

SwapsInfo Third Quarter of 2020 and Year-to-September 30, 2020 Review

The ISDA SwapsInfo Quarterly Review provides analysis of interest rate derivatives (IRD) and credit derivatives trading activity. The report provides a breakdown of cleared and non-cleared activity, swap execution facility (SEF) and off-SEF traded notional, product taxonomy and currency 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 and Bloomberg swap data repositories (SDRs). This report covers only trades required to be disclosed under US regulations.

KEY HIGHLIGHTS FOR THE THIRD QUARTER OF 2020 AND YEAR-TO-SEPTEMBER 30, 2020

Trading volumes for IRD and credit derivatives both decreased during the third quarter of 2020 compared to the third quarter of 2019. For IRD, the decrease was particularly noticeable in overnight index swaps (OIS). For credit derivatives, there was less trading activity across all major indices.

Interest Rate Derivatives

IRD traded notional fell by 33.9% and trade count decreased by 11.5% in the third quarter of 2020 versus the same period in 2019. Fixed-for-floating interest rate swaps (IRS), forward rate agreements (FRAs) and OIS traded notional decreased by 25.8%, 22.5% and 56.1%, respectively, compared to the third quarter of 2019.

In the nine months to September 30, 2020, IRD traded notional fell by 8.4%, while trade count increased by 8.5% compared to the first nine months of 2019.

In the third quarter of 2020:

- IRD traded notional decreased to \$45.5 trillion from \$68.8 trillion in the third quarter of 2019. Trade count fell to 359.1 thousand from 406.0 thousand over the same period. Single currency fixed-for-floating IRS traded notional decreased to \$13.8 trillion from \$18.6 trillion. FRA traded notional dropped to \$17.6 trillion from \$22.7 trillion, and OIS traded notional dropped to \$8.6 trillion from \$19.6 trillion in the third quarter of 2019.
- Single currency fixed-for-floating IRS accounted for 62.2% of total IRD trades but only 30.4% of IRD traded notional in the third quarter of 2020. FRAs and OIS represented 38.7% and 18.9% of total traded notional and 16.9% and 6.1% of trade count, respectively.
- Cleared IRD transactions represented 89.9% of total traded notional and 83.6% of trade count. 95.6% of fixed-for-floating IRS, 99.5% of FRA, 97.6% of OIS and 32.5% of other IRD traded notional was cleared in the third quarter of 2020.

- SEF-traded IRD represented 64.4% of total traded notional and 63.4% of trade count. 62.4% of fixed-for-floating IRS, 88.6% of FRA, 34.6% of OIS and 38.6% of other IRD traded notional was executed on SEFs in the third quarter of 2020.
- IRD contracts denominated in US dollars contributed 58.2% of total traded notional and 48.9% of trade count. Euro-denominated transactions accounted for 14.7% of total traded notional and 14.6% of trade count. Sterling-denominated transactions comprised 14.6% and 10.6% of total IRD traded notional and trade count, respectively.
- Fixed-for-floating IRS, FRAs and OIS contracts denominated in US dollars decreased by 32.4%, 29.8% and 78.2%, respectively, compared to the third quarter of 2019. Euro-denominated IRS and OIS decreased by 34.5% and 57.6%, respectively, while euro-denominated FRAs increased by 15.3%. Sterling-denominated IRS traded notional decreased by 10.6%, while sterling-denominated FRA and OIS traded notional increased by 67.1% and 55.2%, respectively.

Year-to-September 30, 2020:

- IRD traded notional decreased to \$189.4 trillion in the nine months to September 30, 2020 from \$206.8 trillion in the first nine months of 2019. Trade count grew to 1.3 million from 1.2 million over the same period. Single currency fixed-for-floating IRS traded notional decreased to \$49.1 trillion from \$57.4 trillion. FRA traded notional fell to \$71.4 trillion from \$73.4 trillion, and OIS traded notional declined to \$48.6 trillion from \$52.0 trillion.
- Single currency fixed-for-floating IRS accounted for 61.3% of total IRD trades but represented only 25.9% of IRD traded notional. FRAs and OIS represented 37.7% and 25.7% of total traded notional and 17.9% and 6.9% of trade count, respectively.
- Cleared IRD transactions represented 90.8% of total traded notional and 84.4% of trade count. 95.4% of fixed-for-floating IRS, 99.3% of FRA, 97.3% of OIS and 34.4% of other IRD traded notional was cleared in the nine months to September 30, 2020.

- SEF-traded IRD represented 59.7% of total traded notional and 63.5% of trade count. 61.2% of fixed-for-floating IRS, 85.3% of FRA, 29.3% of OIS and 38.8% of other IRD traded notional was executed on SEFs in the nine months to September 30, 2020.
- IRD contracts denominated in US dollars accounted for 60.5% of total traded notional and 51.2% of trade count. Euro-denominated transactions accounted for 13.5% of total traded notional and 14.3% of trade count. Sterling-denominated transactions made up 13.4% and 9.9% of total IRD traded notional and trade count, respectively.
- Fixed-for-floating IRS, FRAs and OIS contracts denominated in US dollars decreased by 22.6%, 7.9% and 29.6%, respectively, compared to the first nine months of 2019. Euro-denominated IRS and OIS decreased by 19.5% and 8.4%, respectively, while euro-denominated FRAs increased by 16.0%. Sterling-denominated IRS, FRA and OIS traded notional increased by 8.8%, 54.6% and 144.0%, respectively.

Credit Derivatives

Credit derivatives traded notional and trade count decreased by 22.7% and 13.3%, respectively, in the third quarter of 2020 compared to the same period of 2019¹. There was less trading activity across all major indices, including CDX HY, CDX IG and iTraxx Europe.

In the nine months to September 30, 2020, credit derivatives traded notional and trade count increased by 18.5% and 21.1%, respectively, compared to the first nine months of 2019.

