trade count during the third quarter of 2021 (see Chart 5). IRD cleared notional and trade count totaled \$38.2 trillion and 318.3 thousand, respectively.

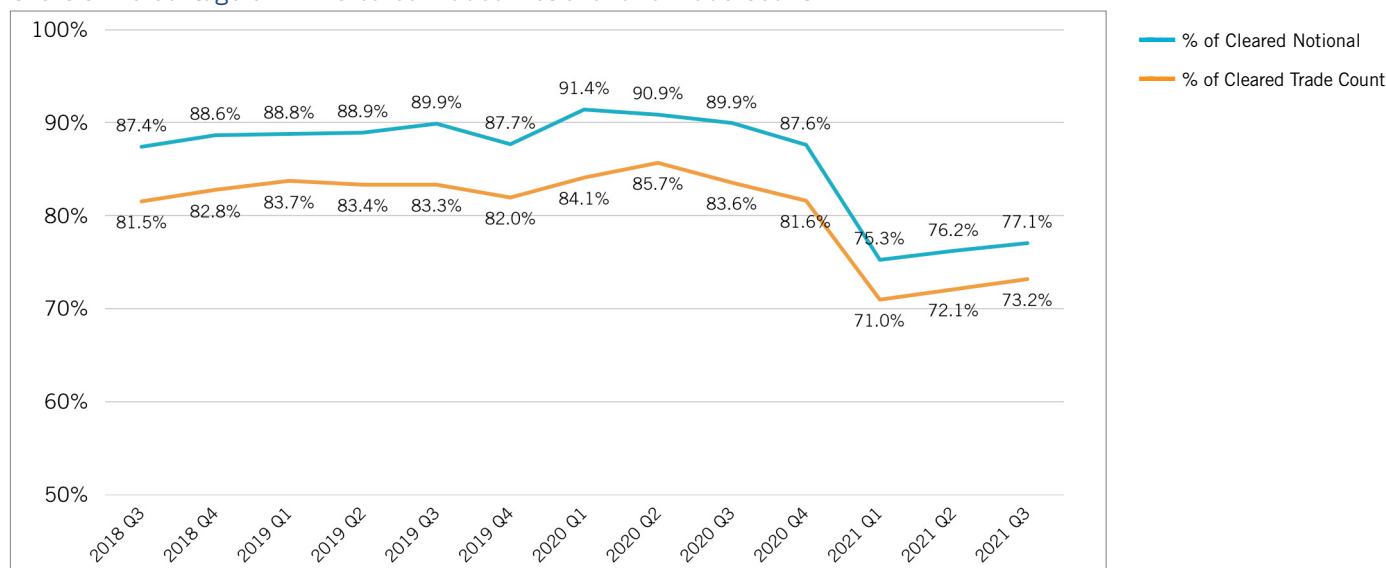
**Chart 5: IRD Cleared Traded Notional and Trade Count**



Source: DTCC and Bloomberg SDRs

The DTCC SDR completed a planned system upgrade on November 21, 2020, which changed the reporting logic for the status of cleared trades. Following the upgrade, the percentage of IRD cleared trades appears to be lower during 2021 versus historical averages, as firms switched to the new reporting logic (see Chart 6).

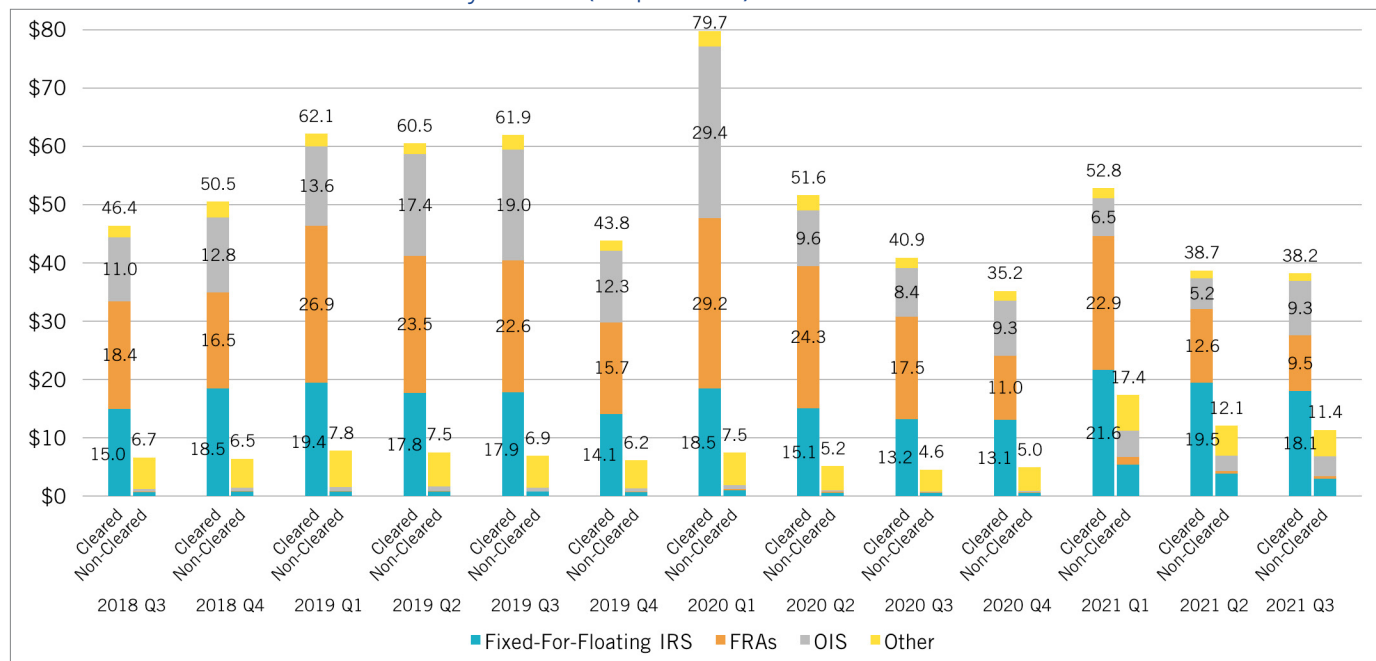
**Chart 6: Percentage of IRD Cleared Traded Notional and Trade Count**



Source: DTCC and Bloomberg SDRs

In the third quarter of 2021, \$18.1 trillion (85.8%) of fixed-for-floating IRS traded notional was cleared and \$3.0 trillion was non-cleared (see Chart 7). Cleared FRA and OIS traded notional totaled \$9.5 trillion (95.0%) and \$9.3 trillion (73.4%), respectively. Cleared traded notional of other IRD products equaled \$1.3 trillion (22.6%), while \$4.5 trillion was non-cleared.

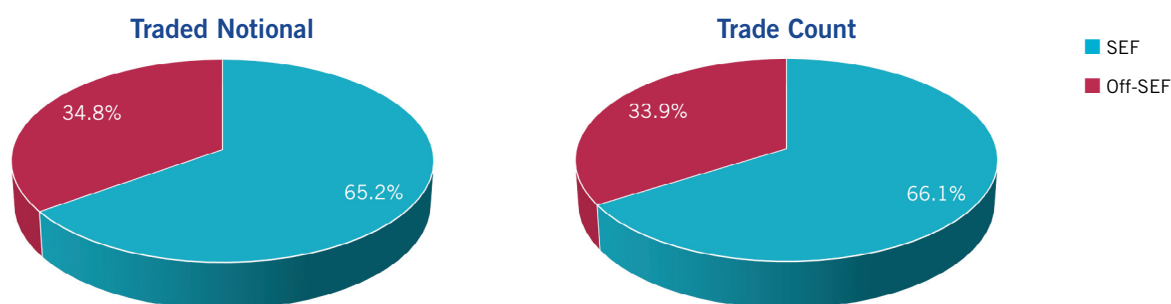
In the nine months to September 30, 2021, \$59.2 trillion (82.8%) of fixed-for-floating IRS traded notional was cleared and \$12.3 trillion was non-cleared. \$45.1 trillion (95.1%) of FRA and \$21.0 trillion (66.7%) of OIS traded notional was cleared. \$4.5 trillion (22.2%) of other IRD products traded notional was cleared and \$15.7 trillion was non-cleared.

