

SwapsInfo First Half of 2023 and the Second Quarter of 2023 Review

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, trading on and off swap execution facilities (SEFs), and product taxonomy and currency information.

Notional and trade count data for trading in IRD and credit derivatives is obtained from the Depository Trust & Clearing Corporation (DTCC) swap data repository (SDR) and security-based swap data repository (SBSDR). It is available on the ISDA SwapsInfo website (swapsinfo.org).

This report covers IRD and index credit derivatives transactions disclosed to the DTCC SDR under US Commodity Futures Trading Commission (CFTC) regulations. Security-based credit derivatives analysis includes only security-based swap transactions reported to the DTCC SBSDR under US Securities and Exchange Commission (SEC) regulations. The report does not cover security-based swap transactions reported to ICE Trade Vault.

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KEY HIGHLIGHTS FOR THE FIRST HALF OF 2023 AND THE SECOND QUARTER OF 2023

Interest Rate Derivatives

In the first half of 2023, IRD traded notional and trade count grew by 16.8% and 18.2%, respectively, compared to the first half of 2022¹. Overnight index swaps (OIS) and forward rate agreement (FRA) traded notional increased by 59.1% and 9.8%, respectively, while fixed-for-floating interest rate swaps (IRS) traded notional fell by 42.1%. OIS trade count rose by 51.0%, FRA trade count increased by 10.4% and fixed-for-floating IRS trade count fell by 5.9%.

In the first half of 2023:

- IRD traded notional increased to \$181.6 trillion in the first half of 2023 from \$155.5 trillion in the first half of 2022. Trade count rose to 1.4 million from 1.1 million over the same period.
- The increase in IRD traded notional was driven by a jump in OIS traded notional, which grew to \$108.8 trillion in the first half of 2023 from \$68.4 trillion in the first half of 2022. Single currency fixed-for-floating IRS traded notional declined to \$29.2 trillion from \$50.4 trillion in the first half of 2022. FRA traded notional rose to \$21.5 trillion from \$19.5 trillion over the same period.
- Single currency fixed-for-floating IRS represented 16.1% of total IRD traded notional and accounted for 36.9% of total IRD trade count. FRAs and OIS made up 11.8% and 59.9% of traded notional and 6.3% and 43.8% of total trade count, respectively.
- Cleared IRD transactions accounted for 77.6% of total traded notional and 77.7% of trade count. 84.2% of fixed-for-floating IRS, 98.2% of FRA, 84.9% of OIS and 12.7% of other IRD traded notional was cleared.
- SEF-traded IRD comprised 52.5% of total traded notional and 65.8% of trade count. 66.3% of fixed-for-floating IRS, 89.6% of FRA, 44.6% of OIS and 37.0% of other IRD traded notional was executed on SEFs.

¹ This data only includes interest rate derivatives (IRD) reported to the Depository Trust & Clearing Corporation (DTCC) swap data repository (SDR) under US Commodity Futures Trading Commission (CFTC) regulations

- IRD contracts denominated in US dollars made up 42.3% of total IRD traded notional and 36.9% of trade count. Euro-denominated IRD accounted for 33.5% of traded notional and 23.7% of trade count. Sterling-denominated transactions comprised 9.3% and 6.7% of total IRD traded notional and trade count, respectively.
- OIS traded notional denominated in US dollars increased by 59.1% and US dollar-denominated fixed-for-floating IRS traded notional fell by 72.7%. US dollar-denominated FRA traded notional rose by 17.5% in the first half of 2023 compared to the first half of 2022. Euro-denominated OIS and FRA traded notional grew by 61.0% and 9.9%, respectively, while euro IRS traded notional fell by 7.4%. Sterling-denominated OIS traded notional increased by 44.6% and sterling-denominated IRS traded notional dropped by 39.9%.

In the second quarter of 2023:

- IRD traded notional rose by 5.7% to \$75.1 trillion in the second quarter of 2023 versus \$71.0 trillion in the second quarter of 2022. Trade count increased by 3.3% to 596.3 thousand from 577.5 thousand over the same period.
- OIS traded notional grew by 42.5% to \$47.0 trillion in the second quarter of 2023 from \$33.0 trillion in the second quarter of 2022. FRA traded notional dropped by 19.2% to \$7.1 trillion from \$8.8 trillion. Single currency fixed-for-floating IRS traded notional fell by 46.9% to \$11.2 trillion from \$21.1 trillion.
- Single currency fixed-for-floating IRS accounted for 15.0% of total IRD traded notional and 36.8% of total IRD trade count. OIS and FRAs represented 62.6% and 9.5% of total IRD traded notional and 45.6% and 4.5% of total trade count, respectively.
- Cleared IRD transactions comprised 76.8% of total IRD traded notional and 77.8% of total trade count. 85.4% of fixed-for-floating IRS, 98.1% of FRA, 85.2% of OIS and 11.0% of other IRD traded notional was cleared.
- IRD transactions executed on SEFs made up 52.0% of total IRD traded notional and 65.2% of trade count. 63.5% of fixed-for-floating IRS, 87.6% of FRA, 46.6% of OIS and 38.8% of other IRD traded notional was traded on SEFs.

- IRD contracts denominated in US dollars comprised 41.1% of total IRD traded notional and 37.8% of total trade count. Euro-denominated transactions accounted for 32.0% of total IRD traded notional and 21.5% of trade count. Sterling-denominated IRD comprised 10.2% and 6.5% of total traded notional and trade count, respectively.
- OIS and FRA traded notional denominated in US dollars increased by 56.4% and 26.2%, respectively, while US dollar-denominated fixed-for-floating IRS traded notional declined by 84.9%. Euro-denominated IRS traded notional fell by 13.7%, euro-denominated FRA traded notional declined by 20.4% and euro OIS traded notional rose by 15.6%. Sterling-denominated OIS traded notional grew by 32.7%.

Index Credit Derivatives Reported under CFTC Regulations

Index credit derivatives traded notional and trade count fell by 28.4% and 16.6%, respectively, in the first half of 2023 compared to the first half of 2022².

In the first half of 2023:

- Index credit derivatives traded notional dropped to \$5.9 trillion in the first half of 2023 from \$8.2 trillion in the first half of 2022. Trade count fell to 180.1 thousand from 215.9 thousand over the same period.
- CDX HY traded notional declined by 22.3% to \$983.2 billion in the first half of 2023 from \$1.3 trillion in the first half of 2022. CDX IG traded notional fell by 24.3% to \$2.1 trillion from \$2.8 trillion. iTraxx Europe traded notional dropped by 33.9% to \$1.4 trillion in the first half of 2023 from \$2.1 trillion in the first half of 2022.
- CDX HY and CDX IG represented 16.8% and 36.3% of total index credit derivatives traded notional and 28.9% and 24.5% of trade count, respectively. iTraxx Europe accounted for 23.2% of total index credit derivatives traded notional and 18.0% of trade count.

² Index credit derivatives mostly comprise credit default swap (CDS) indices, but also include CDS index tranches, credit swaptions, exotic products, total return swaps and an insignificant amount of single-name CDS. This data only includes transactions reported to the DTCC SDR under CFTC regulations. Credit derivatives reported to the DTCC security-based swap data repository (SBSDR) under US Securities and Exchange Commission (SEC) regulations are not included in this data

- Cleared index credit derivatives transactions made up 86.6% of total index credit derivatives traded notional and 90.1% of trade count. 99.4% of CDX HY, 99.4% of CDX IG, 96.7% of iTraxx Europe and 47.9% of other credit derivatives traded notional was cleared.
- SEF-traded index credit derivatives comprised 84.8% of total index credit derivatives traded notional and 88.8% of trade count. 97.4% of CDX HY, 98.0% of CDX IG, 94.6% of iTraxx Europe and 46.0% of other credit derivatives traded notional was executed on SEFs.
- Index credit derivatives denominated in US dollars represented 62.9% of total index credit derivatives traded notional and 63.0% of trade count. Euro-denominated transactions accounted for 37.0% and 36.8% of traded notional and trade count, respectively.

In the second quarter of 2023:

- Index credit derivatives traded notional fell by 39.8% to \$2.2 trillion in the second quarter of 2023 from \$3.7 trillion in the second quarter of 2022. Trade count dropped by 27.2% to 73.7 thousand from 101.3 thousand over the same period.
- CDX HY traded notional fell by 35.0% to \$387.3 billion in the second quarter of 2023 from \$595.8 billion in the second quarter of 2022. CDX IG traded notional declined by 35.9% to \$826.7 billion from \$1.3 trillion and iTraxx Europe traded notional dropped by 47.6% to \$469.0 billion from \$894.9 billion.
- CDX HY and CDX IG made up 17.5% and 37.4% of total index credit derivatives traded notional and 30.8% and 24.7% of trade count, respectively. iTraxx Europe accounted for 21.2% of total index credit derivatives traded notional and 17.1% of trade count.
- Cleared index credit derivatives transactions comprised 84.7% of total index credit derivatives traded notional and 89.7% of trade count. 99.5% of CDX HY, 99.5% of CDX IG, 96.3% of iTraxx Europe and 40.3% of other credit derivatives traded notional was cleared.

- SEF-traded index credit derivatives represented 83.5% of total index credit derivatives traded notional and 88.9% of trade count. 97.6% of CDX HY, 98.1% of CDX IG, 94.7% of iTraxx Europe and 40.2% of other index credit derivatives traded notional was executed on SEFs.
- Index credit derivatives denominated in US dollars accounted for 66.3% of total index credit derivatives traded notional and 65.7% of trade count. Euro-denominated transactions made up 33.7% and 34.1% of total traded notional and trade count, respectively.

Security-based Credit Derivatives Reported Under SEC Regulations

In the second quarter of 2023:

- Security-based credit derivatives traded notional grew by 15.1% to \$176.7 billion in the second quarter of 2023 from \$153.5 billion in the second quarter of 2022. Trade count rose by 18.7% to 58.7 thousand from 49.5 thousand over the same period^{3,4}.
- Corporate single-name credit default swaps (CDS) traded notional increased by 31.8% to \$136.5 billion in the second quarter of 2023 from \$103.6 billion in the second quarter of 2022. Sovereign single-name CDS traded notional fell by 17.2% to \$31.3 billion from \$37.8 billion.
- Corporate single-name CDS traded notional accounted for 77.3% of total security-based credit derivatives traded notional and sovereign single-name CDS represented 17.7%. Corporate and sovereign single-name CDS comprised 79.3% and 14.0% of total trade count, respectively. Other security-based credit derivatives traded notional made up 5.0% of total security-based credit derivatives traded notional and 6.7% of trade count.
- Cleared security-based credit derivatives transactions accounted for 49.4% of total security-based credit derivatives traded notional and 47.0% of total trade count. 52.4% of corporate single-name CDS and 49.6% of sovereign single-name CDS traded notional was cleared.

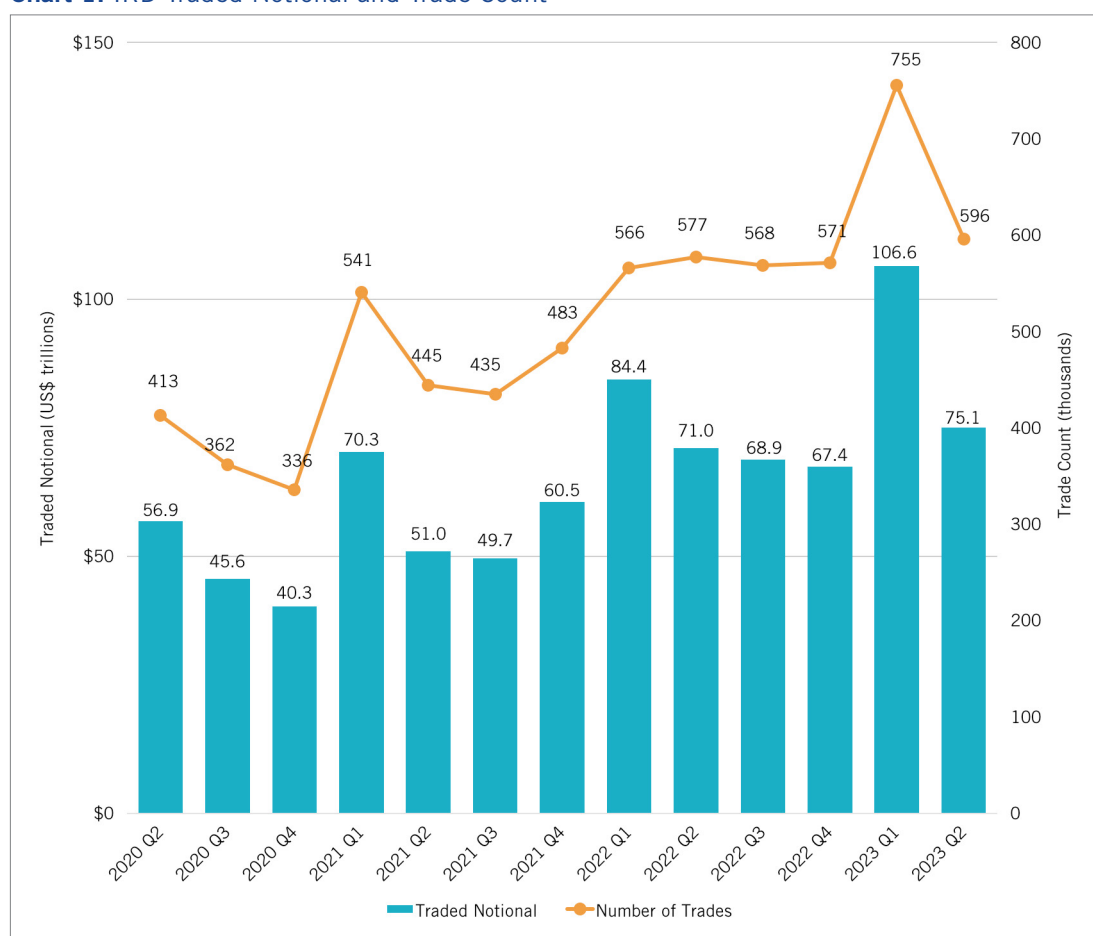
³ Security-based credit derivatives mostly comprise single-name CDS, but also include total return swaps, index, exotic, index tranche, swaptions and other single-name swaps (eg, asset-backed, loan and municipal security-based swaps)

⁴ This data includes only security-based credit derivatives transactions reported to the DTCC SBSDR from February 2022. It does not cover security-based transactions reported to ICE Trade Vault and does not include any transactions that are reported to the DTCC SDR under CFTC regulations

INTEREST RATE DERIVATIVES

IRD traded notional rose by 5.7% to \$75.1 trillion in the second quarter of 2023 from \$71.0 trillion in the second quarter of 2022. Trade count grew by 3.3% over the same period to 596.3 thousand from 577.5 thousand⁵ (see Chart 1).