In the third quarter of 2020:

- Credit derivatives traded notional decreased to \$1.8 trillion in the third quarter of 2020 from \$2.4 trillion in the third quarter of 2019. Trade count fell to 53.4 thousand from 61.6 thousand over the same period. CDX HY traded notional decreased by 12.1% to \$340.2 billion from \$387.0 billion in the third quarter of 2019. CDX IG traded notional decreased by 23.1% to \$694.5 billion from \$902.9 billion in the third quarter of 2019. iTraxx Europe traded notional declined by 28.3% to \$322.0 billion from \$449.0 billion in the third quarter of 2019.
- CDX HY and CDX IG represented 18.7% and 38.2% of total traded notional and 29.1% and 25.9% of trade count, respectively. iTraxx Europe accounted for 17.7% of total credit derivatives traded notional and 12.3% of trade count.
- Cleared credit derivatives transactions represented 82.2% of total traded notional and 81.6% of trade count. 97.9% of CDX HY, 98.9% of CDX IG, 82.6% of iTraxx Europe and 45.0% of other credit derivatives traded notional was cleared in the third quarter of 2020.
- SEF-traded credit derivatives represented 78.9% of total traded notional and 78.9% of trade count. 97.2% of CDX HY, 97.4% of CDX IG, 81.7% of iTraxx Europe and 35.7% of other credit derivatives traded notional was executed on SEFs in the third quarter of 2020.
- Credit derivatives contracts denominated in US dollars represented 70.5% of total traded notional and 71.2% of trade count. Euro-denominated transactions accounted for 29.2% and 28.3% of total traded notional and trade count, respectively.

¹ 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

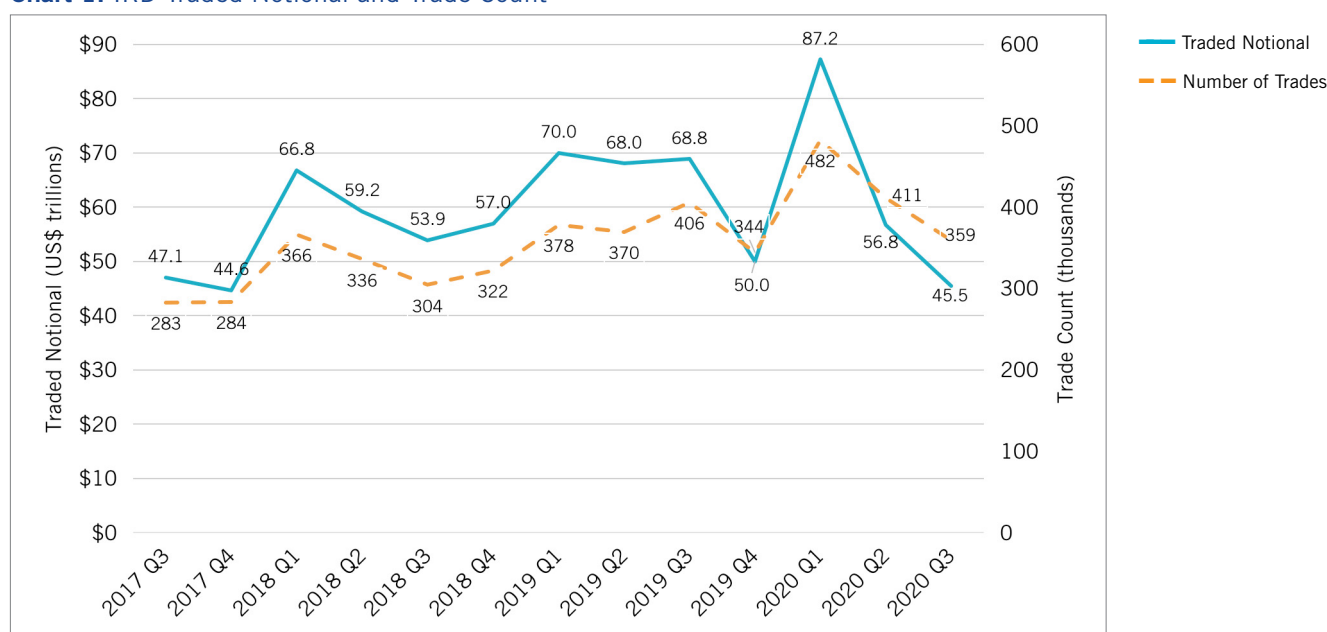
Year-to-September 30, 2020:

- Credit derivatives traded notional increased to \$8.0 trillion in the nine months to September 30, 2020 from \$6.7 trillion in the first nine months of 2019. Trade count grew to 222.4 thousand from 183.7 thousand over the same period. CDX HY traded notional increased by 25.3% to \$1.4 trillion from \$1.1 trillion in the first nine months of 2019, while CDX IG traded notional increased by 28.0% to \$3.2 trillion from \$2.5 trillion over the same period. iTraxx Europe traded notional rose by 16.3% to \$1.4 trillion from \$1.2 trillion in the nine months to September 30, 2019.
 - CDX HY and CDX IG represented 17.4% and 40.6% of total traded notional and 28.9% and 27.4% of trade count, respectively. iTraxx Europe accounted for 17.4% of total credit derivatives traded notional and 12.2% of trade count.
 - Cleared credit derivatives transactions represented 82.8% of total traded notional and 82.3% of trade count. 96.8% of CDX HY, 97.3% of CDX IG, 89.9% of iTraxx Europe and 43.8% of other credit derivatives traded notional was cleared in the nine months to September 30, 2020.
 - SEF-traded credit derivatives represented 79.3% of total traded notional and 79.4% of trade count. 95.7% of CDX HY, 96.0% of CDX IG, 87.6% of iTraxx Europe and 34.2% of other credit derivatives traded notional was executed on SEFs in the nine months to September 30, 2020.
 - Credit derivatives contracts denominated in US dollars represented 72.0% of total traded notional and 72.5% of trade count. Euro-denominated transactions accounted for 27.8% and 27.0% of total traded notional and trade count, respectively.
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INTEREST RATE DERIVATIVES

IRD traded notional declined by 33.9% to \$45.5 trillion in the third quarter of 2020 from \$68.8 trillion in the third quarter of 2019. Trade count fell by 11.5% over the same period to 359.1 thousand from 406.0 thousand (see Chart 1).