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


Source: DTCC and Bloomberg SDRs

## IRD Trading Venue

SEF-traded IRD represented 65.2% of total IRD traded notional and 66.1% of total trade count in the third quarter of 2021 (see Chart 8). Total IRD traded notional executed on SEFs was \$32.3 trillion, while \$17.3 trillion was executed off-SEF. In terms of trade count, 287.5 thousand transactions were executed on SEFs and 147.3 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 grew by 10.3% from \$29.3 trillion in the third quarter of 2020 to \$32.3 trillion in the third quarter of 2021. The number of trades executed on SEFs increased by 26.2% from 227.7 thousand to 287.5 thousand over the same period (see Chart 9).

IRD traded notional executed off-SEF increased by 6.6% from \$16.2 trillion in the third quarter of 2020 to \$17.3 trillion in the third quarter of 2021. The number of transactions grew by 12.0% from 131.5 thousand to 147.3 thousand over the same interval.

In the nine months to September 30, 2021, IRD traded notional executed on SEFs rose by 3.2% to \$116.7 trillion from \$113.1 trillion in the nine months to September 30, 2020. Trade count increased by 19.2% from 795.2 thousand to 947.9 thousand over this period.

IRD traded notional executed off-SEF decreased by 29.5% from \$76.5 trillion in the nine months to September 30, 2020 to \$53.9 trillion in the nine months to September 30, 2021. The number of transactions increased by 2.3% over the same interval, from 457.7 thousand to 468.4 thousand.

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

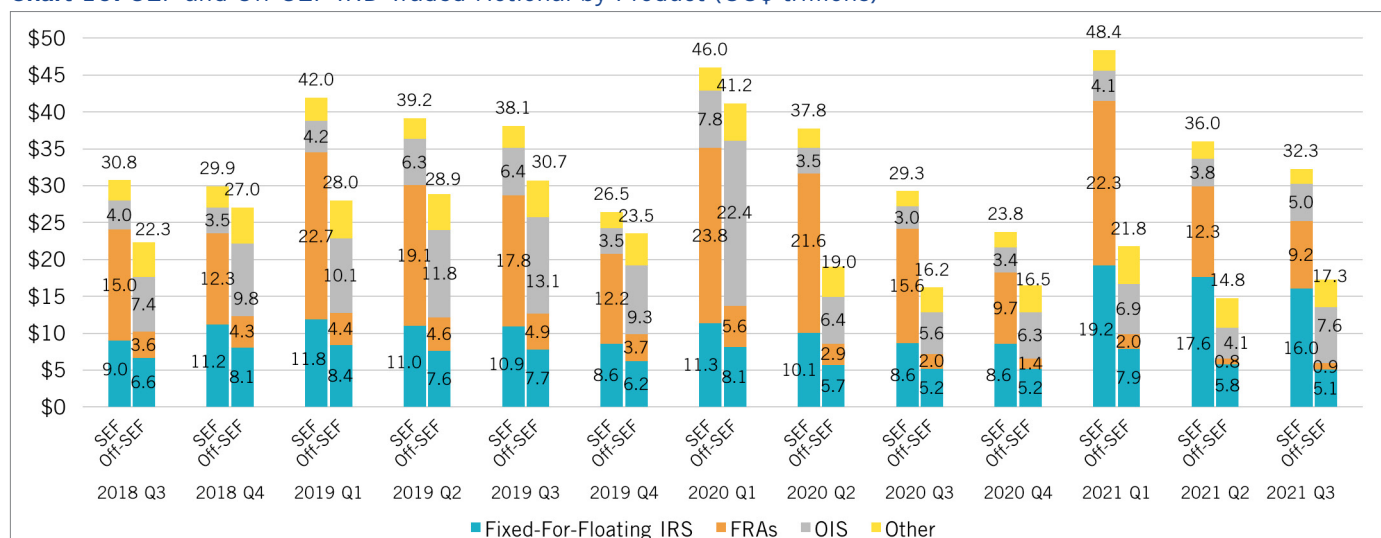


Source: DTCC and Bloomberg SDRs

In the third quarter of 2021, \$16.0 trillion (76.0%) of fixed-for-floating IRS traded notional took place on SEFs and \$5.1 trillion was executed off-SEF. \$9.2 trillion (91.5%) of FRA traded notional was executed on SEFs and \$853.2 billion was traded off-SEF, while \$5.0 trillion (39.9%) of OIS traded notional was executed on SEFs and \$7.6 trillion occurred off-SEF (see Chart 10).

In the nine months to September 30, 2021, \$52.8 trillion (73.8%) of fixed-for-floating IRS traded notional occurred on SEFs and \$18.7 trillion was executed off-SEF. \$43.8 trillion (92.4%) of FRA traded notional was executed on SEFs and \$3.6 trillion took place off-SEF. \$12.9 trillion (41.0%) of OIS traded notional was executed on SEFs and \$18.6 trillion occurred off-SEF.

**Chart 10: SEF and Off-SEF IRD Traded Notional by Product (US\$ trillions)**

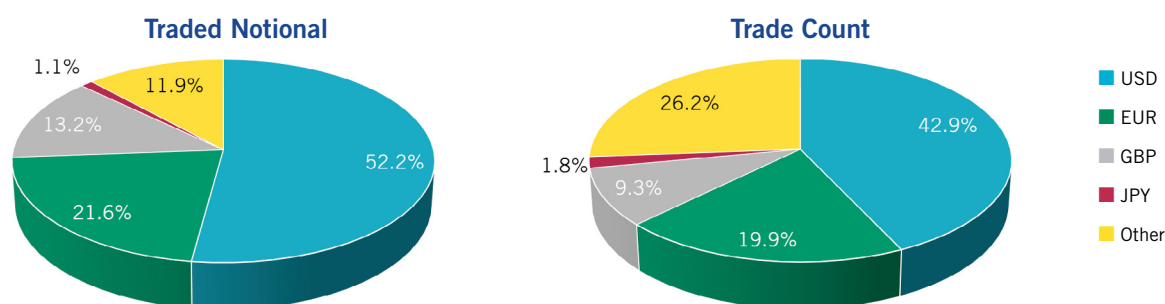


Source: DTCC and Bloomberg SDRs

## IRD by Currency

IRD contracts denominated in US dollars were the most actively traded over the quarter. US dollar-denominated IRD represented 52.2% of total IRD traded notional and 42.9% of total trade count in the third quarter of 2021. Euro-denominated transactions accounted for 21.6% of total IRD traded notional and 19.9% of trade count. Sterling-denominated transactions made up 13.2% and 9.3% of total IRD traded notional and trade count, respectively (see Chart 11).

**Chart 11: IRD Traded Notional and Trade Count by Currency**



Source: DTCC and Bloomberg SDRs

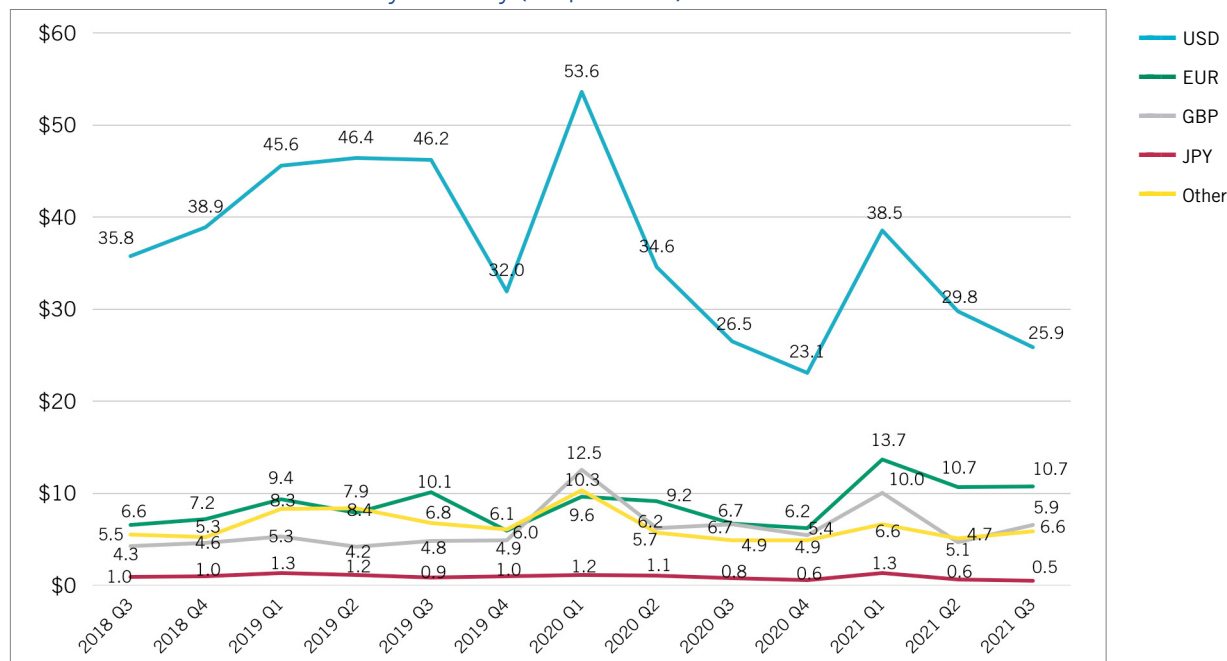
US dollar-, sterling- and yen-denominated IRD traded notional decreased by 2.3%, 1.4% and 30.6%, respectively, in the third quarter of 2021 versus the third quarter of 2020. Euro-denominated IRD traded notional increased by 60.2%.