Chart 1: IRD Traded Notional and Trade Count



Source: DTCC SDR

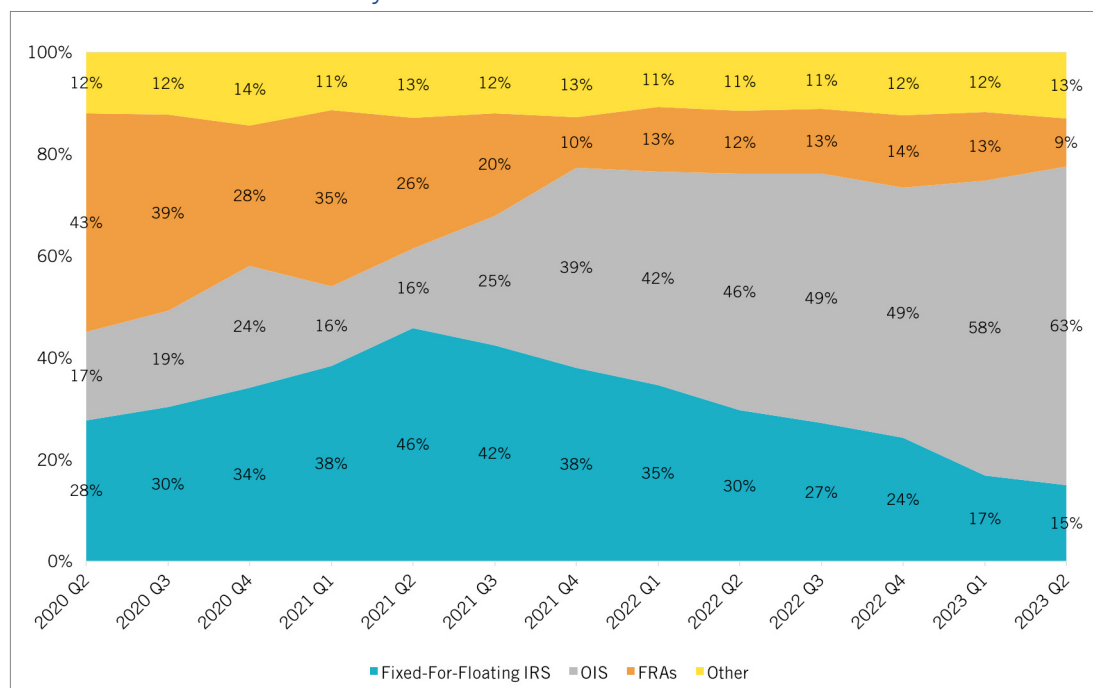
In the first half of 2023, IRD traded notional increased by 16.8% to \$181.6 trillion from \$155.5 trillion in the first half of 2022. Trade count rose by 18.2% to 1.4 million from 1.1 million over the same period.

⁵ This data includes only IRD transactions reported to the DTCC SDR under CFTC regulations

IRD Product Taxonomy

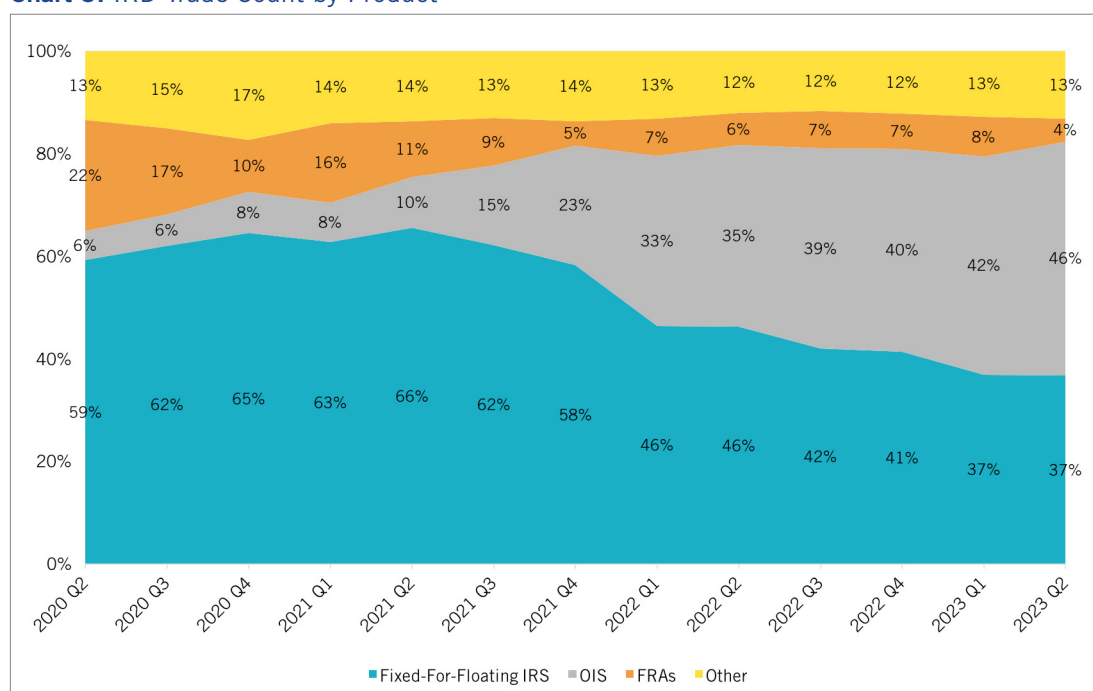
OIS made up 62.6% of total IRD traded notional and comprised 45.6% of total trade count in the second quarter of 2023. Single currency fixed-for-floating IRS and FRAs represented 15.0% and 9.5% of total IRD traded notional and 36.8% and 4.5% of trade count, respectively (see Chart 2 and Chart 3).

Chart 2: IRD Traded Notional by Product



Source: DTCC SDR

Chart 3: IRD Trade Count by Product



Source: DTCC SDR

OIS traded notional grew by 42.5% to \$47.0 trillion in the second quarter of 2023 from \$33.0 trillion in the second quarter of 2022. OIS trade count rose by 32.9% to 271.8 thousand from 204.6 thousand over the same period (see Chart 4 and Chart 5).

In the first half of 2023, OIS traded notional increased by 59.1% to \$108.8 trillion from \$68.4 trillion in the same period of 2022. Trade count grew by 51.0% to 592.5 thousand from 392.3 thousand in the first half of 2022.

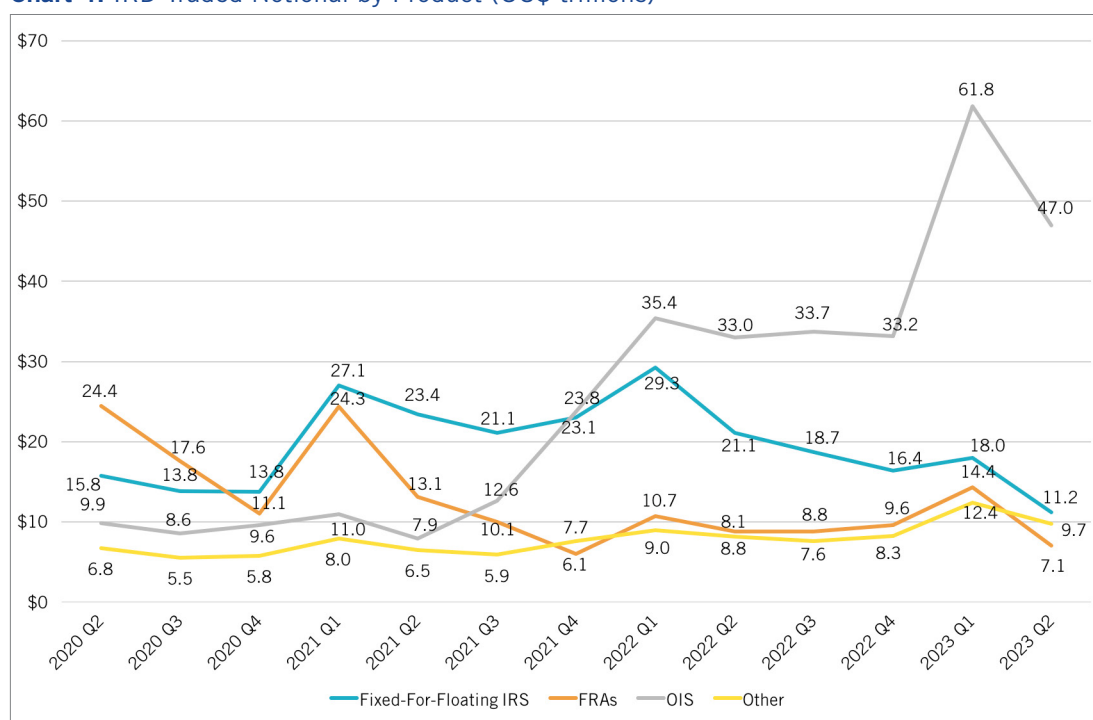
Fixed-for-floating IRS traded notional fell by 46.9% to \$11.2 trillion in the second quarter of 2023 from \$21.1 trillion in the second quarter of 2022. IRS trade count dropped by 17.9% to 219.4 thousand from 267.1 thousand over the same period.

In the first six months of 2023, fixed-for-floating IRS traded notional declined by 42.1% to \$29.2 trillion versus \$50.4 trillion in the same period last year. Trade count dropped by 5.9% to 498.6 thousand from 529.8 thousand in the first half of 2022.

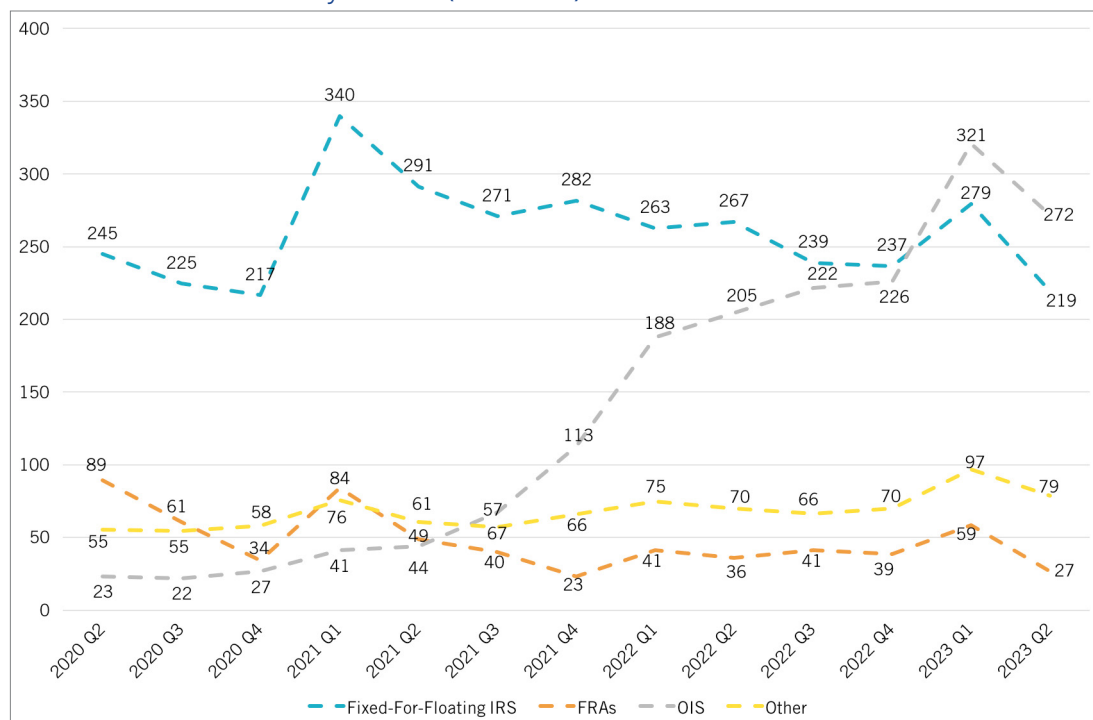
FRA traded notional fell by 19.2% to \$7.1 trillion in the second quarter of 2023 from \$8.8 trillion in the second quarter of 2022. Trade count dropped by 26.1% to 26.6 thousand from 35.9 thousand over the same period.

FRA traded notional grew by 9.8% to \$21.5 trillion in the first half of 2023 from \$19.5 trillion in the first half of 2022. Trade count rose by 10.4% to 85.2 thousand from 77.2 thousand over the same period.

Chart 4: IRD Traded Notional by Product (US\$ trillions)



Source: DTCC SDR

Chart 5: IRD Trade Count by Product (thousands)

Source: DTCC SDR

IRD Average Daily Traded Notional, Trade Count and Trade Size

Fixed-for-floating IRS average daily traded notional dropped by 46.9% in the second quarter of 2023 versus the second quarter of 2022, totaling \$172.7 billion. Fixed-for-floating IRS average daily trade count fell by 17.9%, while average trade size declined by 31.3% (see Table 1).