Chart 1: IRD Traded Notional and Trade Count



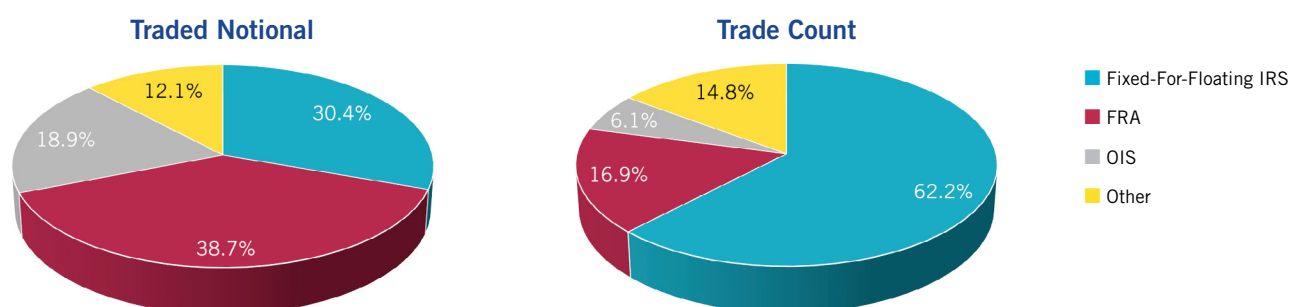
Source: DTCC and Bloomberg SDRs

In the nine months to September 30, 2020, IRD traded notional decreased by 8.4% to \$189.4 trillion from \$206.8 trillion in the nine months to September 30, 2019. Trade count increased by 8.5% to 1.3 million from 1.2 million over the same period.

IRD Product Taxonomy

Single currency fixed-for-floating IRS accounted for 62.2% of total IRD trade count, but represented only 30.4% of total IRD traded notional in the third quarter of 2020. FRAs and OIS represented 38.7% and 18.9% of total traded notional and 16.9% and 6.1% of total trade count, respectively (see Chart 2).

Chart 2: IRD Traded Notional and Trade Count by Product



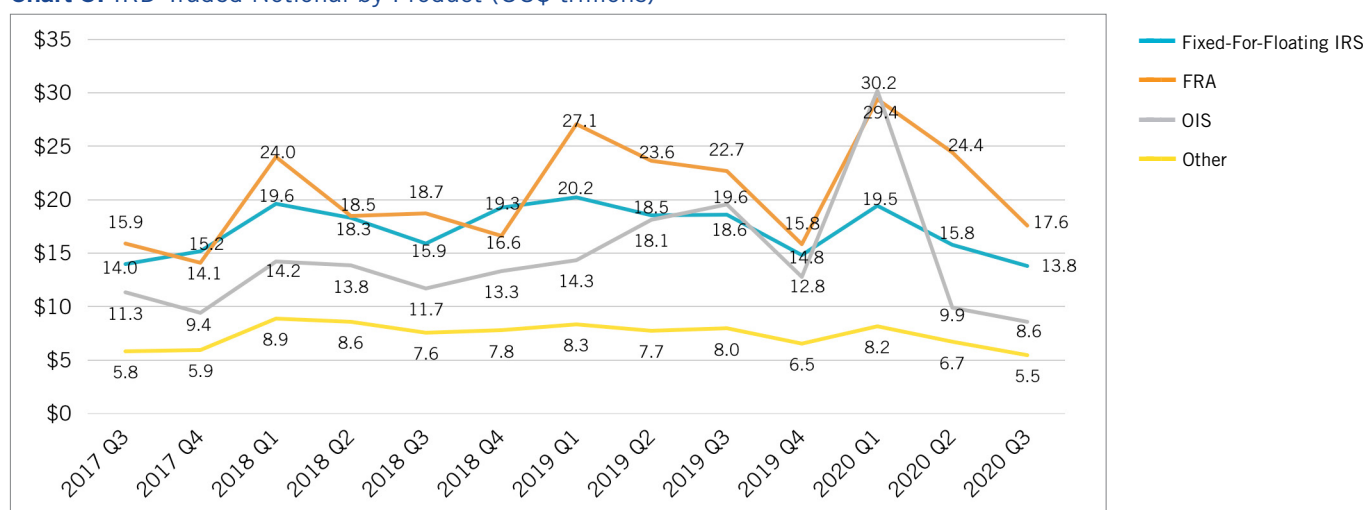
Source: DTCC and Bloomberg SDRs

Fixed-for-floating IRS traded notional decreased by 25.8% from \$18.6 trillion in the third quarter of 2019 to \$13.8 trillion in the third quarter of 2020. IRS trade count decreased by 15.1% from 263.4 thousand to 223.5 thousand over the same period (see Chart 3 and Chart 4). In the nine months to September 30, 2020, fixed-for-floating IRS traded notional decreased by 14.5% to \$49.1 trillion from \$57.4 trillion in the nine months to September 30, 2019. Trade count grew by 4.6% from 733.6 thousand to 767.1 thousand over the same period.

FRA traded notional decreased by 22.5% from \$22.7 trillion in the third quarter of 2019 to \$17.6 trillion in the third quarter of 2020. Trade count increased by 7.8% from 56.1 thousand to 60.5 thousand over the same period. In the nine months to September 30, 2020, FRA traded notional decreased by 2.7% to \$71.4 trillion from \$73.4 trillion in the nine months to September 30, 2019. Trade count grew by 21.9% to 223.6 thousand from 183.5 thousand over the same period.