US dollar-denominated traded notional totaled \$25.9 trillion in the third quarter of 2021 compared to \$26.5 trillion in the third quarter of 2020. Euro-denominated traded notional increased to \$10.7 trillion versus \$6.7 trillion. Traded notional for sterling- and yen-denominated trades totaled \$6.6 trillion and \$538.0 billion, respectively (see Chart 12).

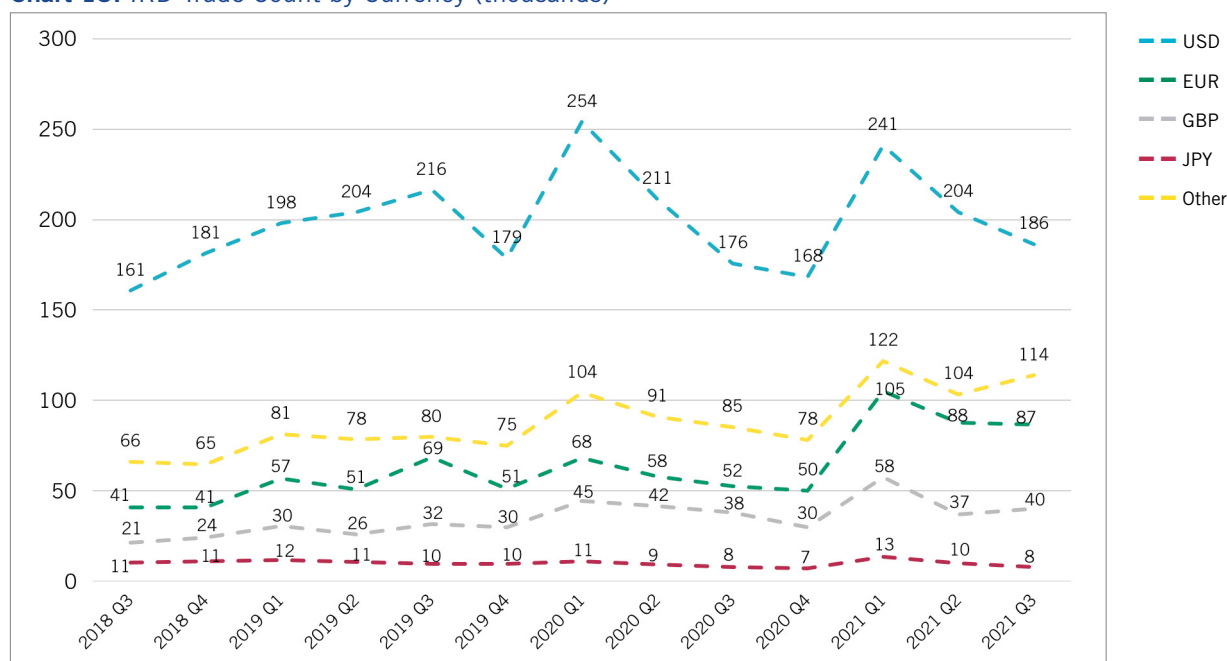
Trade count for US dollar-denominated IRD transactions increased by 6.1% to 186.4 thousand, euro-denominated transactions grew by 65.0% to 86.5 thousand and sterling-denominated IRD rose by 6.0% to 40.2 thousand. Yen-denominated IRD transactions decreased by 1.2% to 7.8 thousand (see Chart 13).

In the nine months to September 30, 2021, US dollar-denominated IRD traded notional decreased by 17.8% to \$94.2 trillion from \$114.6 trillion in the first nine months of 2020. Euro-denominated traded notional increased by 37.5% to \$35.1 trillion from \$25.5 trillion over the same period. Sterling-denominated traded notional decreased by 16.4% to \$21.3 trillion and yen traded notional fell by 17.5% to \$2.5 trillion.

Trade count for US dollar-denominated trades decreased by 1.4% in the nine months to September 30, 2021 versus the first nine months of 2020. Trade count increased by 56.2% for euro-denominated trades, 8.7% for sterling trades and 9.4% for yen-denominated trades over the same period.