FRA average daily traded notional totaled \$112.7 billion in the second quarter of 2023, 19.2% lower compared to the same period last year. FRA average daily trade count fell by 26.1% and average trade size increased by 13.0%.

OIS average daily traded notional grew by 42.5% to \$722.9 billion in the second quarter of 2023 compared to \$507.3 billion in the second quarter of 2022. OIS average daily trade count and average trade size increased by 32.9% and 7.7%, respectively.

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
2023 Q2	172.7	112.7	722.9	3,375	422	4,182	51.8	640.8	171.5
2022 Q2	325.2	139.6	507.3	4,109	570	3,147	75.3	567.1	159.2
2023 Q2 vs. 2022 Q2	-46.9%	-19.2%	42.5%	-17.9%	-26.1%	32.9%	-31.3%	13.0%	7.7%
H1 2023	224.8	166.8	836.9	3,836	662	4,558	57.6	561.7	188.8
H1 2022	391.4	153.8	530.3	4,107	608	3,040	89.2	509.8	174.4
H1 2023 vs. H1 2022	-42.6%	8.5%	57.8%	-6.6%	8.9%	49.9%	-35.4%	10.2%	8.2%

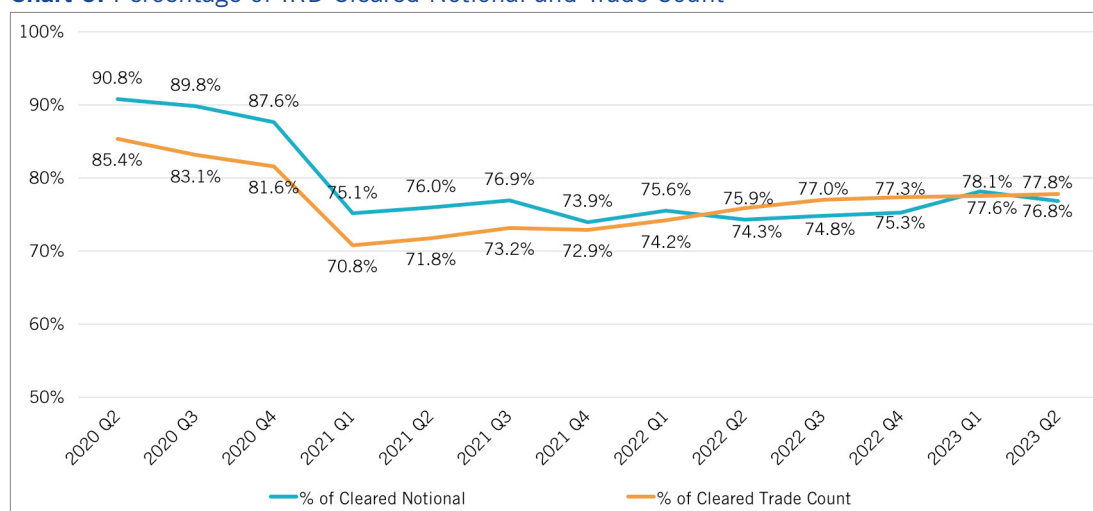
Source: DTCC SDR

IRD Central Clearing

Cleared IRD transactions represented 76.8% of total IRD traded notional and 77.8% of trade count during the second quarter of 2023 (see Chart 6). Cleared IRD traded notional and trade count totaled \$57.7 trillion and 463.9 thousand, respectively.

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 compared to historical averages, as firms switched to the new reporting logic.

Chart 6: Percentage of IRD Cleared Notional and Trade Count

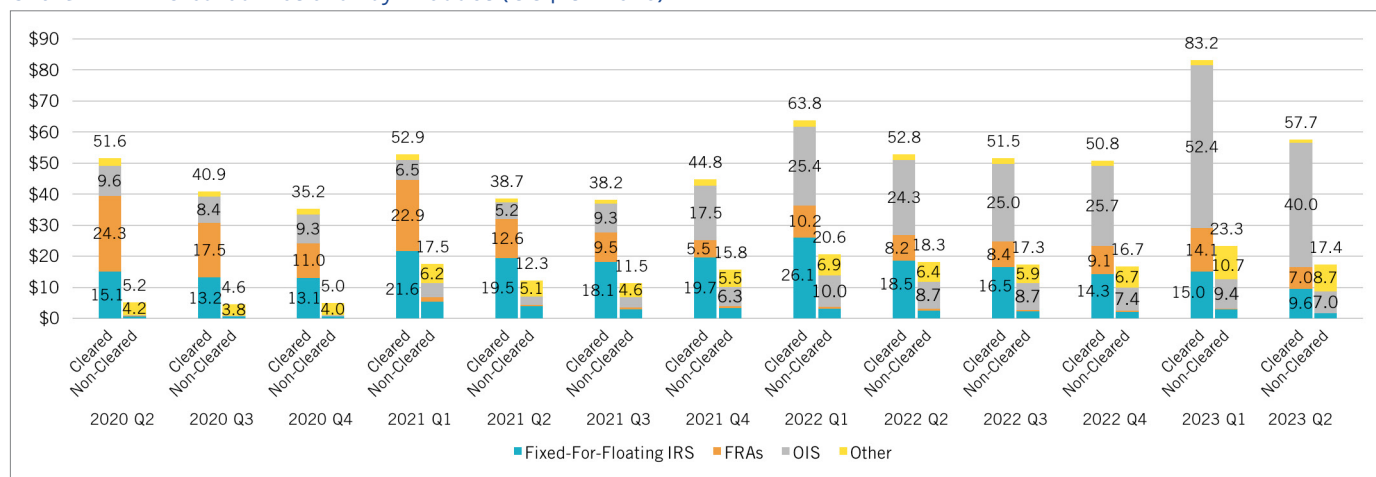


Source: DTCC SDR

In the second quarter of 2023, \$9.6 trillion (85.4%) of fixed-for-floating IRS traded notional was cleared and \$1.6 trillion was non-cleared. Cleared FRA and OIS traded notional totaled \$7.0 trillion (98.1%) and \$40.0 trillion (85.2%), respectively. \$1.1 trillion (11.0%) of other IRD products traded notional was cleared and \$8.7 trillion was non-cleared (see Chart 7).

In the first six months of 2023, \$24.6 trillion (84.2%) of fixed-for-floating IRS traded notional was cleared and \$4.6 trillion was non-cleared. Cleared FRA and OIS traded notional was \$21.1 trillion (98.2%) and \$92.4 trillion (84.9%), respectively. \$2.8 trillion (12.7%) of other IRD products traded notional was cleared and \$19.3 trillion was non-cleared.

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

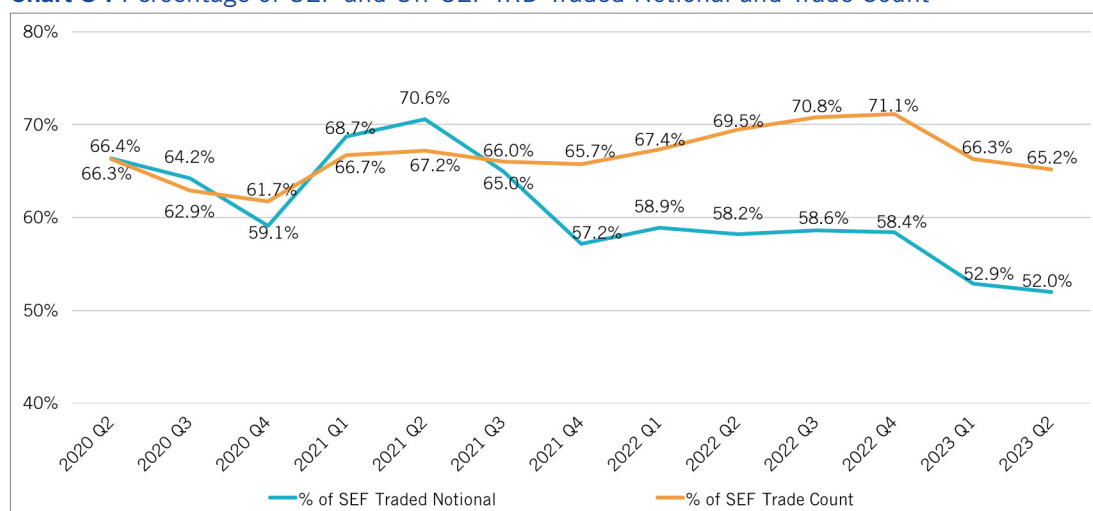


Source: DTCC SDR

IRD Trading Venue

SEF-traded IRD made up 52.0% of total IRD traded notional and 65.2% of trade count in the second quarter of 2023 (see Chart 8). Total IRD traded notional executed on SEFs was \$39.0 trillion, while \$36.0 trillion took place off-SEF. In terms of trade count, 388.8 thousand transactions were executed on SEFs and 207.5 thousand occurred off-SEF.

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

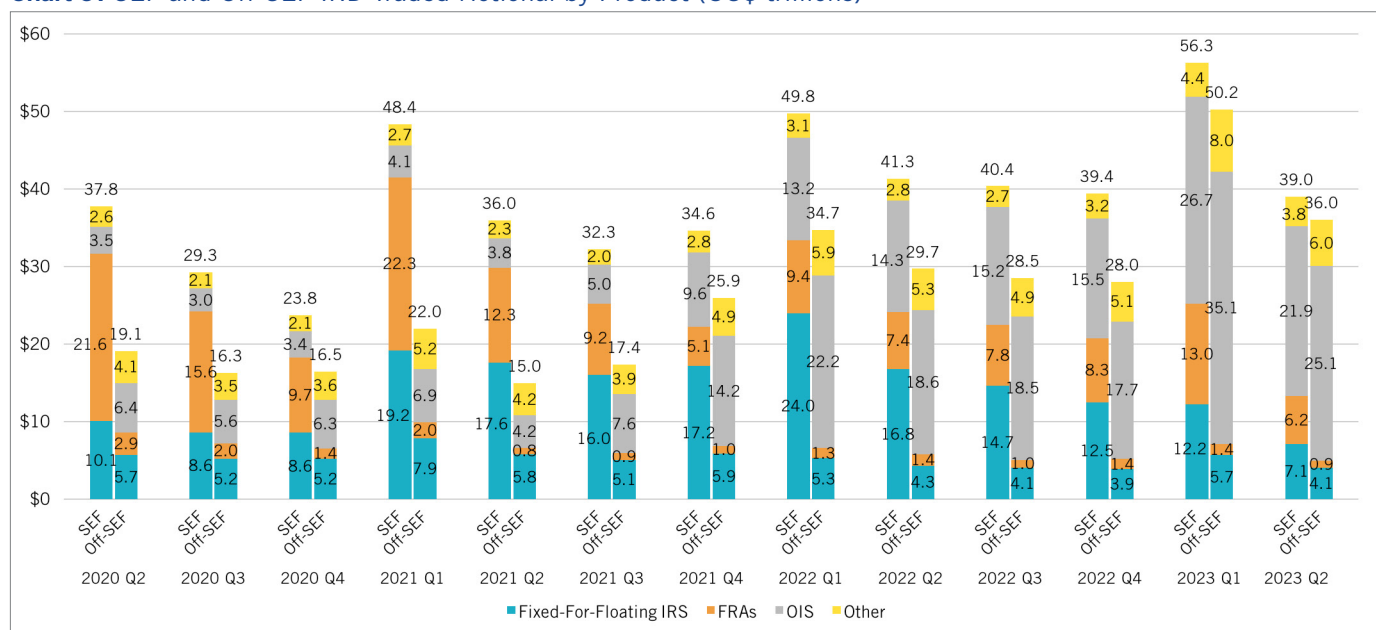


Source: DTCC SDR

In the second quarter of 2023, \$7.1 trillion (63.5%) of fixed-for-floating IRS was traded on SEFs and \$4.1 trillion occurred off-SEF. \$6.2 trillion (87.6%) of FRAs took place on SEFs and \$880.3 billion was traded off-SEF. \$21.9 trillion (46.6%) of OIS was executed on SEFs and \$25.1 trillion occurred off-SEF (see Chart 9).

In the first half of 2023, \$19.4 trillion (66.3%) of fixed-for-floating IRS took place on SEFs and \$9.8 trillion occurred off-SEF. \$19.2 trillion (89.6%) of FRAs was executed on SEFs and \$2.2 trillion took place off-SEF. \$48.6 trillion (44.6%) of OIS occurred on SEFs and \$60.2 trillion was traded off-SEF.