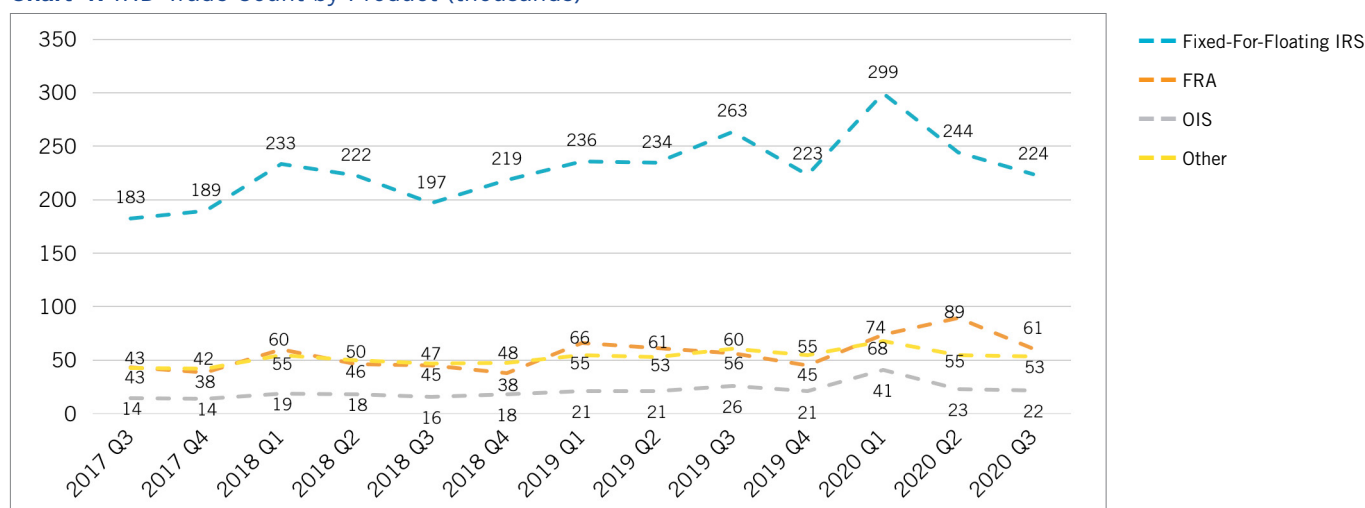
OIS traded notional decreased by 56.1% from \$19.6 trillion in the third quarter of 2019 to \$8.6 trillion in the third quarter of 2020. OIS trade count decreased by 16.6% in the third quarter of 2020 compared to the third quarter of 2019. In the nine months to September 30, 2020, OIS traded notional decreased by 6.6% to \$48.6 trillion from \$52.0 trillion in the nine months to September 30, 2019. Trade count grew by 25.1% to 85.9 thousand from 68.7 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 decreased by 25.8% in the third quarter of 2020 versus the third quarter of 2019, totaling \$209.4 billion. Fixed-for-floating IRS average daily trade count and average trade size decreased by 15.1% and 12.4%, respectively (see Table 1).

FRA average daily traded notional totaled \$266.4 billion in the third quarter of 2020, 22.5% lower compared to the third quarter of 2019. FRA average daily trade count increased by 7.8%, while average trade size decreased by 15.6%.

OIS average daily traded notional was \$130.2 billion in the third quarter of 2020, a 56.1% decrease compared to the third quarter of 2019. OIS average daily trade count and average trade size decreased by 16.6% and 47.5%, respectively.

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

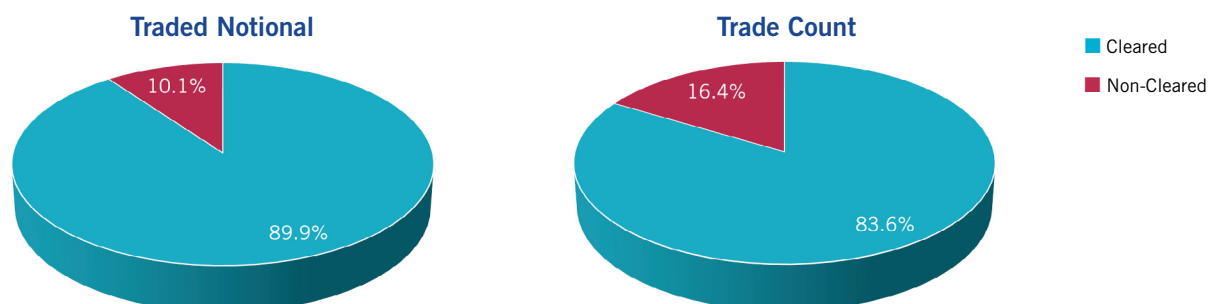
	Average Daily Traded Notional (US\$ billions)			Average Daily Trade Count			Average Trade Size (US\$ millions)		
	IRS	FRA	OIS	IRS	FRA	OIS	IRS	FRA	OIS
2020 Q3	209.4	266.4	130.2	3,387	917	330	62.3	683.1	395.9
2019 Q3	282.1	343.9	296.5	3,990	851	396	71.1	809.4	753.7
2020 Q3 vs. 2019 Q3	-25.8%	-22.5%	-56.1%	-15.1%	7.8%	-16.6%	-12.4%	-15.6%	-47.5%
YTD Q3 2020	250.5	369.1	248.7	3,916	1,155	439	63.8	671.9	503.6
YTD Q3 2019	296.1	382.9	268.0	3,780	957	354	78.7	773.0	756.5
YTD Q3 2020 vs. YTD Q3 2019	-15.4%	-3.6%	-7.2%	3.6%	20.7%	24.1%	-18.9%	-13.1%	-33.4%

Source: DTCC and Bloomberg SDRs

IRD Central Clearing

Cleared IRD transactions represented 89.9% of total IRD traded notional and 83.6% of trade count during the third quarter of 2020 (see Chart 5). IRD cleared notional and trade count totaled \$40.9 trillion and 300.1 thousand, respectively.