**Chart 12: IRD Traded Notional by Currency (US\$ trillions)**


Source: DTCC and Bloomberg SDRs

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


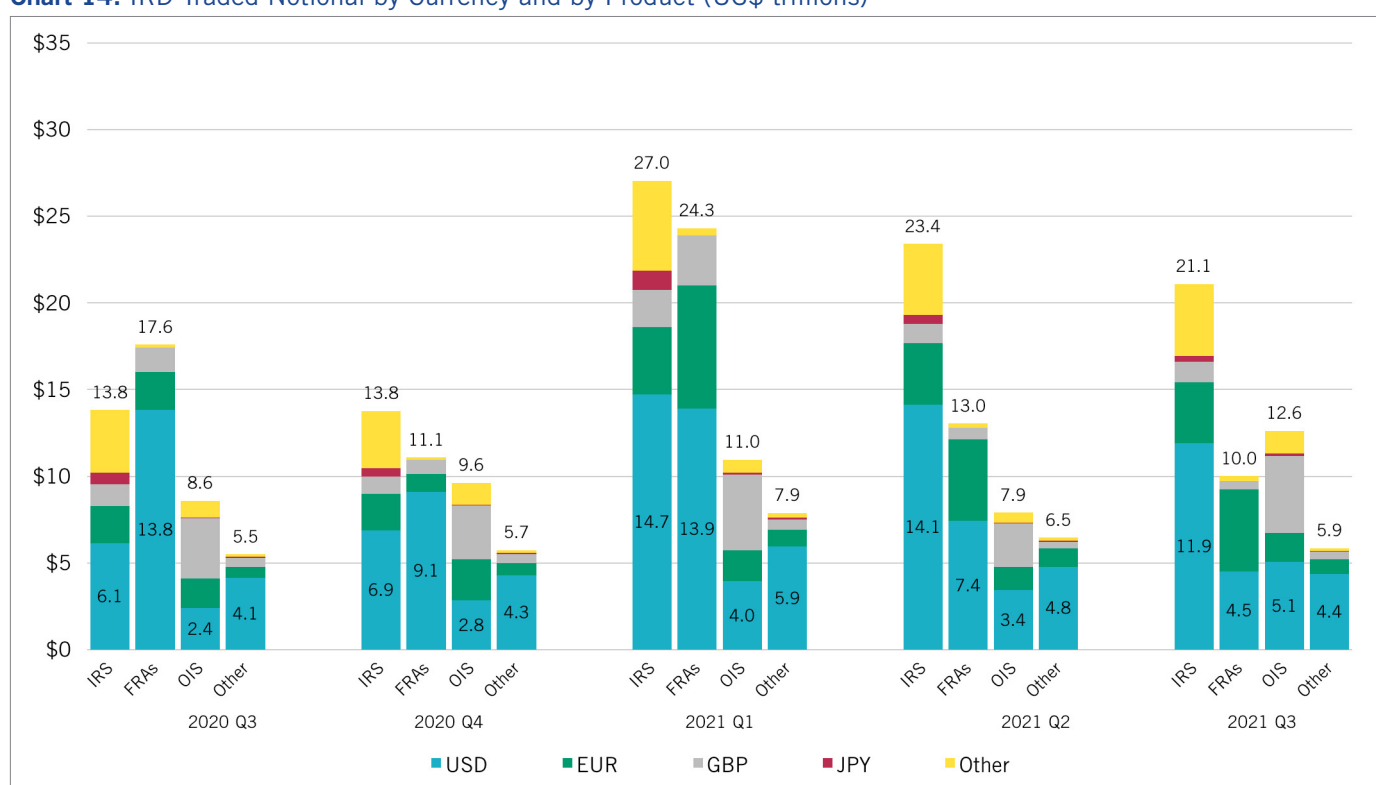
Source: DTCC and Bloomberg SDR

US dollar-denominated fixed-for-floating IRS traded notional increased by 94.2% to \$11.9 trillion in the third quarter of 2021 versus \$6.1 trillion in the third quarter of 2020. Euro-denominated fixed-for-floating IRS traded notional grew by 63.7% over the same period, from \$2.2 trillion to \$3.5 trillion. Sterling- and yen-denominated IRS traded notional totaled \$1.2 trillion and \$346.5 billion, respectively, in the third quarter of 2021 compared to \$1.3 trillion and \$667.0 billion in the third quarter of 2020 (see Chart 14).

US dollar-denominated FRA traded notional decreased by 67.3% to \$4.5 trillion in the third quarter of 2021 from \$13.8 trillion in the third quarter of 2020, while euro-denominated FRAs grew by 115.1% to \$4.7 trillion over the same period. Sterling-denominated FRA traded notional decreased by 66.8% to \$465.8 billion in the third quarter of 2021 from \$1.4 trillion in the third quarter of 2020.

US dollar-denominated OIS traded notional rose by 111.1% to \$5.1 trillion in the third quarter of 2021 from \$2.4 trillion in the third quarter of 2020. Euro-denominated OIS decreased by 3.9% to \$1.7 trillion over the same period. Sterling-denominated OIS traded notional increased by 28.9% to \$4.5 trillion in the third quarter of 2021 from \$3.5 trillion in the third quarter of 2020.

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



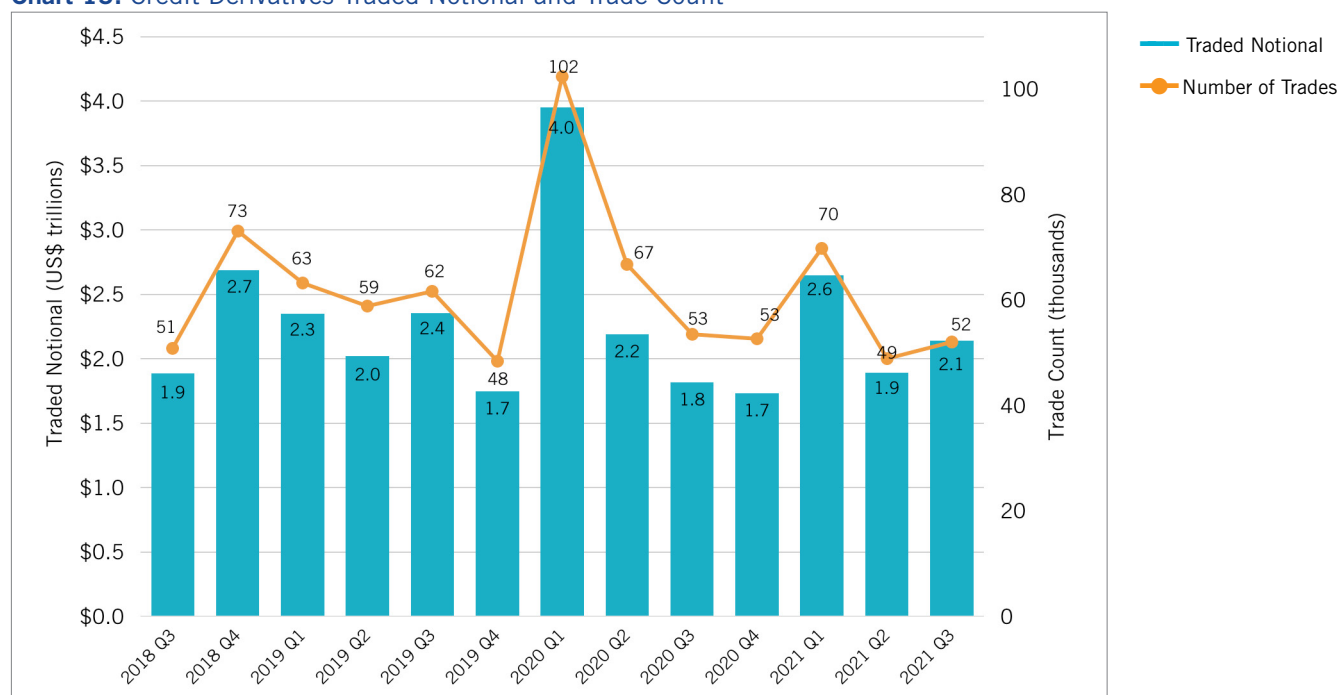
Source: DTCC and Bloomberg SDRs



## CREDIT DERIVATIVES

Credit derivatives traded notional increased by 17.7% to \$2.1 trillion in the third quarter of 2021 from \$1.8 trillion in the third quarter of 2020. The number of trades decreased by 2.6% to 52.1 thousand from 53.5 thousand over the same period (see Chart 15).

**Chart 15:** Credit Derivatives Traded Notional and Trade Count



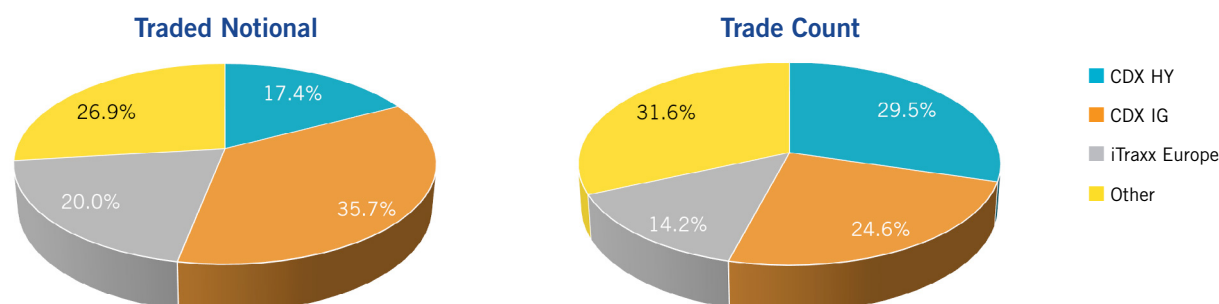
Source: DTCC and Bloomberg SDRs

In the nine months to September 30, 2021, credit derivatives traded notional decreased by 16.1% to \$6.7 trillion from \$8.0 trillion in the nine months to September 30, 2020. Credit derivatives trade count fell by 23.3% to 170.8 thousand from 222.7 thousand over the same period.

## Credit Derivatives Product Taxonomy

CDX HY and CDX IG represented 17.4% and 35.7% of total credit derivatives traded notional and 29.5% and 24.6% of total trade count, respectively, in the third quarter of 2021. iTraxx Europe accounted for 20.0% of total traded notional and 14.2% of trade count (see Chart 16).