Chart 9: SEF and Off-SEF IRD Traded Notional by Product (US\$ trillions)

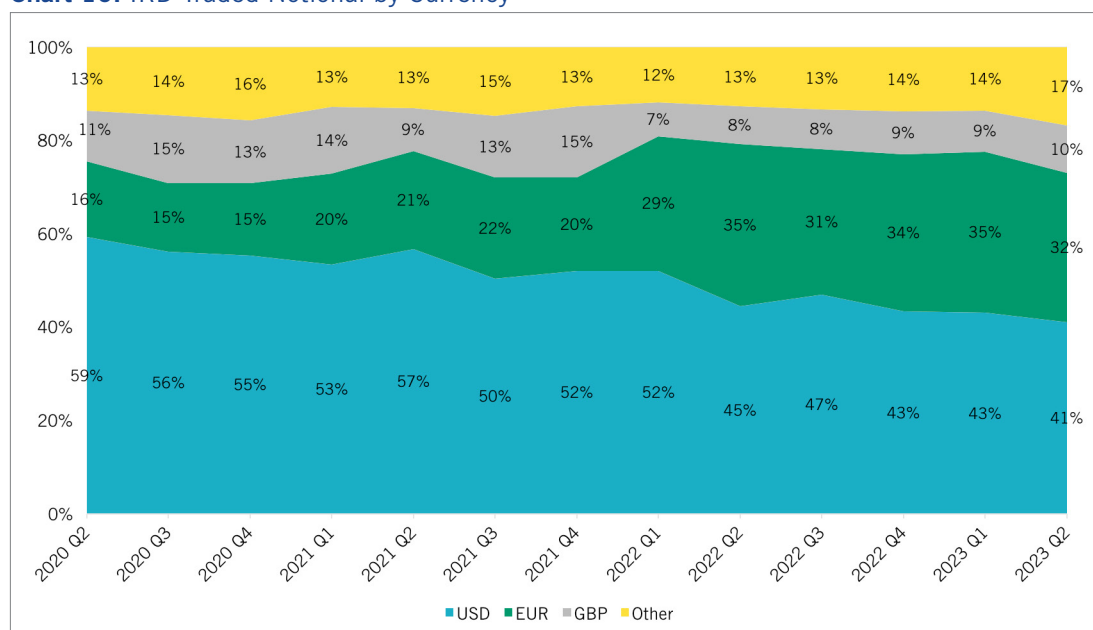


Source: DTCC SDR

IRD by Currency

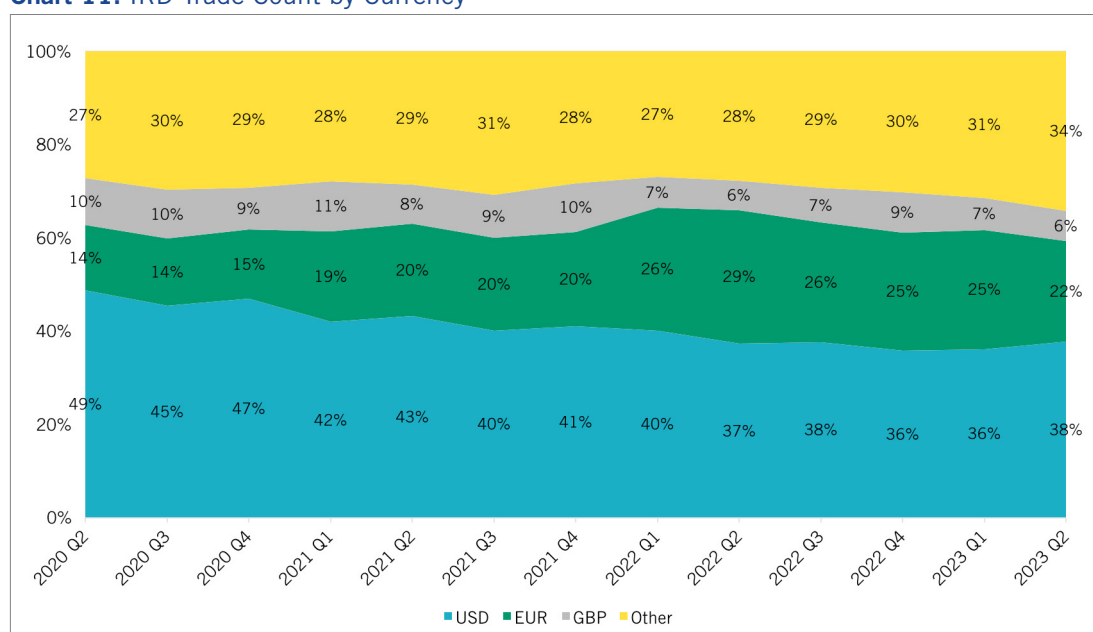
US dollar-denominated IRD transactions comprised 41.1% of total IRD traded notional and 37.8% of trade count in the second quarter of 2023. Euro-denominated IRD accounted for 32.0% of total IRD traded notional and 21.5% of trade count. Sterling-denominated transactions made up 10.2% and 6.5% of IRD traded notional and trade count, respectively. Other currencies accounted for 16.7% of total IRD traded notional and 34.2% of trade count⁶ (see Chart 10 and Chart 11).

Chart 10: IRD Traded Notional by Currency



Source: DTCC SDR

Chart 11: IRD Trade Count by Currency



Source: DTCC SDR

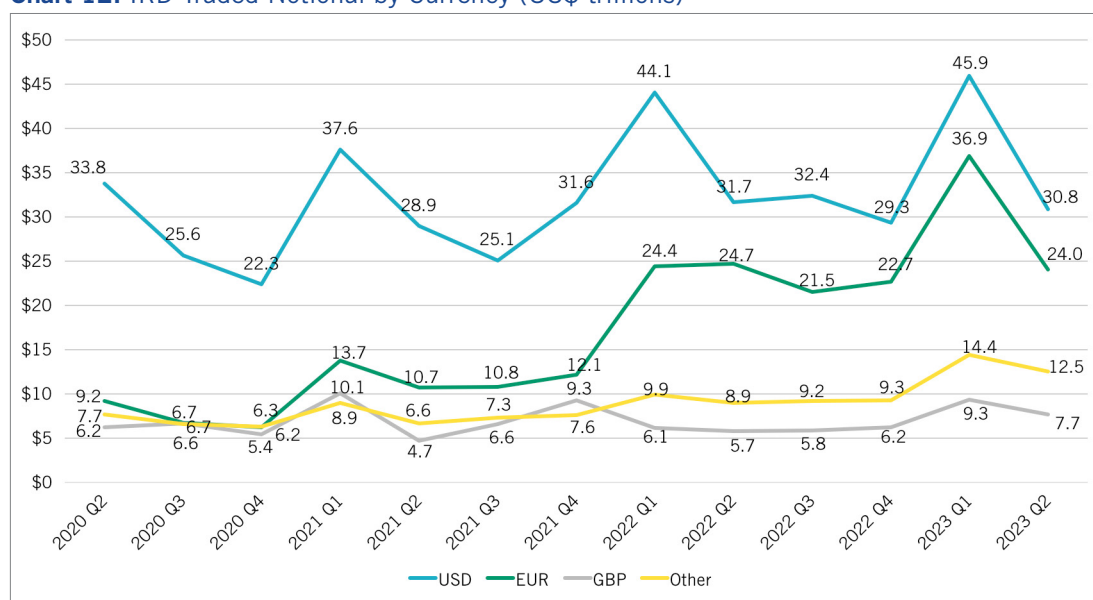
⁶ Other currencies include Japanese yen, Australian dollar, Canadian dollar, Mexican peso, New Zealand dollar, South Korean won and 'other'. Cross-currency swaps are also included in other currencies

In the second quarter of 2023, US dollar- and euro-denominated IRD traded notional fell by 2.6% and 2.8%, respectively, while sterling-denominated IRD traded notional rose by 33.7%. IRD traded notional in other currencies increased by 40.2% compared to the second quarter of 2022.

US dollar-denominated IRD traded notional declined by 2.6% to \$30.8 trillion in the second quarter of 2023 versus \$31.7 trillion in the second quarter of 2022. Euro-denominated traded notional fell by 2.8% to \$24.0 trillion from \$24.7 trillion over the same period. Sterling-denominated traded notional grew by 33.7% to \$7.7 trillion in the second quarter of 2023 from \$5.7 trillion in the second quarter of last year (see Chart 12).

In the first half of 2023, US dollar-denominated IRD traded notional rose by 1.4% to \$76.8 trillion from \$75.7 trillion in the first half of 2022. Euro-denominated traded notional increased by 24.1% to \$60.9 trillion from \$49.1 trillion. Sterling-denominated traded notional grew by 43.0% to \$17.0 trillion, while IRD traded notional in other currencies increased by 43.1% to \$27.0 trillion.

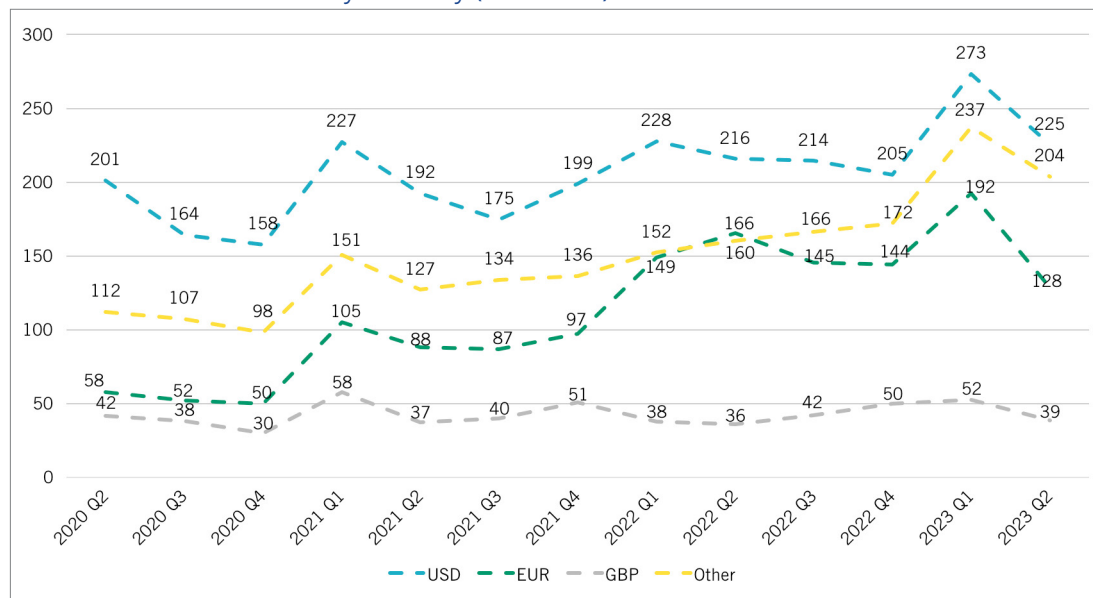
Chart 12: IRD Traded Notional by Currency (US\$ trillions)



Source: DTCC SDR

US dollar-denominated IRD trade count grew by 4.4% to 225.3 thousand, while euro-denominated transactions fell by 22.4% to 128.5 thousand in the second quarter of 2023 compared to the second quarter of 2022. Trade count of sterling-denominated IRD rose by 7.7% to 38.7 thousand (see Chart 13).

US dollar-denominated IRD trade count rose by 12.5% to 498.8 thousand in the first half of 2023 from 443.4 thousand in the first half of last year. Euro-denominated transactions increased by 2.1% to 320.9 thousand from 314.4 thousand over the same period. Sterling- and yen-denominated IRD trade count rose by 24.0% and 41.0%, respectively.

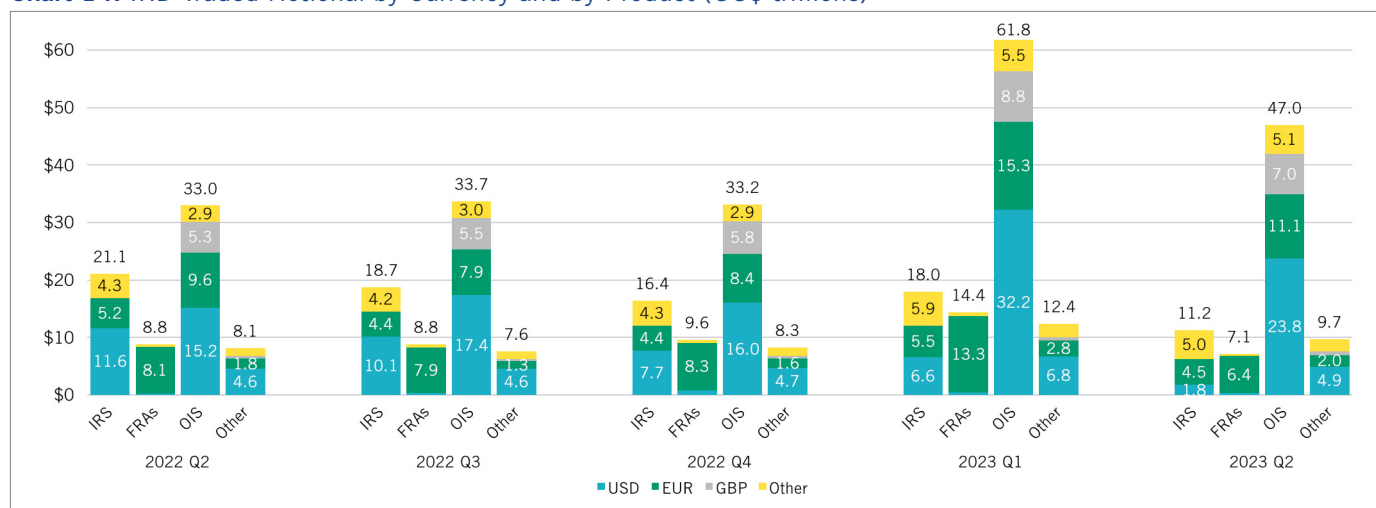
Chart 13: IRD Trade Count by Currency (thousands)

Source: DTCC SDR

US dollar-denominated fixed-for-floating IRS traded notional dropped by 84.9% to \$1.8 trillion in the second quarter of 2023 compared to \$11.6 trillion in the second quarter of 2022. Euro-denominated fixed-for-floating IRS traded notional declined by 13.7% to \$4.5 trillion from \$5.2 trillion over the same period. Sterling-denominated IRS traded notional fell by 26.5% to \$1.1 billion versus \$1.5 billion in the second quarter of 2022 (see Chart 14).

US dollar-denominated FRA traded notional rose by 26.2% to \$337.1 billion in the second quarter of 2023 from \$267.2 billion in the second quarter of 2022. Euro-denominated FRA traded notional fell by 20.4% to \$6.4 trillion from \$8.1 trillion over the same period. There were no sterling-denominated FRAs in the second quarter of 2023.

US dollar-denominated OIS traded notional increased by 56.4% to \$23.8 trillion in the second quarter of 2023 from \$15.2 trillion in the second quarter of 2022. Euro-denominated OIS traded notional grew by 15.6% to \$11.1 trillion from \$9.6 trillion over the same period. Sterling-denominated OIS traded notional rose by 32.7% to \$7.0 trillion in the second quarter of 2023 from \$5.3 trillion in the second quarter of 2022.