Chart 5: IRD Cleared Traded Notional and Trade Count



Source: DTCC and Bloomberg SDRs

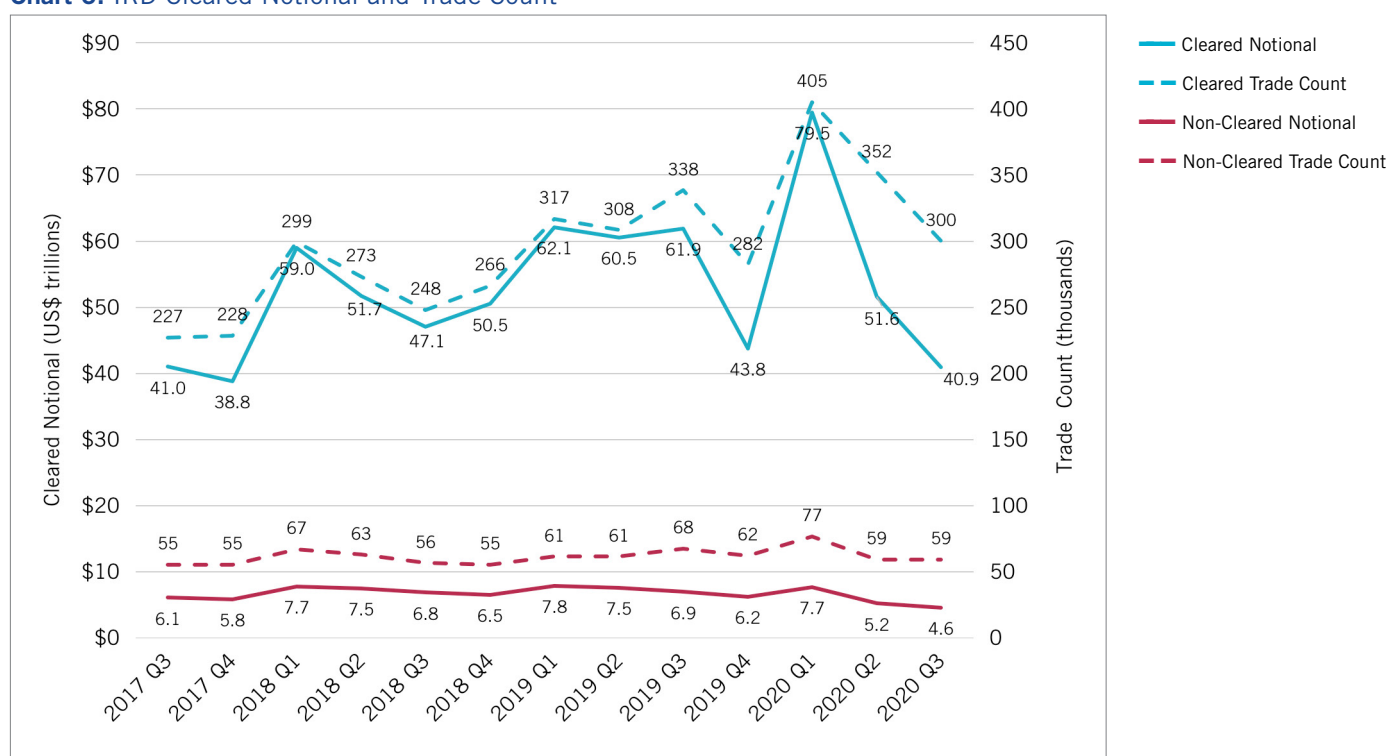
IRD cleared notional decreased by 34.0% from \$61.9 trillion in the third quarter of 2019 to \$40.9 trillion in the third quarter of 2020 (see Chart 6). Cleared trade count fell by 11.3% from 338.4 thousand to 300.1 thousand over the same period.

IRD non-cleared notional fell by 33.8% in the third quarter of 2020 versus the third quarter of 2019, from \$6.9 trillion to \$4.6 trillion. Trade count decreased by 12.6% from 67.6 thousand to 59.1 thousand.

In the nine months to September 30, 2020, IRD cleared notional decreased by 6.8% to \$172.0 trillion from \$184.5 trillion in the nine months to September 30, 2019. Trade count grew by 9.7% from 963.3 thousand to 1.1 million over the same period.

IRD non-cleared notional fell by 21.7% to \$17.5 trillion in the nine months to September 30, 2020. Trade count increased by 2.4% from 190.4 thousand to 194.9 thousand year-over-year.

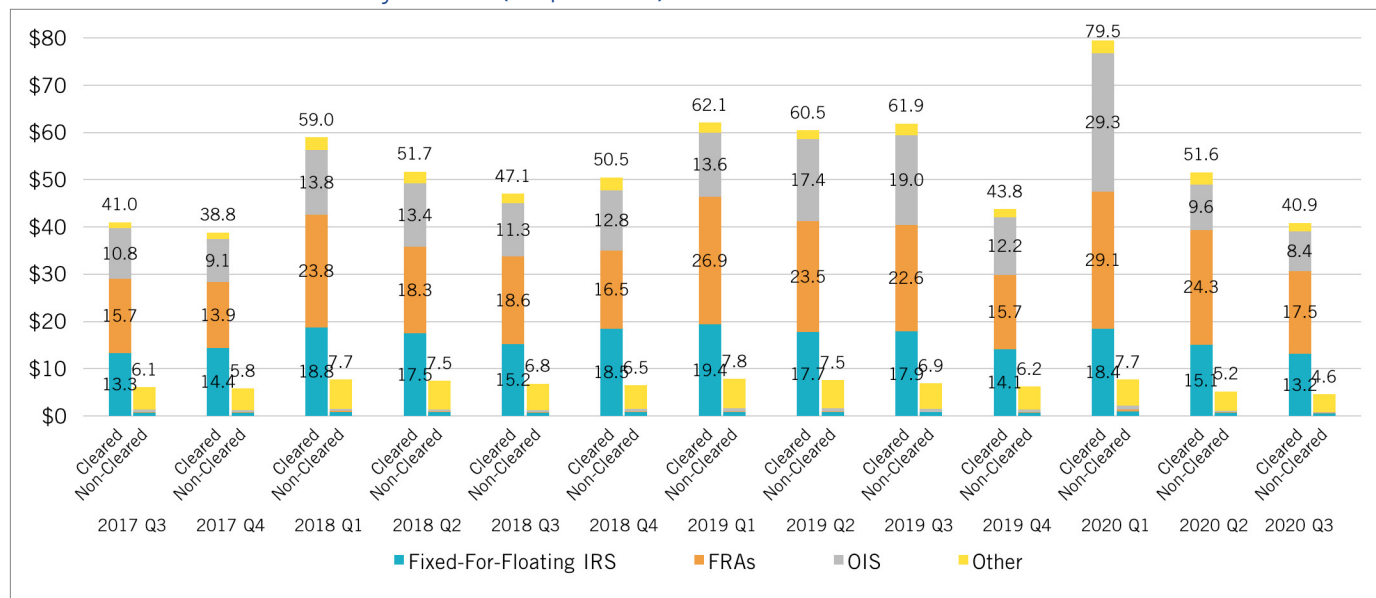
Chart 6: IRD Cleared Notional and Trade Count