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



Source: DTCC and Bloomberg SDRs



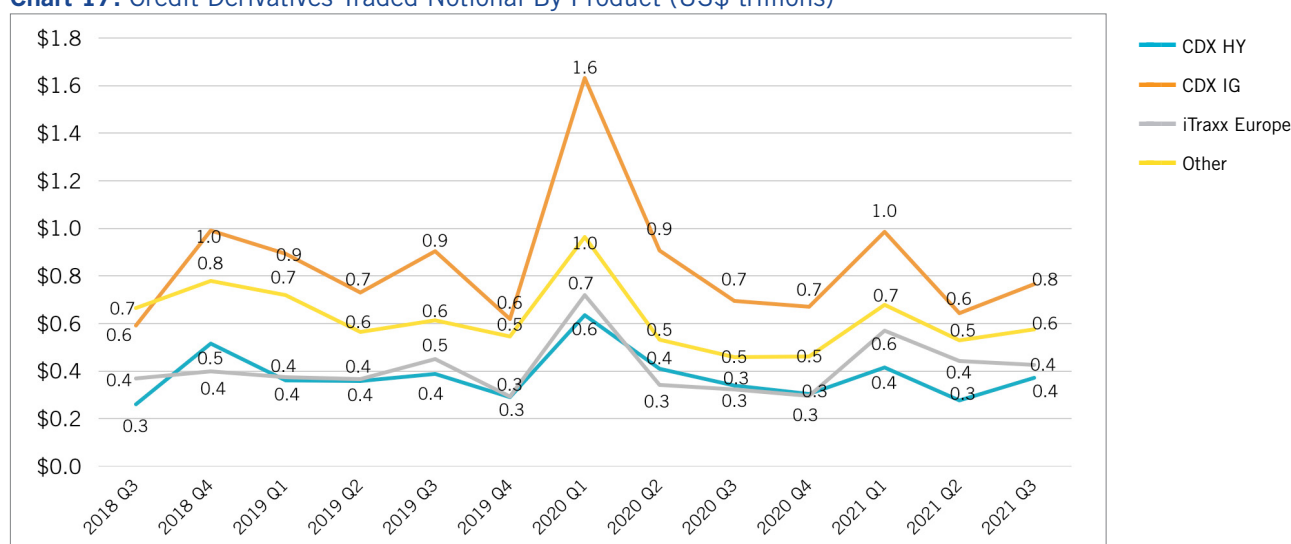
CDX HY and CDX IG traded notional increased by 9.2% and 9.9%, respectively, in the third quarter of 2021 versus the third quarter of 2020. CDX HY rose to \$371.5 billion from \$340.2 billion, and CDX IG grew to \$765.1 billion from \$695.9 billion. Trade count decreased by 0.8% for CDX HY and by 7.6% for CDX IG over the same interval (see Chart 17 and Chart 18).

iTraxx Europe traded notional increased by 32.4% to \$427.5 billion in the third quarter of 2021 from \$322.9 billion in the third quarter of 2020. Trade count grew by 12.3% to 7.4 thousand over the same period.

In the nine months to September 30, 2021, CDX HY traded notional fell by 23.2% to \$1.1 trillion from \$1.4 trillion in the nine months to September 30, 2020. CDX IG traded notional decreased by 26.0% to \$2.4 trillion from \$3.2 trillion over the same period. Trade count for CDX HY and CDX IG fell by 26.0% and 30.0%, respectively.

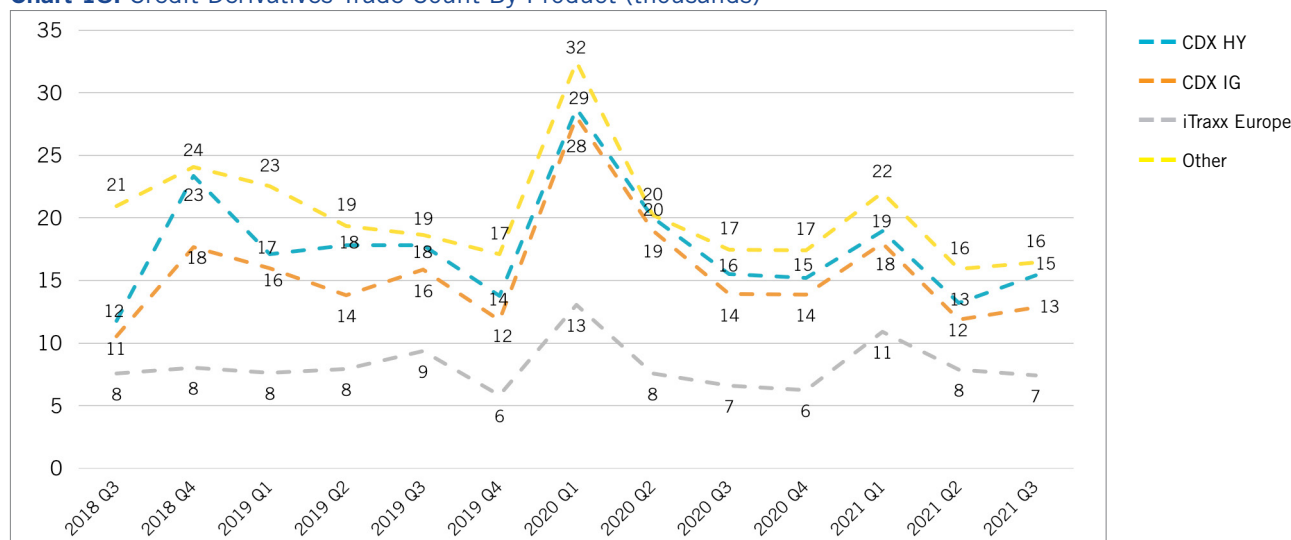
iTraxx Europe traded notional grew by 4.0% to \$1.4 trillion in the nine months to September 30, 2021 compared to the first nine months of 2020. Trade count declined by 3.8% over the same period.

**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

CDX HY and CDX IG average daily traded notional increased by 9.2% and 9.9% between the third quarter of 2020 and the third quarter of 2021, and totaled \$5.8 billion and \$12.0 billion, respectively. Average daily trade count of CDX HY fell by 0.8% and totaled 241, while CDX IG trade count declined by 7.6% and totaled 201. Average trade size of CDX HY and CDX IG was \$21.2 million and \$56.4 million, respectively (see Table 2).

iTraxx Europe average daily traded notional grew by 32.4% to \$6.6 billion and average daily trade count rose by 12.3% to 114. iTraxx Europe average trade size increased by 27.4% to \$56.3 million in the third quarter of 2021 compared to \$44.2 million in the third quarter of 2020.

**Table 2:** Credit Derivatives Average Daily Traded Notional, Daily Trade Count and Trade Size

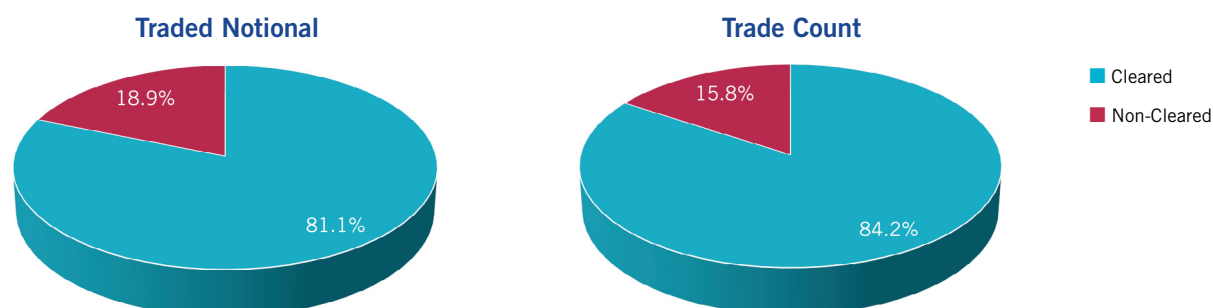
	Average Daily Traded Notional (US\$ billions)			Average Daily Trade Count			Average Trade Size (US\$ millions)		
	CDX HY	CDX IG	iTraxx Europe	CDX HY	CDX IG	iTraxx Europe	CDX HY	CDX IG	iTraxx Europe
<b>2021 Q3</b>	5.8	12.0	6.6	241	201	114	21.2	56.4	56.3
<b>2020 Q3</b>	5.3	10.9	5.0	243	217	102	19.5	46.6	44.2
<b>2021 Q3 vs. 2020 Q3</b>	9.2%	9.9%	32.4%	-0.8%	-7.6%	12.3%	9.0%	21.0%	27.4%
<b>YTD 2021</b>	5.7	12.7	7.6	253	227	139	20.7	54.6	54.1
<b>YTD 2020</b>	7.3	17.2	7.3	340	324	143	20.3	50.4	47.7
<b>YTD 2021 vs. YTD 2020</b>	-22.8%	-26.1%	4.9%	-25.6%	-30.0%	-3.1%	2.4%	8.2%	13.3%

Source: DTCC and Bloomberg SDRs

## Credit Derivatives Central Clearing

Cleared transactions represented 81.1% of total credit derivatives traded notional and 84.2% of trade count in the third quarter of 2021 (see Chart 19). Cleared traded notional and trade count totaled \$1.7 trillion and 43.8 thousand, respectively.