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

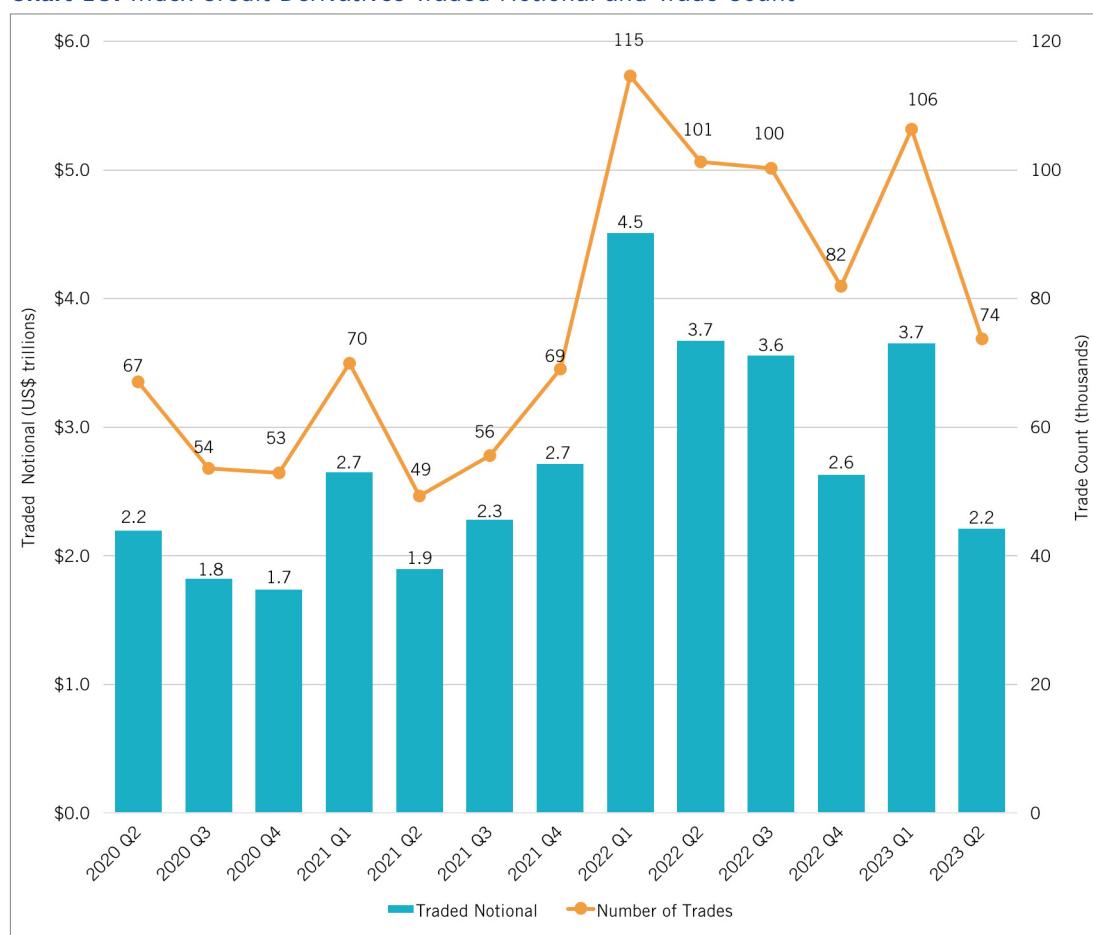
Source: DTCC SDR

INDEX CREDIT DERIVATIVES REPORTED UNDER CFTC REGULATIONS

Index credit derivatives traded notional fell by 39.8% to \$2.2 trillion in the second quarter of 2023 from \$3.7 trillion in the second quarter of last year⁷. The number of trades dropped by 27.2% to 73.7 thousand from 101.3 thousand over the same period (see Chart 15).

In the first half of this year, index credit derivatives traded notional declined by 28.4% to \$5.9 trillion from \$8.2 trillion in the first half of 2023. Trade count fell by 16.6% to 180.1 thousand from 215.9 thousand over the same period.

Chart 15: Index Credit Derivatives Traded Notional and Trade Count



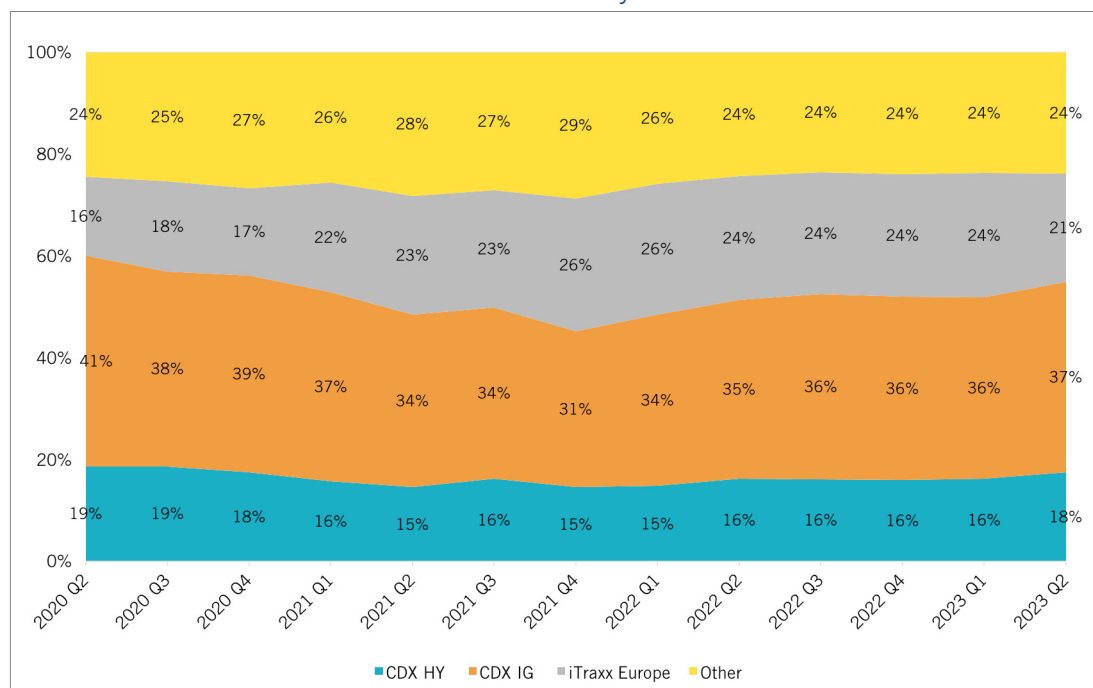
Source: DTCC SDR

⁷ Index 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. This data only includes transactions reported to the DTCC SDR under CFTC regulations. Credit derivatives reported to the DTCC SBSDR under SEC regulations are not included in this data

Index Credit Derivatives Product Taxonomy

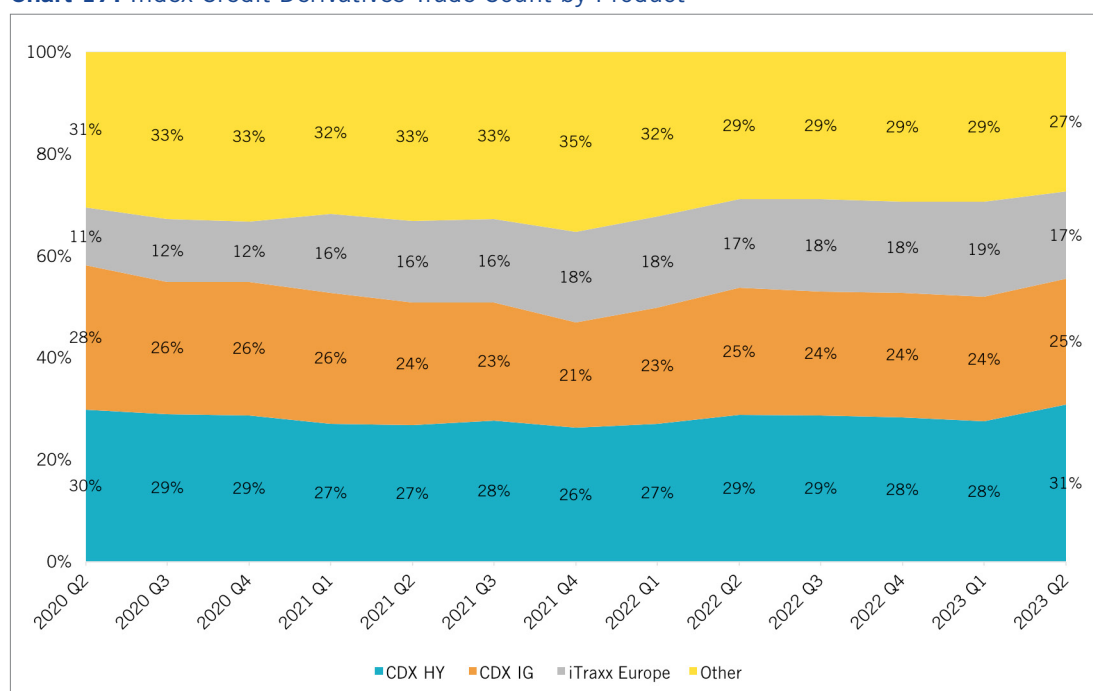
In the second quarter of 2023, CDX HY and CDX IG represented 17.5% and 37.4% of index credit derivatives traded notional and 30.8% and 24.7% of total trade count, respectively. iTraxx Europe accounted for 21.2% of traded notional and 17.1% of trade count (see Chart 16 and Chart 17).

Chart 16: Index Credit Derivatives Traded Notional by Product



Source: DTCC SDR

Chart 17: Index Credit Derivatives Trade Count by Product



Source: DTCC SDR

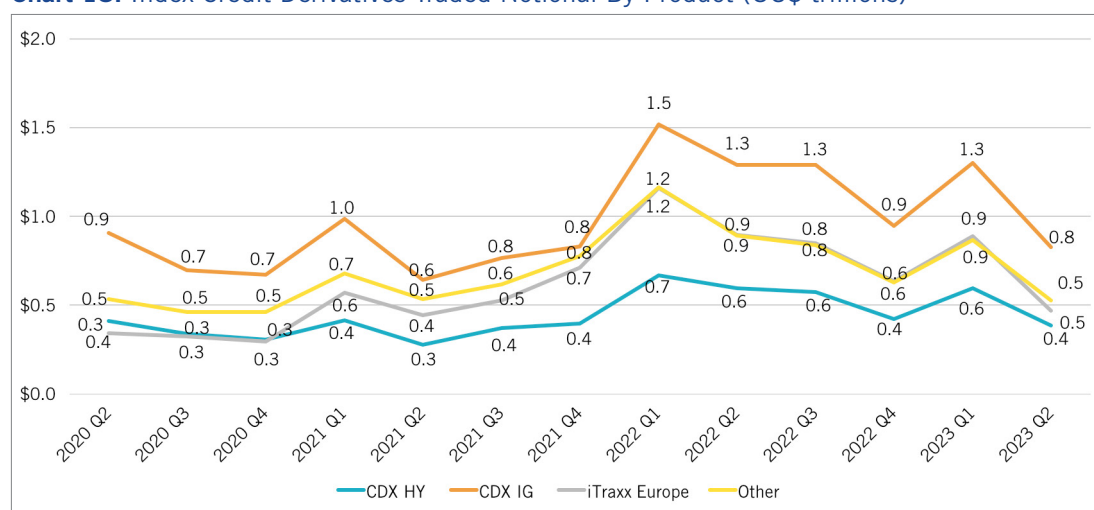
CDX HY and CDX IG traded notional fell by 35.0% and 35.9%, respectively, in the second quarter of 2023 versus the second quarter of 2022. CDX HY dropped to \$387.3 billion from \$595.8 billion and CDX IG declined to \$826.7 billion from \$1.3 trillion over the same period. CDX HY trade count fell by 22.1% to 22.7 thousand from 29.2 thousand and CDX IG trade count dropped by 27.8% to 18.2 thousand (see Chart 18 and Chart 19).

iTraxx Europe traded notional declined by 47.6% to \$469.0 billion in the second quarter of 2023 from \$894.9 billion in the second quarter of last year. iTraxx Europe trade count fell by 28.8% from 17.7 thousand to 12.6 thousand over the same period.

In the first half of this year, CDX HY traded notional dropped by 22.3% to \$983.2 billion from \$1.3 trillion in the first half of 2022. CDX IG traded notional fell by 24.3% to \$2.1 trillion from \$2.8 trillion over the same period. Trade count for CDX HY and CDX IG fell by 13.4% to 52.0 thousand and by 14.0% to 44.2 thousand, respectively.