Source: DTCC and Bloomberg SDRs

In the third quarter of 2020, \$13.2 trillion (95.6%) of fixed-for-floating IRS traded notional was cleared and \$604.2 billion was non-cleared (see Chart 7). The notional amount of cleared FRAs and OIS totaled \$17.5 trillion (99.5%) and \$8.4 trillion (97.6%), respectively. \$1.8 trillion (32.5%) of other IRD products notional was cleared and \$3.7 trillion was non-cleared.

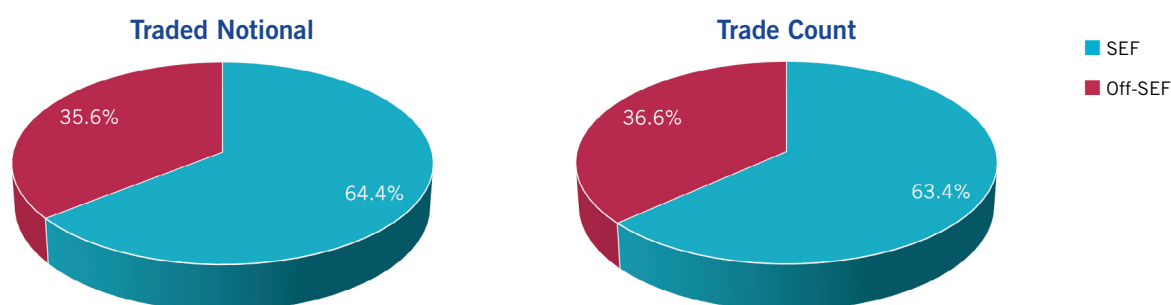
In the nine months to September 30, 2020, \$46.8 trillion (95.4%) of fixed-for-floating IRS traded notional was cleared and \$2.3 trillion was non-cleared. \$70.9 trillion (99.3%) of FRAs and \$47.3 trillion (97.3%) of OIS was cleared. \$7.0 trillion (34.4%) of other IRD products notional was cleared and \$13.3 trillion was non-cleared.

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

Source: DTCC and Bloomberg SDRs

IRD Trading Venue

SEF-traded IRD represented 64.4% of total IRD traded notional and 63.4% of trade count in the third quarter of 2020 (see Chart 8). Total IRD traded notional executed on SEFs was \$29.3 trillion, while \$16.2 trillion was executed off-SEF. In terms of trade count, 227.8 thousand transactions were executed on SEFs and 131.3 thousand occurred off-SEF.

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

Source: DTCC and Bloomberg SDRs

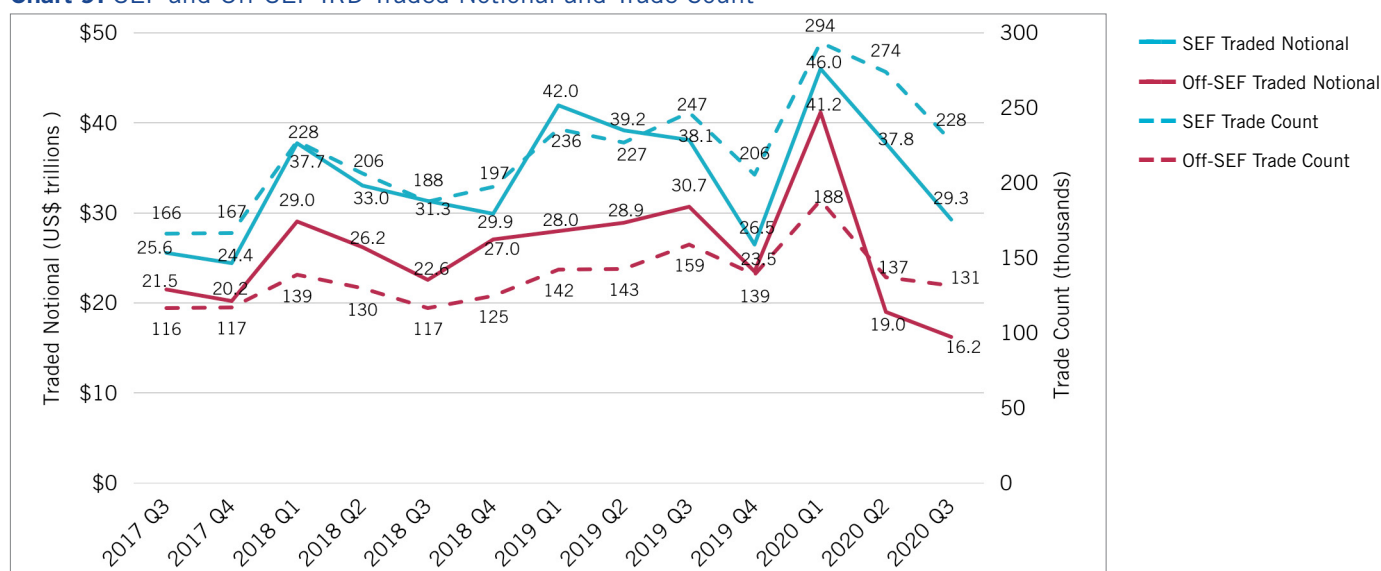
IRD traded notional executed on SEFs fell by 23.2% from \$38.1 trillion in the third quarter of 2019 to \$29.3 trillion in the third quarter of 2020. The number of trades executed on SEFs decreased by 7.8% from 247.1 thousand to 227.8 thousand over the same period (see Chart 9).

IRD traded notional executed off-SEF decreased by 47.3% from \$30.7 trillion in the third quarter of 2019 to \$16.2 trillion in the third quarter of 2020. The number of transactions decreased by 17.4% from 158.9 thousand to 131.3 thousand over the same period.