**Chart 19:** Credit Derivatives Cleared Traded Notional and Trade Count



Source: DTCC and Bloomberg SDRs

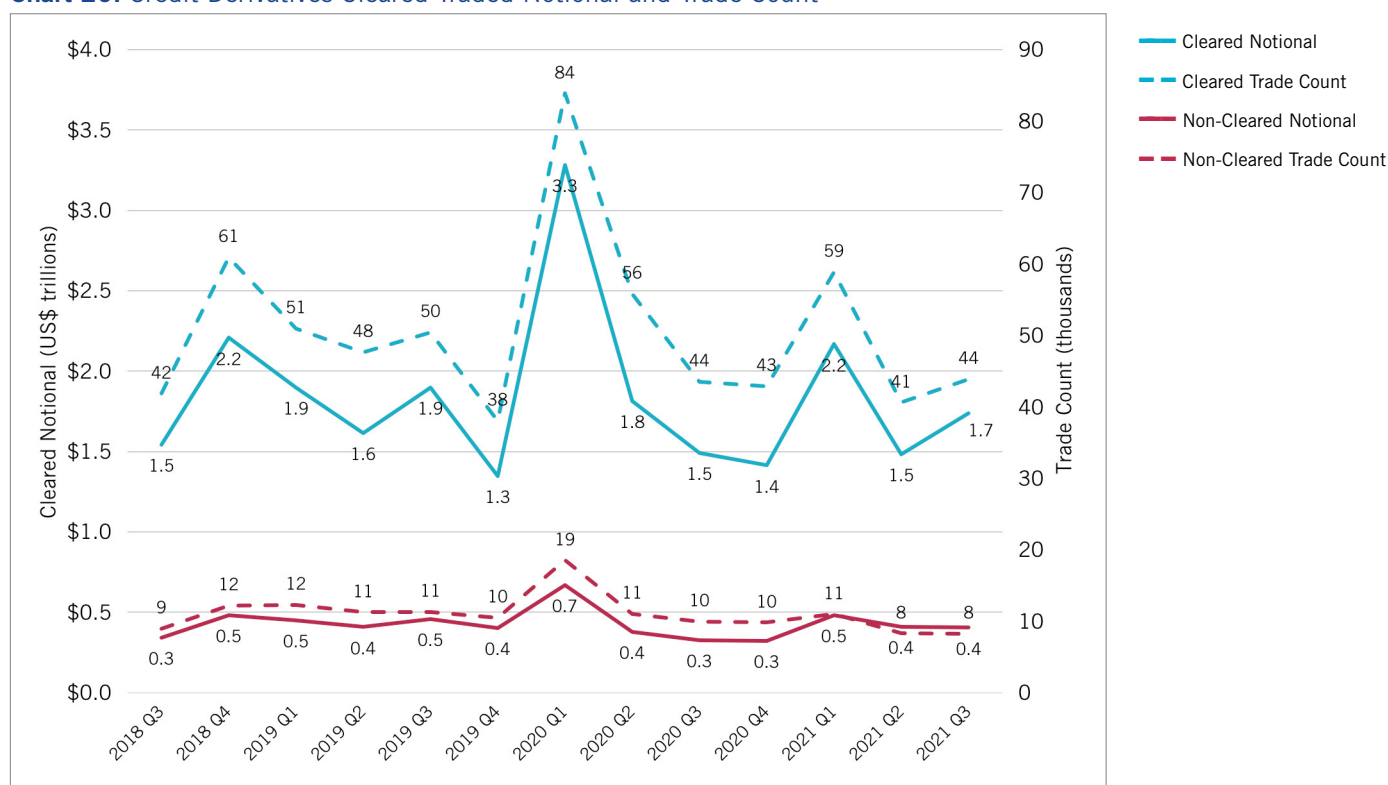
Credit derivatives cleared notional increased by 16.4% to \$1.7 trillion in the third quarter of 2021 from \$1.5 trillion in the third quarter of 2020. Cleared trade count grew by 0.8% to 43.9 thousand from 43.5 thousand over the same interval (see Chart 20).

Non-cleared traded notional rose by 23.9% to \$403.9 billion in the third quarter of 2021 from \$326.0 billion in the third quarter of 2020, while non-cleared trade count decreased by 17.1%.

In the nine months to September 30, 2021, credit derivatives cleared traded notional decreased by 18.2% to \$5.4 trillion from \$6.6 trillion in the nine months to September 30, 2020. Cleared trade count fell by 21.8% to 144.3 thousand from 183.2 thousand over the same period.

Non-cleared traded notional fell to \$1.3 trillion in the nine months to September 30, 2021, a 5.7% decrease compared to \$1.4 trillion in the first nine months of 2020. Non-cleared trade count declined by 30.3% to 27.5 thousand from 39.5 thousand.

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



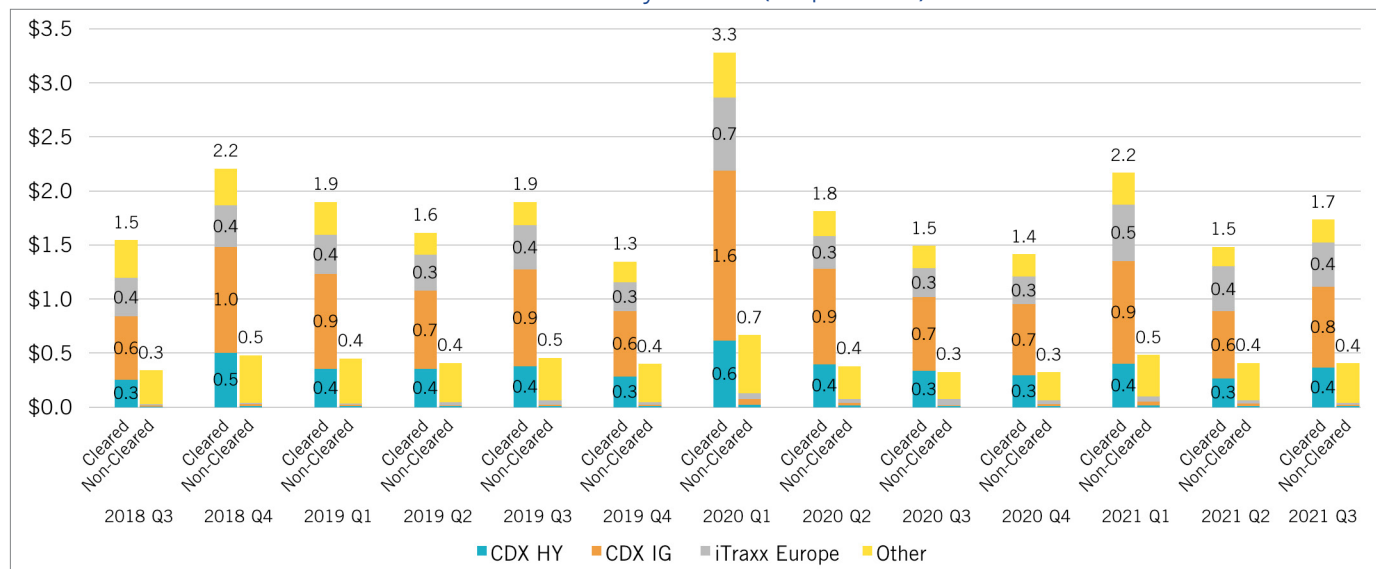
Source: DTCC and Bloomberg SDRs

In the third quarter of 2021, \$363.4 billion (97.8%) of CDX HY and \$751.7 billion (98.2%) of CDX IG traded notional was cleared, while \$8.1 billion and \$13.4 billion, respectively, was non-cleared (see Chart 21).

Cleared traded notional of iTraxx Europe totaled \$408.9 billion (95.7%) in the third quarter of 2021, while non-cleared traded notional was \$18.6 billion. \$212.3 billion (36.9%) of other credit derivatives traded notional was cleared and \$363.8 billion was non-cleared.