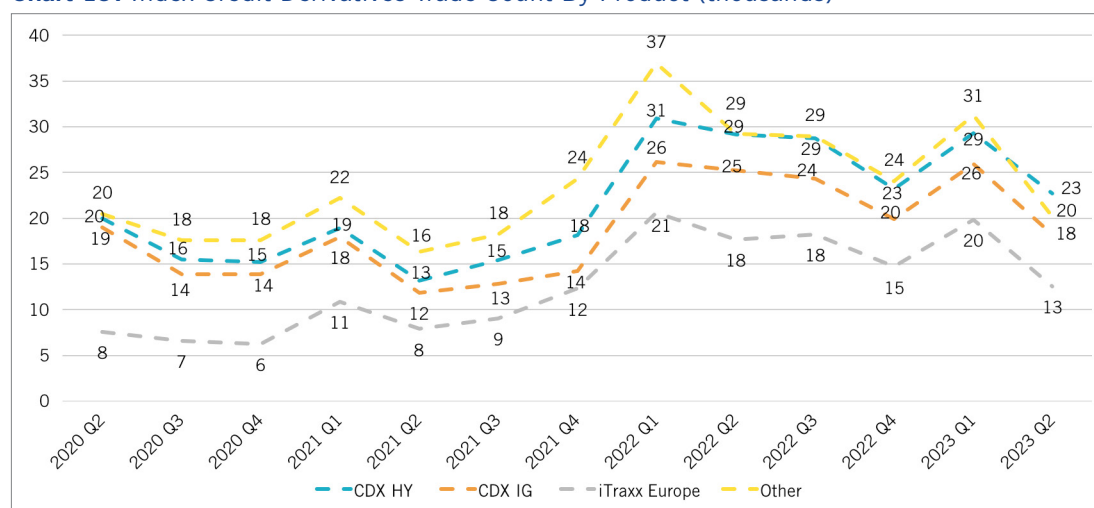
iTraxx Europe traded notional declined by 33.9% to \$1.4 trillion in the first half of 2023 compared to \$2.1 trillion in the first half of last year. Trade count fell by 15.3% to 32.4 thousand over the same period.

Chart 18: Index Credit Derivatives Traded Notional By Product (US\$ trillions)



Source: DTCC SDR

Chart 19: Index Credit Derivatives Trade Count By Product (thousands)



Source: DTCC SDR

Index Credit Derivatives Average Daily Traded Notional, Trade Count and Trade Size

Average daily traded notional of CDX HY and CDX IG dropped by 36.0% and 37.0% between the second quarter of 2022 and the second quarter of this year and totaled \$6.1 billion and \$13.1 billion, respectively. Average daily trade count of CDX HY fell by 23.3% and totaled 361, while CDX IG dropped by 29.0% and totaled 289. Average trade size of CDX HY and CDX IG declined to \$16.8 million and \$45.1 million, respectively (see Table 2).

iTraxx Europe average daily traded notional fell by 47.6% to \$7.8 billion and average daily trade count dropped by 28.8% to 210 in the second quarter of 2023. iTraxx Europe average trade size declined by 25.8% to \$37.6 million in the second quarter of 2023 compared to \$50.6 million in the same period last year.

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

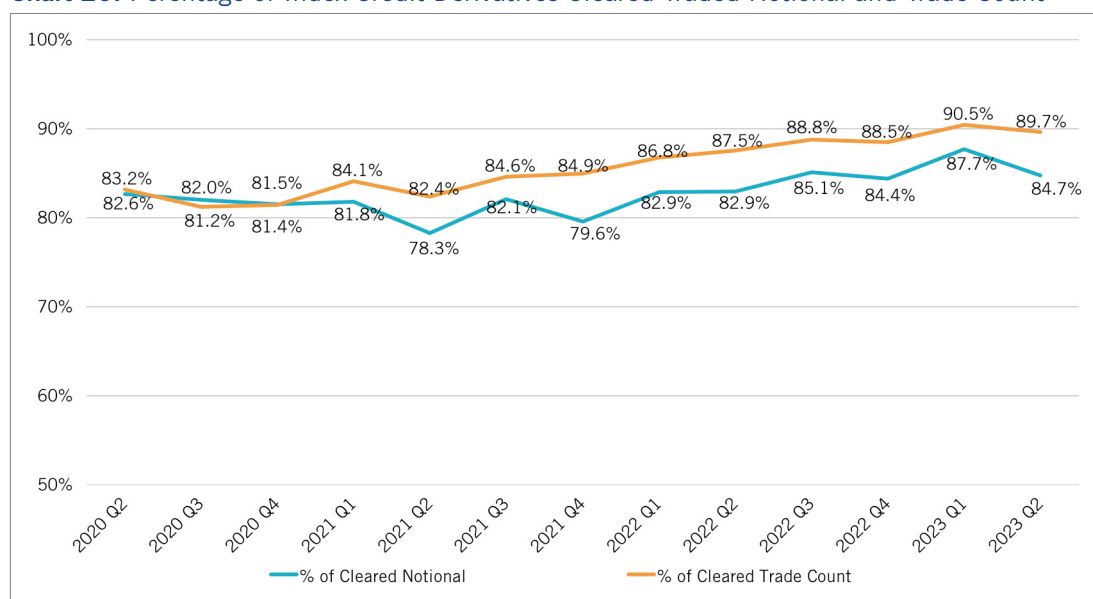
	Average Daily Traded Notional (US\$ billions)			Average Daily Trade Count			Average Trade Size (US\$ millions)		
	CDX HY	CDX IG	iTraxx Europe	CDX HY	CDX IG	iTraxx Europe	CDX HY	CDX IG	iTraxx Europe
2023 Q2	6.1	13.1	7.8	361	289	210	16.8	45.1	37.6
2022 Q2	9.6	20.8	14.9	470	407	294	20.1	50.7	50.6
2023 Q2 vs. 2022 Q2	-36.0%	-37.0%	-47.6%	-23.3%	-29.0%	-28.8%	-16.8%	-11.0%	-25.8%
H1 2023	7.9	17.1	10.9	417	354	260	18.0	46.7	40.4
H1 2022	10.2	22.7	16.7	485	414	311	20.5	53.9	52.9
H1 2023 vs. H1 2022	-22.7%	-24.7%	-34.9%	-14.0%	-14.6%	-16.4%	-12.2%	-13.4%	-23.7%

Source: DTCC SDR

Index Credit Derivatives Central Clearing

Cleared index credit derivatives transactions made up 84.7% of total index credit derivatives traded notional and 89.7% of trade count in the second quarter of 2023 (see Chart 20). Cleared credit derivatives traded notional was \$1.9 trillion and trade count was 66.1 thousand.

Chart 20: Percentage of Index Credit Derivatives Cleared Traded Notional and Trade Count



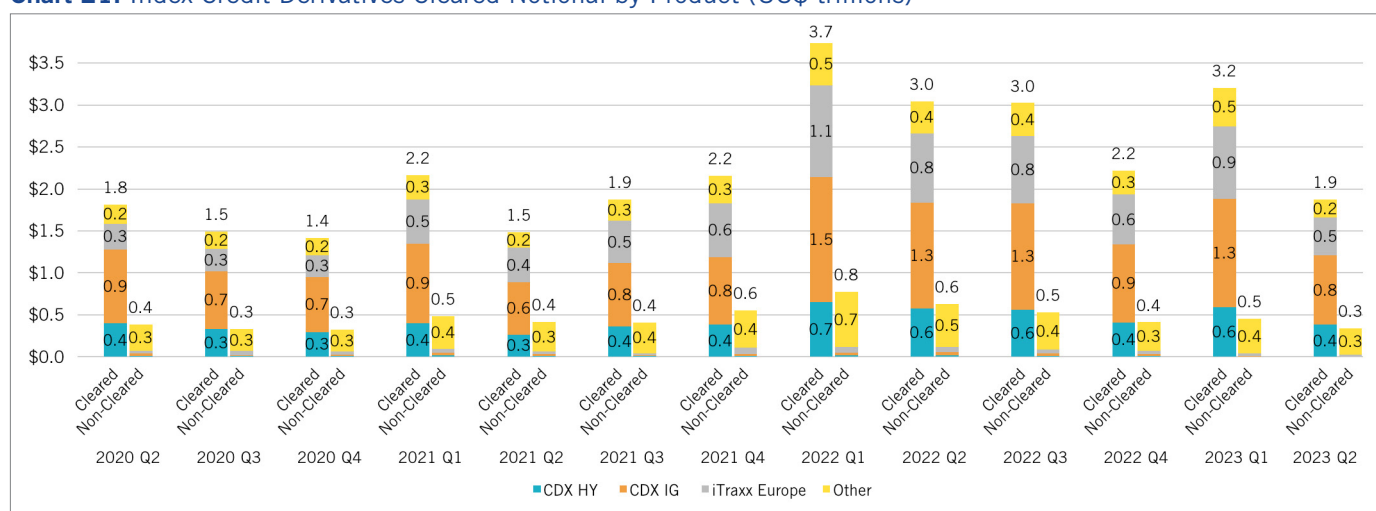
Source: DTCC SDR

In the second quarter of 2023, \$385.5 billion (99.5%) of CDX HY and \$822.2 billion (99.5%) of CDX IG was cleared and \$1.8 billion and \$4.5 billion, respectively, was non-cleared (see Chart 21).

Cleared iTraxx Europe traded notional was \$451.7 billion (96.3%) in the second quarter of 2023 and non-cleared traded notional was \$17.2 billion. \$212.0 billion (40.3%) of other index credit derivatives traded notional was cleared and \$314.5 billion was non-cleared.

In the first half of this year, \$977.7 billion (99.4%) of CDX HY, \$2.1 trillion (99.4%) of CDX IG and \$1.3 trillion (96.7%) of iTraxx Europe traded notional was cleared. \$666.2 billion (47.9%) of other index credit derivatives traded notional was cleared and \$725.7 billion was non-cleared.

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

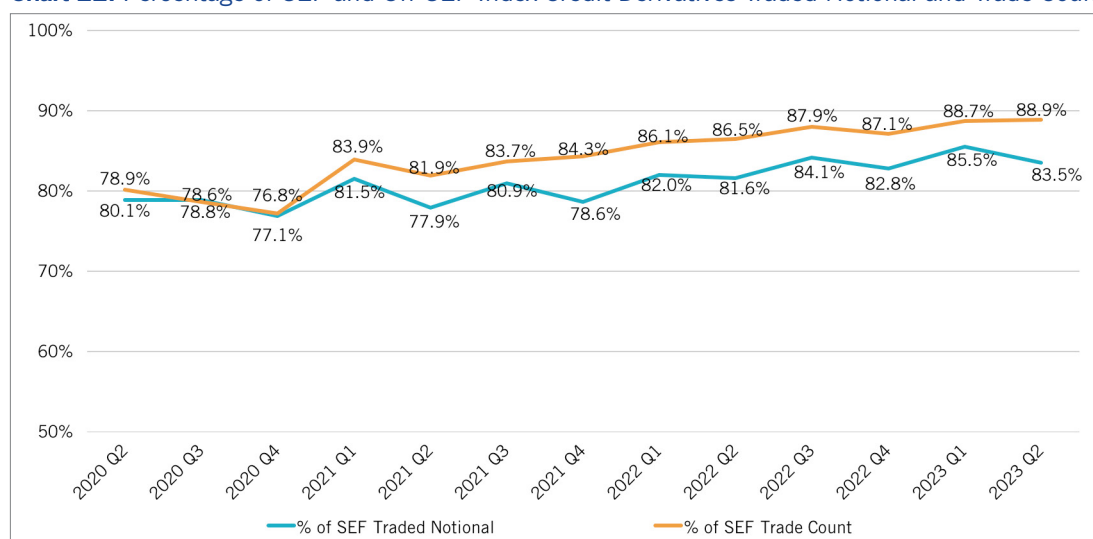


Source: DTCC SDR

Index Credit Derivatives Trading Venue

SEF-traded index credit derivatives comprised 83.5% of total index credit derivatives traded notional and 88.9% of trade count in the second quarter of 2023 (see Chart 22). Total credit derivatives traded notional executed on SEFs was \$1.8 trillion and \$364.3 billion took place off-SEF. 65.5 thousand transactions were executed on SEFs and 8.2 thousand transactions occurred off-SEF.

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



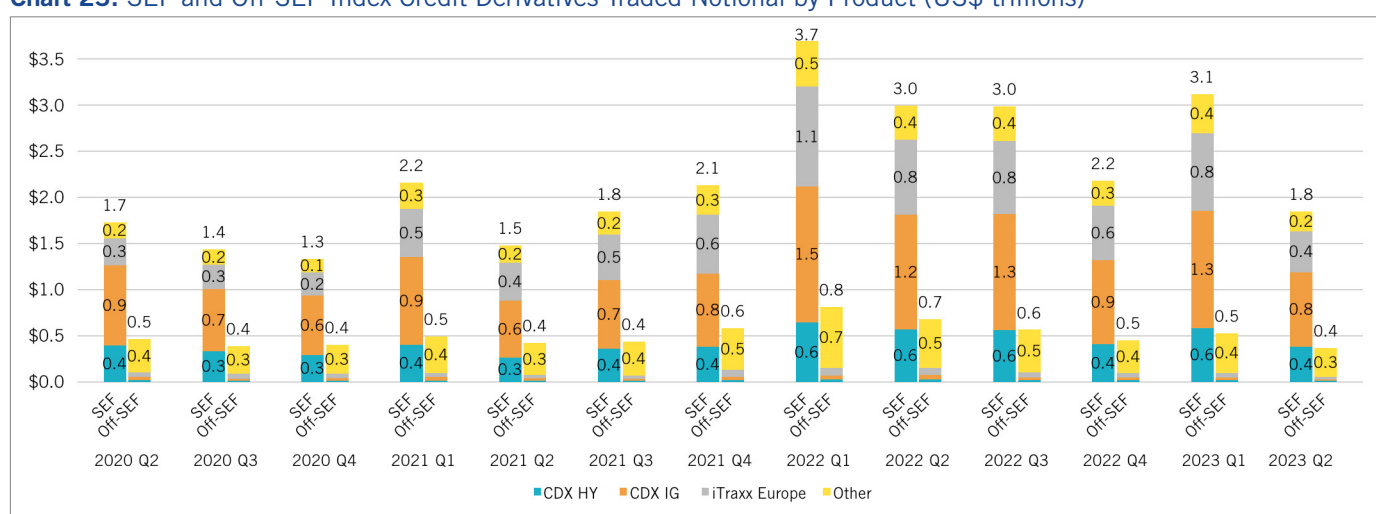
Source: DTCC SDR

In the second quarter of 2023, \$377.9 billion (97.6%) of CDX HY and \$811.3 billion (98.1%) of CDX IG notional was traded on SEFs and \$9.4 billion and \$15.4 billion, respectively, was executed off-SEF.