In the nine months to September 30, 2020, IRD traded notional executed on SEFs declined by 5.2% to \$113.1 trillion from \$119.2 trillion in the nine months to September 30, 2019. Trade count increased by 12.0% from 710.1 thousand to 795.4 thousand over the same period.

IRD traded notional executed off-SEF decreased by 12.9% from \$87.6 trillion in the nine months to September 30, 2019 to \$76.3 trillion in the nine months to September 30, 2020. The number of transactions increased by 3.0% from 443.6 thousand to 456.8 thousand over the same period.

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

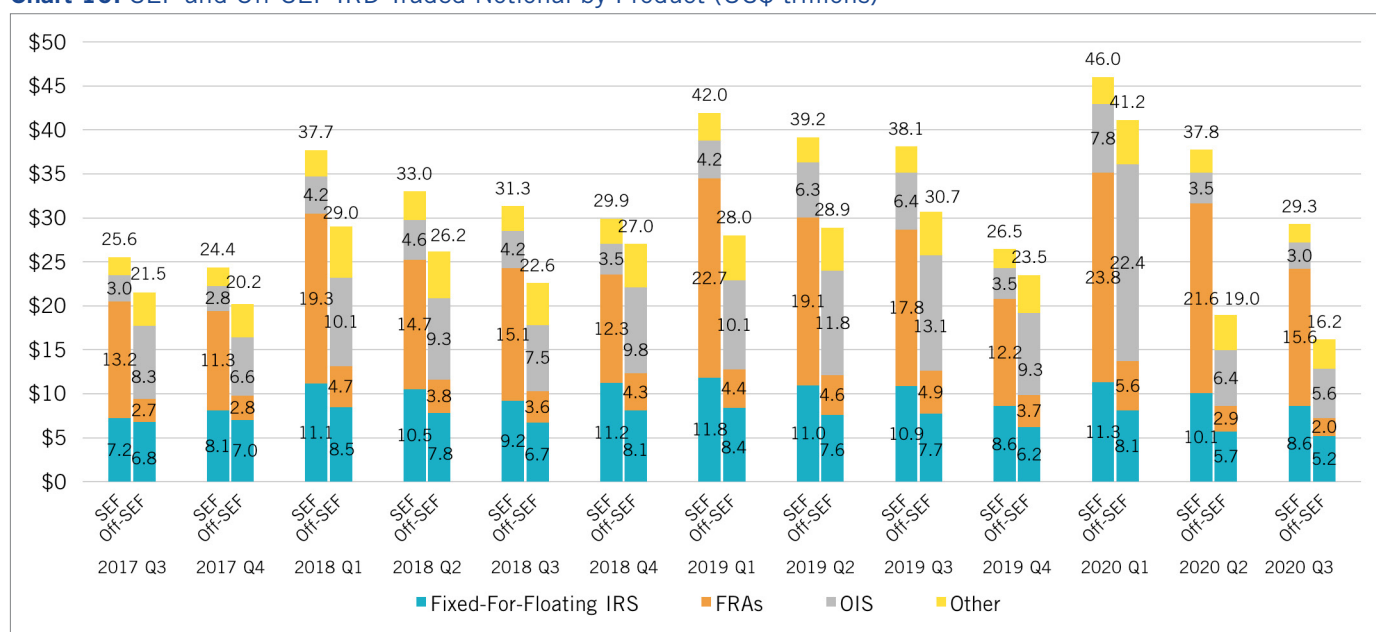


Source: DTCC and Bloomberg SDRs

In the third quarter of 2020, \$8.6 trillion (62.4%) of fixed-for-floating IRS was traded on SEFs and \$5.2 trillion was executed off-SEF. \$15.6 trillion (88.6%) of FRAs was executed on SEFs and \$2.0 trillion was traded off-SEF. \$3.0 trillion (34.6%) of OIS was executed on SEFs and \$5.6 trillion occurred off-SEF (see Chart 10).

In the nine months to September 30, 2020, \$30.0 trillion (61.2%) of fixed-for-floating IRS was traded on SEFs and \$19.0 trillion was executed off-SEF. \$60.9 trillion (85.3%) of FRAs was executed on SEFs and \$10.5 trillion was traded off-SEF. \$14.2 trillion (29.3%) of OIS was executed on SEFs and \$34.4 trillion occurred off-SEF.

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

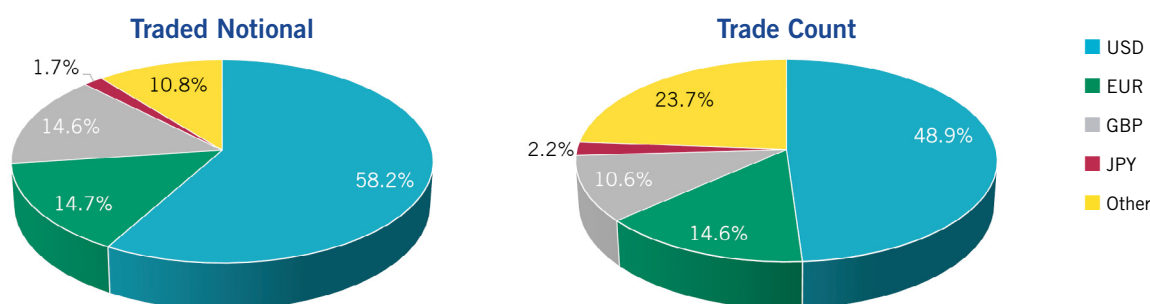


Source: DTCC and Bloomberg SDRs

IRD by Currency

IRD contracts denominated in US dollars were the most actively traded over the quarter. US dollar-denominated IRD contributed 58.2% of total IRD traded notional and 48.9% of total trade count in the third quarter of 2020. Euro-denominated transactions accounted for 14.7% of total IRD traded notional and 14.6% of total trade count. Sterling-denominated transactions totaled 14.6% and 10.6% 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