In the nine months to September 30, 2021, \$1.0 trillion (96.7%) of CDX HY and \$2.3 trillion (97.0%) of CDX IG traded notional was cleared and \$34.9 billion and \$71.0 billion was non-cleared.

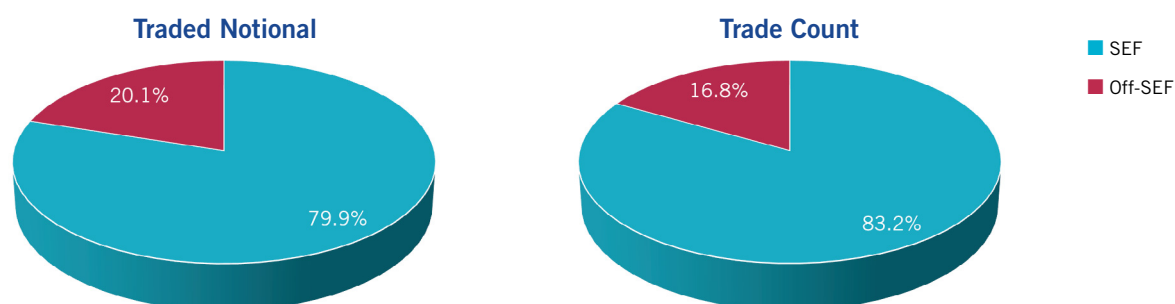
iTraxx Europe cleared traded notional totaled \$1.4 trillion (93.6%) in the nine months to September 30, 2021. \$687.7 billion (38.6%) of other credit derivatives traded notional was cleared and \$1.1 trillion was non-cleared.

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


Source: DTCC and Bloomberg SDRs

## Credit Derivatives Trading Venue

SEF-traded credit derivatives represented 79.9% of total traded notional and 83.2% of trade count in the third quarter of 2021 (see Chart 22). Total credit derivatives traded notional executed on SEFs was \$1.7 trillion, while \$429.8 billion took place off-SEF. 43.4 thousand transactions were executed on SEFs and 8.7 thousand transactions occurred off-SEF.

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


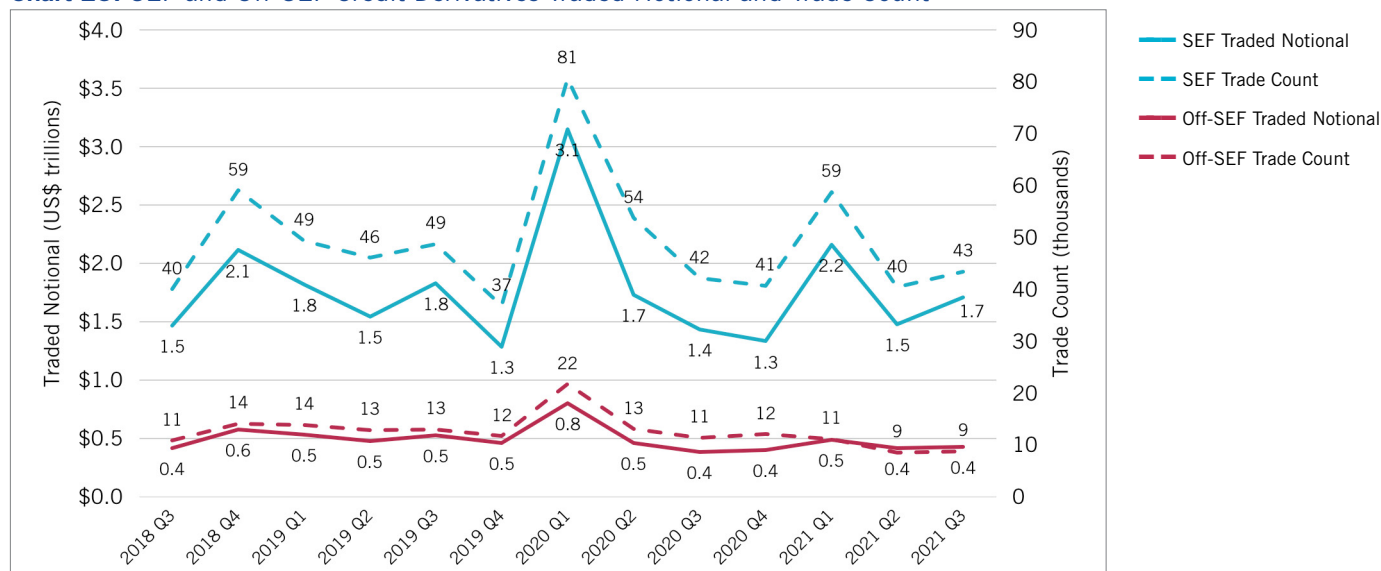
Source: DTCC and Bloomberg SDRs

Credit derivatives traded notional executed on SEFs increased by 19.3% to \$1.7 trillion in the third quarter of 2021 from \$1.4 trillion in the third quarter of 2020. The number of trades that took place on SEFs increased by 3.0% over this period (see Chart 23).

Credit derivatives traded notional executed off-SEF increased by 12.2% to \$429.8 billion in the third quarter of 2021 from \$383.2 billion in the third quarter of last year. The number of off-SEF transactions decreased by 23.0% over the same interval.

In the nine months to September 30, 2021, traded notional occurring on SEFs fell by 15.3% to \$5.4 trillion from \$6.3 trillion in the nine months to September 30, 2020. Trade count fell by 19.3% to 142.5 thousand from 176.5 thousand over the same period.

Credit derivatives traded notional executed off-SEF decreased by 18.9% to \$1.3 trillion in the nine months to September 30, 2021 from \$1.7 trillion in the first nine months of 2020. The number of off-SEF transactions decreased by 38.4% over this time.

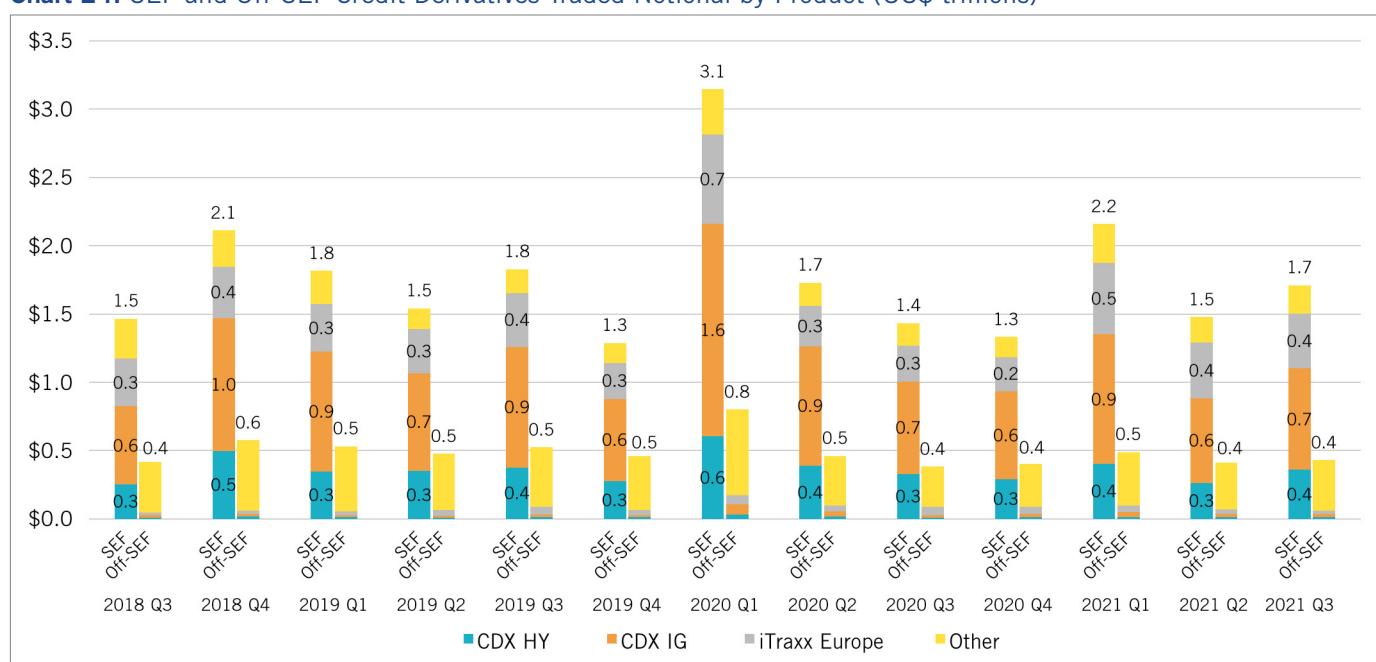
**Chart 23: SEF and Off-SEF Credit Derivatives Traded Notional and Trade Count**


Source: DTCC and Bloomberg SDRs

In the third quarter of 2021, \$360.0 billion (96.9%) of CDX HY and \$741.5 billion (96.9%) of CDX IG traded notional took place on SEFs, and \$11.5 billion and \$23.5 billion, respectively, occurred off-SEF.