\$444.3 billion (94.7%) of iTraxx Europe traded notional took place on SEFs and \$24.7 billion occurred off-SEF. Only \$211.7 billion (40.2%) of other index credit derivatives traded notional occurred on SEFs and \$314.8 billion was executed off-SEF (see Chart 23).

In the first half of this year, \$957.5 billion (97.4%) of CDX HY, \$2.1 trillion (98.0%) of CDX IG and \$1.3 trillion (94.6%) of iTraxx Europe traded notional took place on SEFs. \$639.9 billion (46.0%) of other index credit derivatives traded notional was executed on SEFs and \$752.0 billion occurred off-SEF.

Chart 23: SEF and Off-SEF Index Credit Derivatives Traded Notional by Product (US\$ trillions)

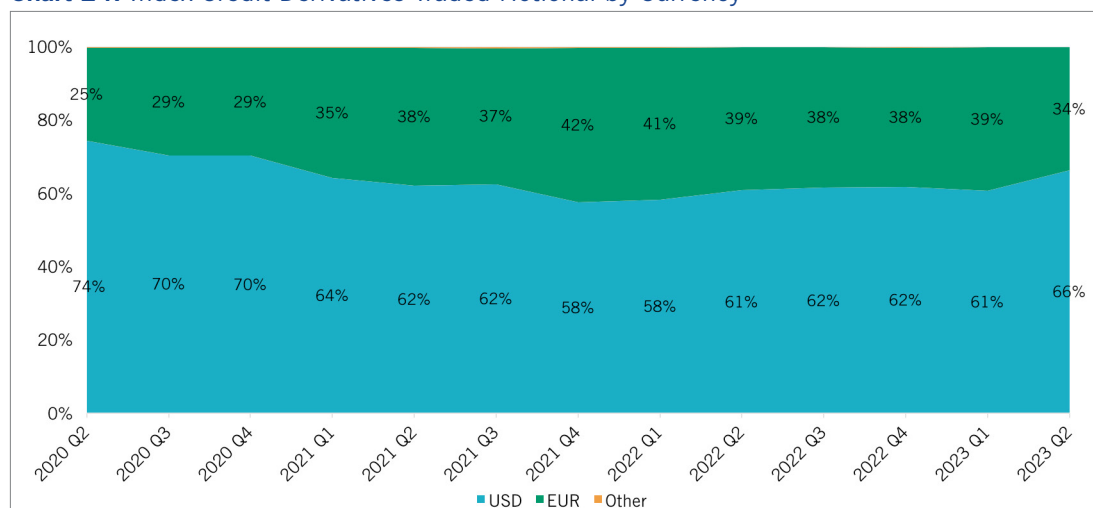


Source: DTCC SDR

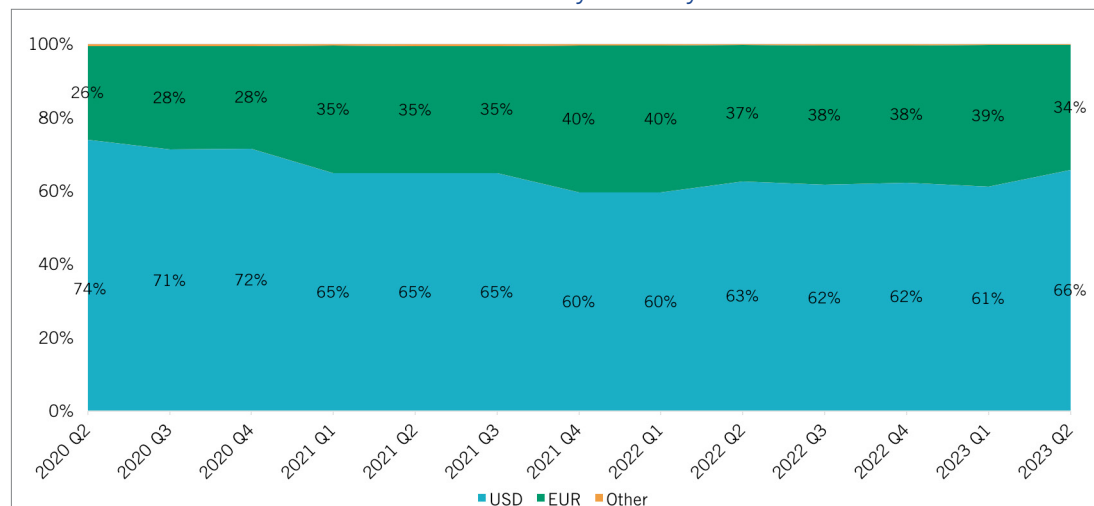
Index Credit Derivatives by Currency

Index credit derivatives contracts denominated in US dollars represented 66.3% and 65.7% of total index credit derivatives traded notional and trade count, respectively, in the second quarter of 2023. Euro-denominated transactions comprised 33.7% and 34.1% of total traded notional and trade count, respectively (see Chart 24 and Chart 25).

Chart 24: Index Credit Derivatives Traded Notional by Currency



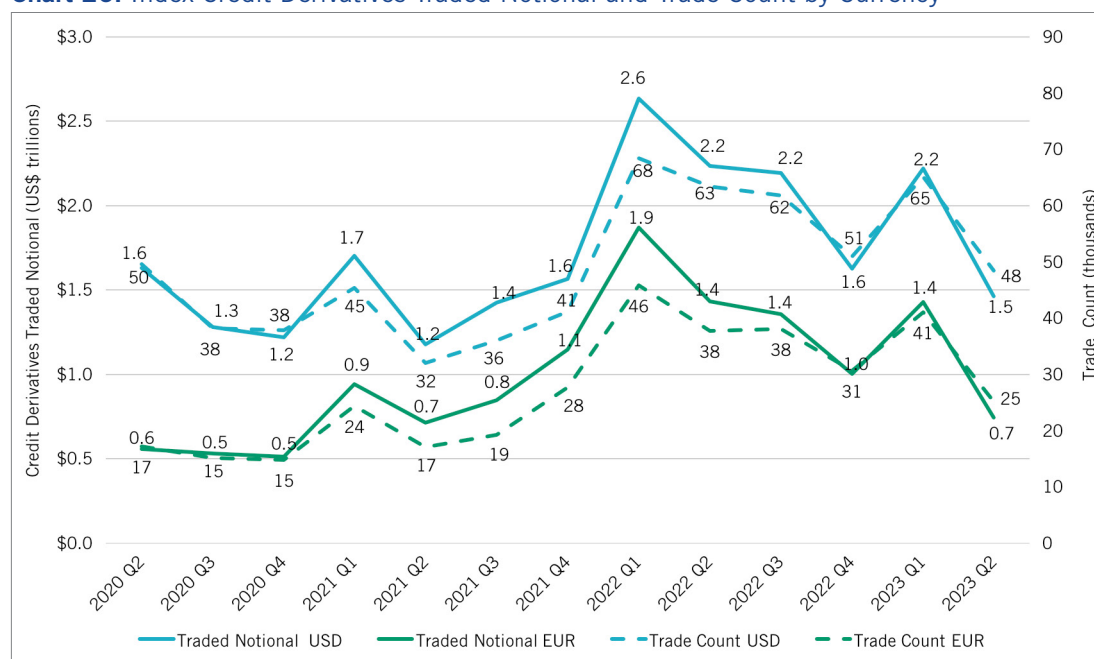
Source: DTCC SDR

Chart 25: Index Credit Derivatives Trade Count by Currency

Source: DTCC SDR

US dollar-denominated index credit derivatives traded notional fell by 34.5% to \$1.5 trillion in the second quarter of 2023 compared to \$2.2 trillion in the same period the previous year. Euro-denominated traded notional dropped by 48.1% to \$743.6 billion in the second quarter of 2023 compared to \$1.4 trillion in the second quarter of 2022. Trade count for US dollar- and euro-denominated trades fell by 23.5% and 33.3%, respectively, over the same period (see Chart 26).

In the first half of this year, US dollar-denominated index credit derivatives traded notional declined by 24.3% to \$3.7 trillion from \$4.9 trillion in the first half of 2022. Euro-denominated traded notional fell by 34.3% to \$2.2 trillion over the same period. Trade count for US dollar- and euro-denominated index credit derivatives transactions dropped by 13.8% to 113.6 thousand and by 20.7% to 66.2 thousand, respectively, in the first half of 2023 versus the first half of 2022.

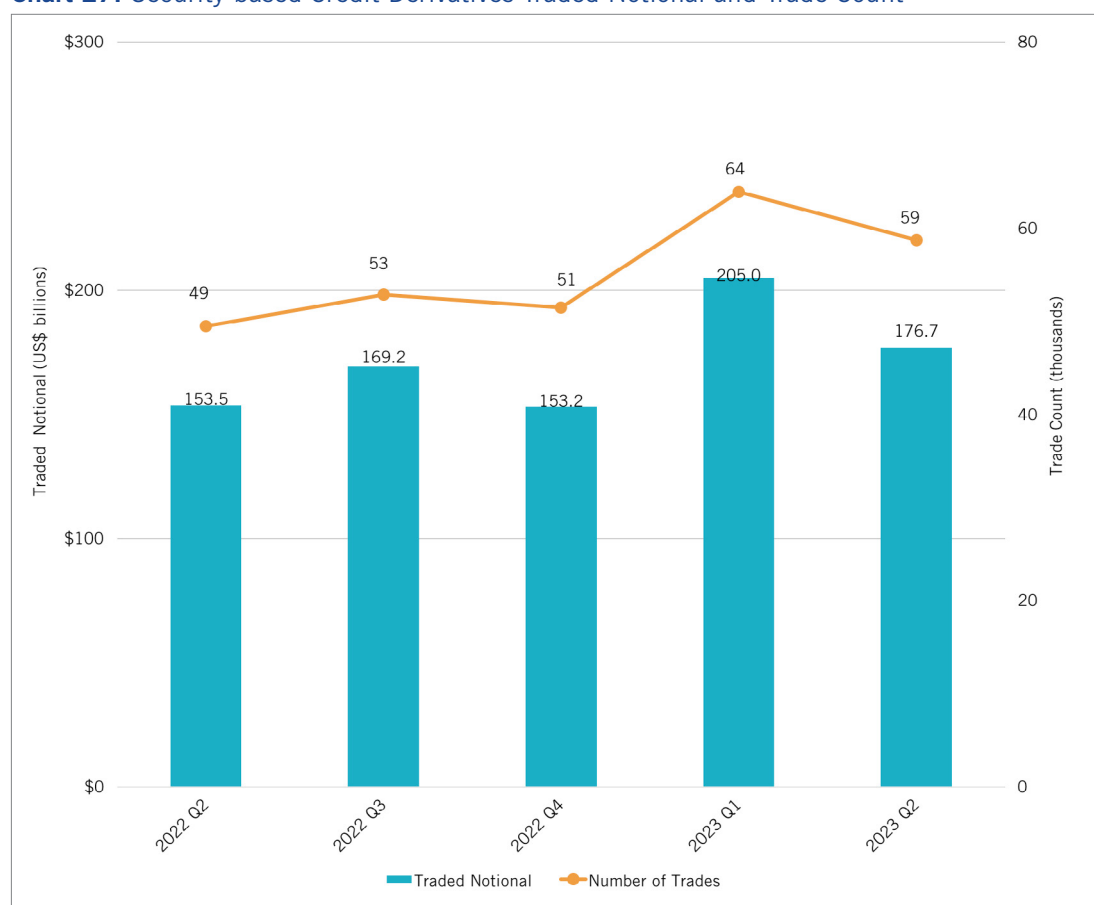
Chart 26: Index Credit Derivatives Traded Notional and Trade Count by Currency

Source: DTCC SDR

SECURITY-BASED CREDIT DERIVATIVES REPORTED UNDER SEC REGULATIONS

Security-based credit derivatives traded notional rose by 15.1% to \$176.7 billion in the second quarter of 2023 from \$153.5 billion in the second quarter of last year. Trade count grew by 18.7% to 58.7 thousand from 49.5 thousand over the same period^{8,9} (see Chart 27).

Chart 27: Security-based Credit Derivatives Traded Notional and Trade Count



Source: DTCC SBSDR

⁸ Security-based credit derivatives mostly comprise single-name CDS but also include total return swaps, index, exotic, index tranche, swaptions, and other single-name swaps (eg, asset-backed, loan and municipal security-based swaps)

⁹ This data includes only security-based credit derivatives transactions reported to the DTCC SBSDR from February 2022. It does not cover security-based transactions reported to ICE Trade Vault and does not include any transactions that are required to be reported to the DTCC SDR under CFTC regulations

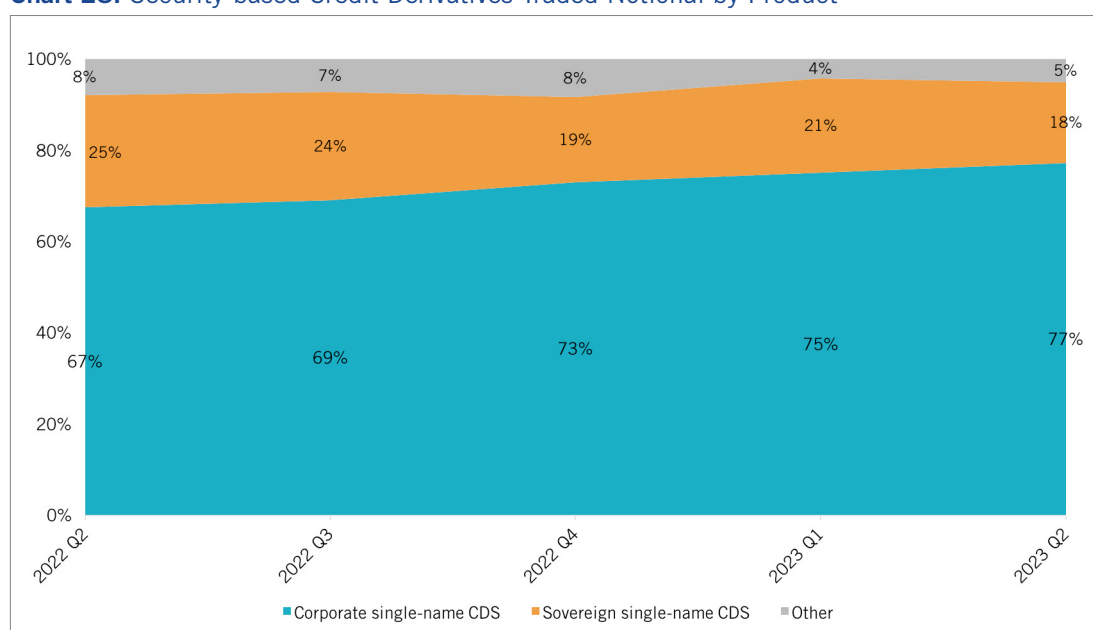
Security-based Credit Derivatives Product Taxonomy

Corporate single-name CDS traded notional accounted for 77.3% of total security-based credit derivatives traded notional and sovereign single-name CDS represented 17.7% in the second quarter of 2023.

Corporate and sovereign single-name CDS made up 79.3% and 14.0% of total trade count, respectively (see Chart 28 and Chart 29).

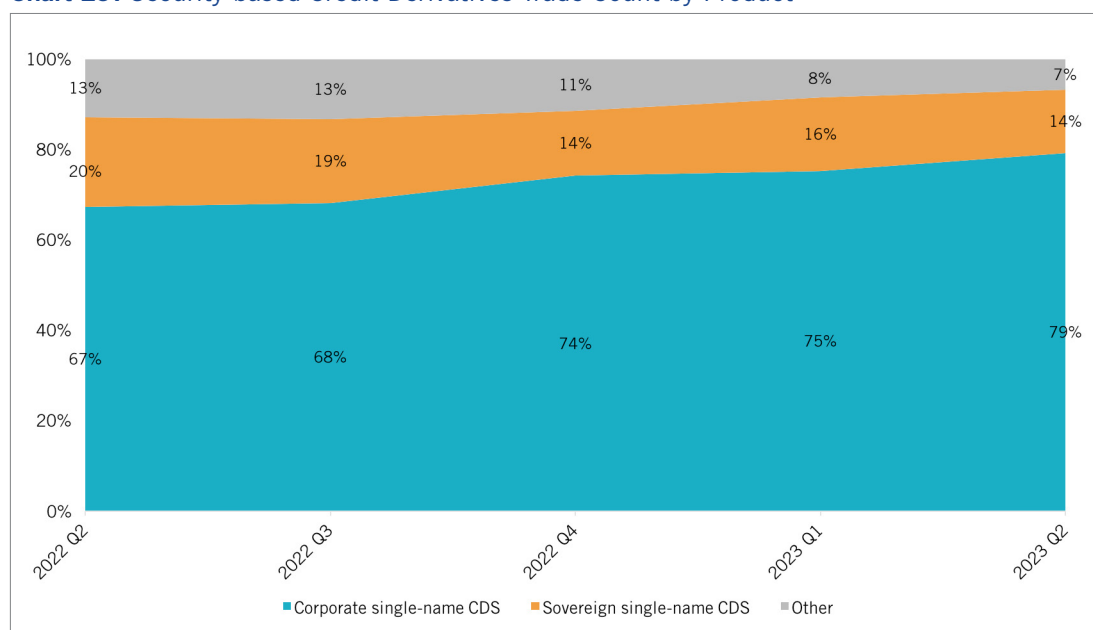
Other security-based credit derivatives, including total return swaps, index, exotic, index tranche, swaptions and other single-name swaps (eg, asset-backed, loan and municipal security-based swaps), comprised 5.0% of total security-based credit derivatives traded notional and 6.7% of total trade count in the second quarter of 2023.

Chart 28: Security-based Credit Derivatives Traded Notional by Product



Source: DTCC SBSDR

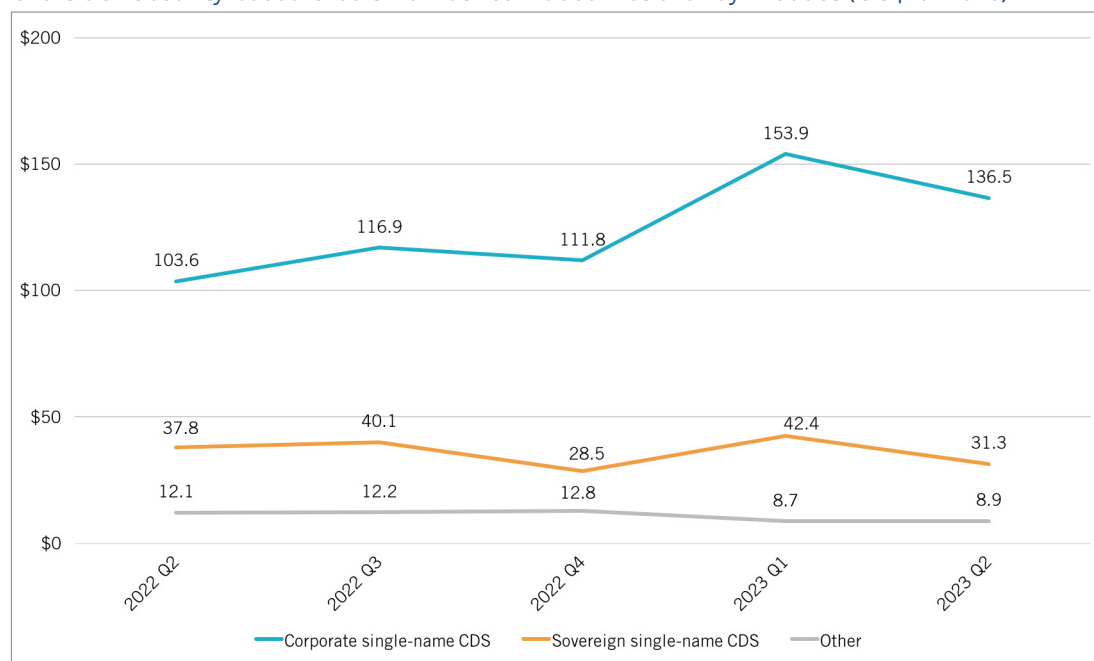
Chart 29: Security-based Credit Derivatives Trade Count by Product



Source: DTCC SBSDR

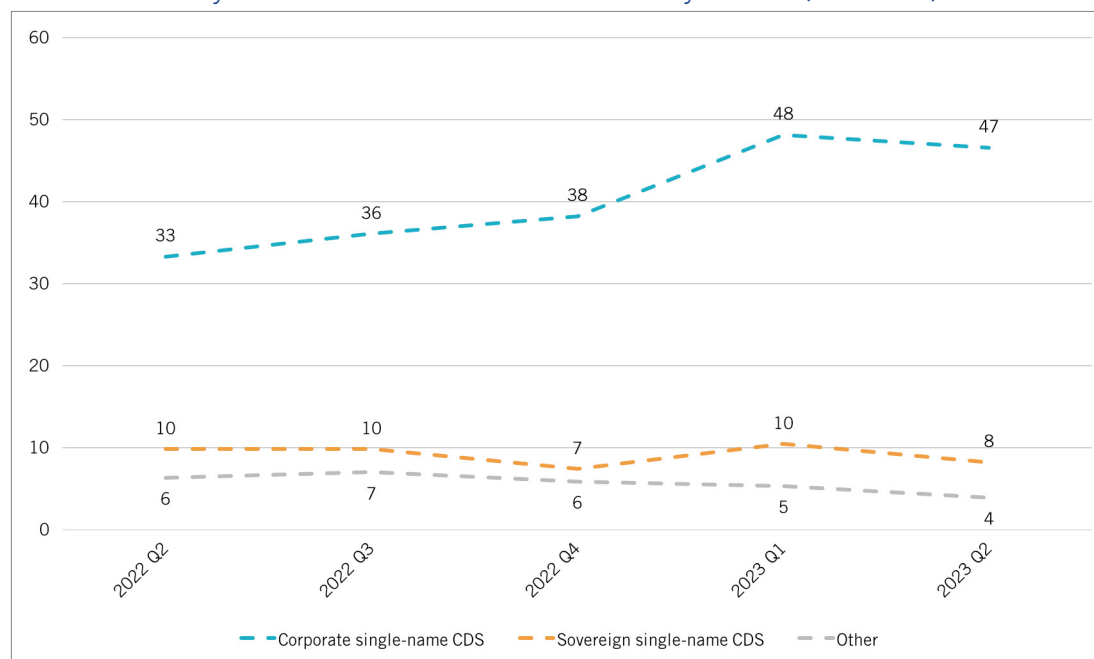
Corporate single-name CDS traded notional rose by 31.8% to \$136.5 billion in the second quarter of 2023 from \$103.6 billion in the second quarter of last year, while trade count grew by 39.9% to 46.6 thousand from 33.3 thousand. Sovereign single-name CDS traded notional dropped by 17.2% to \$31.3 billion from \$37.8 billion and trade count fell by 16.4% (see Chart 30 and Chart 31).

Chart 30: Security-based Credit Derivatives Traded Notional by Product (US\$ billions)



Source: DTCC SBSDR

Chart 31: Security-based Credit Derivatives Trade Count by Product (thousands)

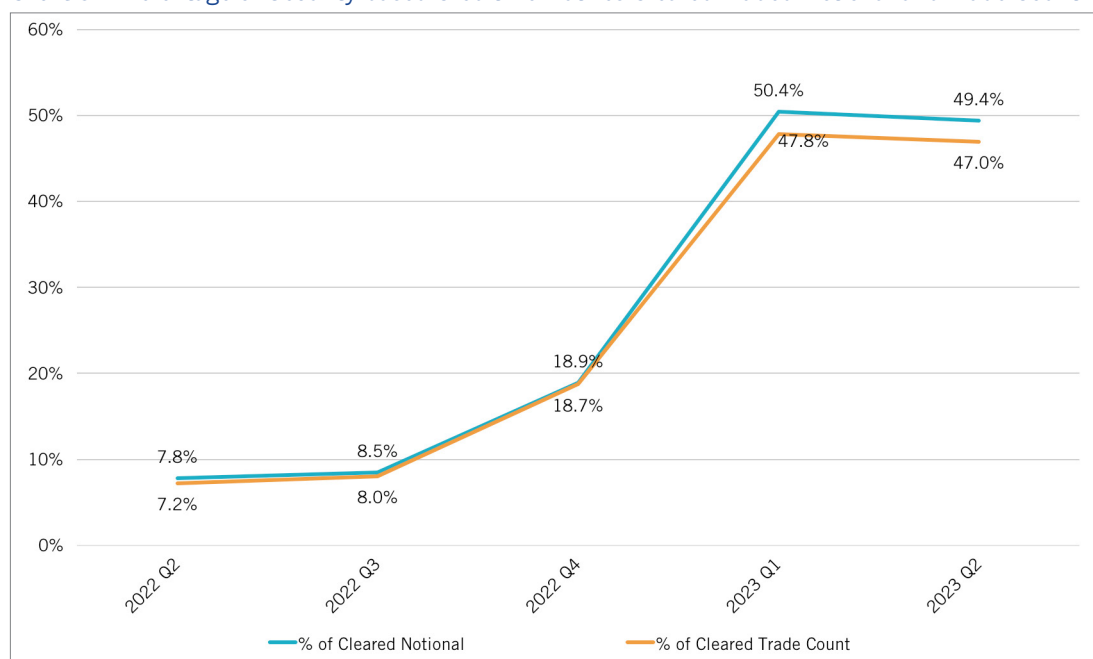


Source: DTCC SBSDR

Security-based Credit Derivatives Central Clearing

Cleared security-based credit derivatives transactions made up 49.4% of total security-based credit derivatives traded notional and 47.0% of total trade count in the second quarter of 2023 (see Chart 32). 52.4% of corporate single-name CDS and 49.6% of sovereign single-name CDS traded notional was cleared¹⁰.

Chart 32: Percentage of Security-based Credit Derivatives Cleared Traded Notional and Trade Count¹¹



Source: DTCC SBSDR

¹⁰ Cleared includes transactions that have been cleared or are planned to be submitted to clearing

¹¹ The percentage of cleared transactions increased significantly in the first quarter of 2023 due to the change in reporting logic. Prior to December 2022, only 'Yes' or 'No' was expected to be reported for the cleared status. Following the change, 'Intent to clear' is also expected to be reported for transactions that are planned to be submitted to clearing



ISDA has published other recent research papers:

- ***Transition to RFRs Review: First Half of 2023 and the Second Quarter of 2023***

www.isda.org/2023/07/26/transition-to-rfrs-review-first-half-of-2023-and-the-second-quarter-of-2023/

- ***ISDA Survey on OTC Derivatives in Emerging and Developing Markets***

www.isda.org/a/j7ogE/ISDA-Survey-on-OTC-Derivatives-in-Emerging-and-Developing-Markets.pdf

- ***ISDA-Clarus RFR Adoption Indicator: June 2023***

www.isda.org/a/7oogE/ISDA-Clarus-RFR-Adoption-Indicator-June-2023.pdf

ISDA has launched a new SwapsInfo page that shows weekly traded notional and trade count for credit derivatives reported under SEC regulations. This data includes only security-based credit derivatives transactions reported to the DTCC SBSDR from February 2022. It does not cover security-based transactions reported to ICE Trade Vault and does not include any transactions required to be disclosed under CFTC regulations. To access the expanded SwapsInfo website, [click here](#).

For questions on ISDA Research, please contact:

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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](#).