\$401.6 billion (93.9%) of iTraxx Europe traded notional was executed on SEFs and \$25.9 billion occurred off-SEF. Only \$207.3 billion (36.0%) of traded notional for other credit derivatives was executed on SEFs and \$368.9 billion was traded off-SEF (see Chart 24).

In the nine months to September 30, 2021, \$1.0 trillion (96.4%) of CDX HY, \$2.3 trillion (96.4%) of CDX IG and \$1.3 trillion (92.8%) of iTraxx Europe traded notional took place on SEFs. \$677.1 billion (38.0%) of other credit derivatives traded notional occurred on SEFs and \$1.1 trillion was traded off-SEF.

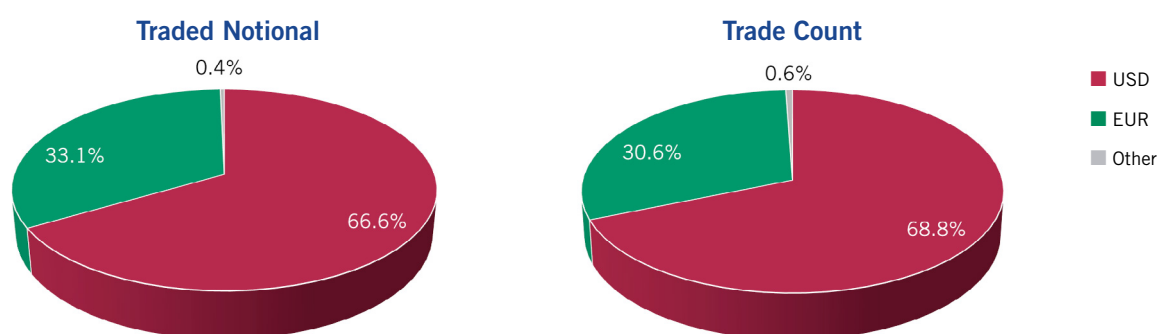
**Chart 24: SEF and Off-SEF Credit Derivatives Traded Notional by Product (US\$ trillions)**


Source: DTCC and Bloomberg SDRs

## Credit Derivatives by Currency

Credit derivatives contracts denominated in US dollars represented 66.6% and 68.8% of total traded notional and trade count, respectively, in the third quarter of 2021. Euro-denominated transactions accounted for 33.1% of total credit derivatives traded notional and 30.6% of trade count (see Chart 25).

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

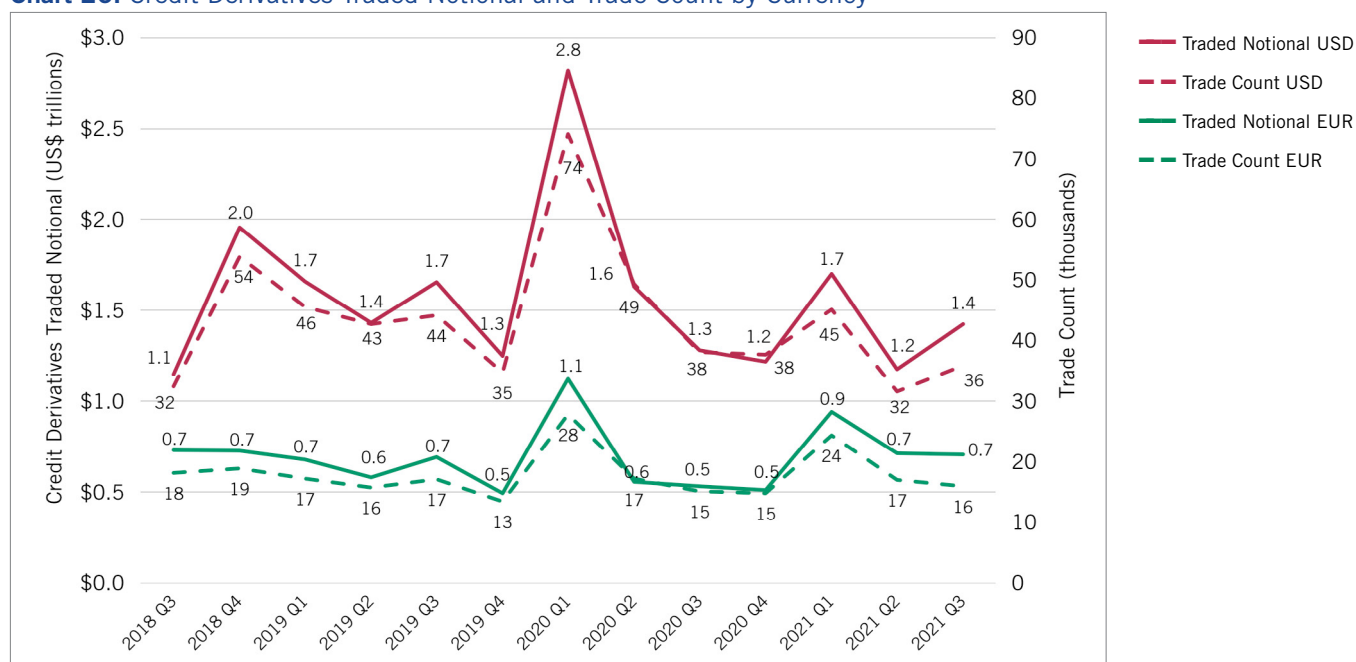


Source: DTCC and Bloomberg SDRs

US dollar-denominated traded notional increased by 11.3% to \$1.4 trillion in the third quarter of 2021 from \$1.3 trillion in the third quarter of 2020. Euro-denominated traded notional rose by 33.0% to \$707.8 billion in the third quarter of 2021 compared to the third quarter of 2020. Trade count fell by 5.9% for US dollar and grew by 5.5% for euro-denominated transactions (see Chart 26).

In the nine months to September 30, 2021, US dollar-denominated traded notional decreased by 24.9% to \$4.3 trillion from \$5.7 trillion in the nine months to September 30, 2020. Euro-denominated traded notional increased by 6.7% to \$2.4 trillion from \$2.2 trillion over the same period. Trade count fell by 30.3% for US dollar and by 4.5% for euro-denominated transactions. For other currencies, traded notional grew by 9.0% and trade count declined by 16.7%.

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



Source: DTCC and Bloomberg SDRs



ISDA has published other recent research papers:

- ***Transition to RFRs Review: Third Quarter of 2021 and Year to September 30, 2021***

[www.isda.org/2021/11/01/transition-to-rfrs-review-third-quarter-of-2021-and-year-to-september-30-2021/](http://www.isda.org/2021/11/01/transition-to-rfrs-review-third-quarter-of-2021-and-year-to-september-30-2021/)

- ***ISDA-Clarus RFR Adoption Indicator: September 2021***

[www.isda.org/a/waKgE/ISDA-Clarus-RFR-Adoption-Indicator-2021-09.pdf](http://www.isda.org/a/waKgE/ISDA-Clarus-RFR-Adoption-Indicator-2021-09.pdf)

- ***Interest Rate Derivatives Trading Activity in the EU, UK and US: July 2021***

[www.isda.org/a/H0igE/Interest-Rate-Derivatives-Trading-Activity-Reported-in-EU-UK-and-US-Markets-July-2021.pdf](http://www.isda.org/a/H0igE/Interest-Rate-Derivatives-Trading-Activity-Reported-in-EU-UK-and-US-Markets-July-2021.pdf)

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