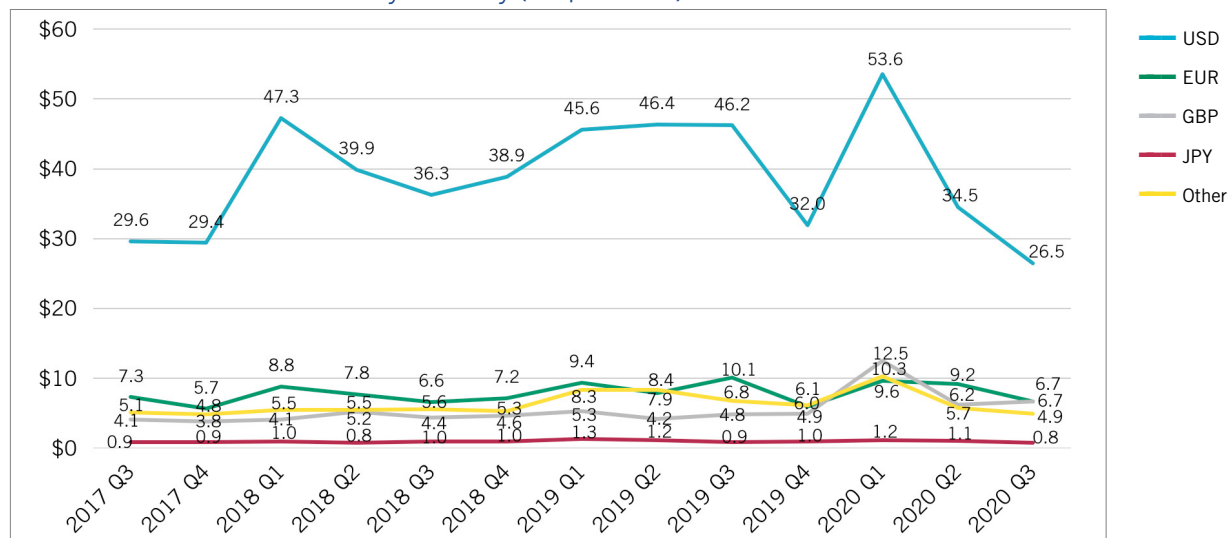
US dollar-, euro- and yen-denominated IRD traded notional decreased by 42.7%, 34.0% and 12.1%, respectively, while sterling-denominated IRD traded notional increased by 38.4% in the third quarter of 2020 compared with the third quarter of 2019.

US dollar-denominated IRD traded notional totaled \$26.5 trillion in the third quarter of 2020 compared with \$46.2 trillion in the third quarter of 2019. Euro-denominated traded notional declined to \$6.7 trillion in the third quarter of 2020 versus \$10.1 trillion in the third quarter of 2019. Traded notional for sterling- and yen-denominated trades totaled \$6.7 trillion and \$775.0 billion, respectively, in the third quarter of 2020 (see Chart 12).

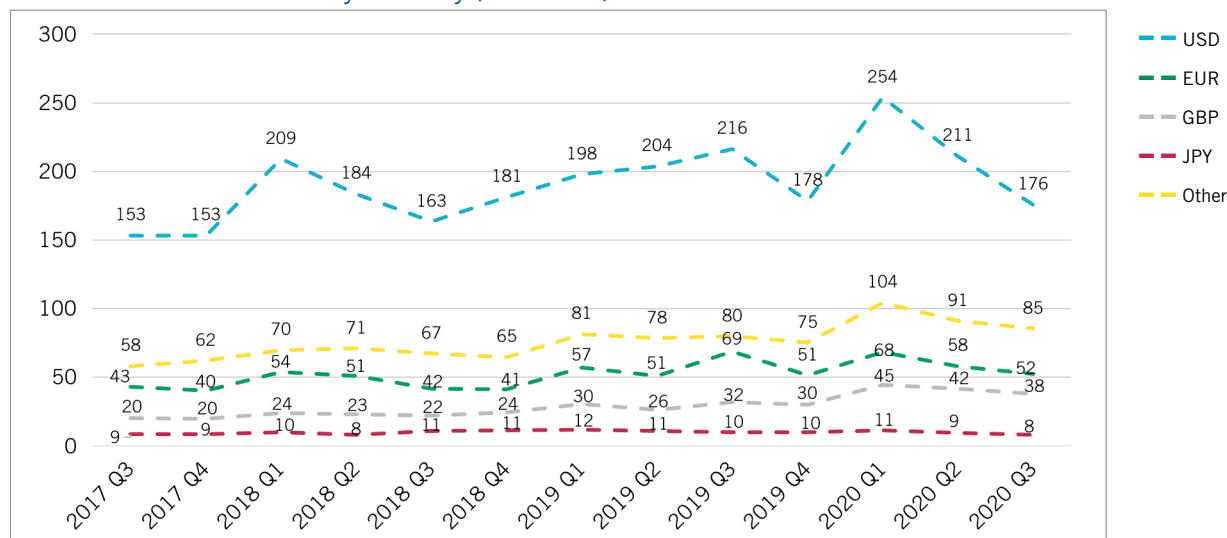
Trade count decreased by 18.7% to 175.7 thousand for US dollar-denominated IRD and by 23.6% to 52.4 thousand for euro-denominated transactions. Trade count for sterling-denominated IRD grew by 19.6% to 38.0 thousand, while yen-denominated IRD trades decreased by 19.4% to 7.9 thousand (see Chart 13).

In the nine months to September 30, 2020, US dollar-denominated IRD traded notional decreased by 17.1% to \$114.6 trillion from \$138.2 trillion in the nine months to September 30, 2019. Euro-denominated traded notional decreased by 7.2% to \$25.5 trillion, yen-denominated traded notional decreased by 10.1% to \$3.0 trillion and sterling-denominated traded notional increased by 77.0% to \$25.4 trillion over the same period.

Trade count increased by 3.7% for US dollar-denominated trades, 1.3% for euro-denominated trades and 40.7% for sterling-denominated trades in the nine months to September 30, 2020. Trade count decreased by 11.7% for yen-denominated trades over the same period.

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


Source: DTCC and Bloomberg SDRs

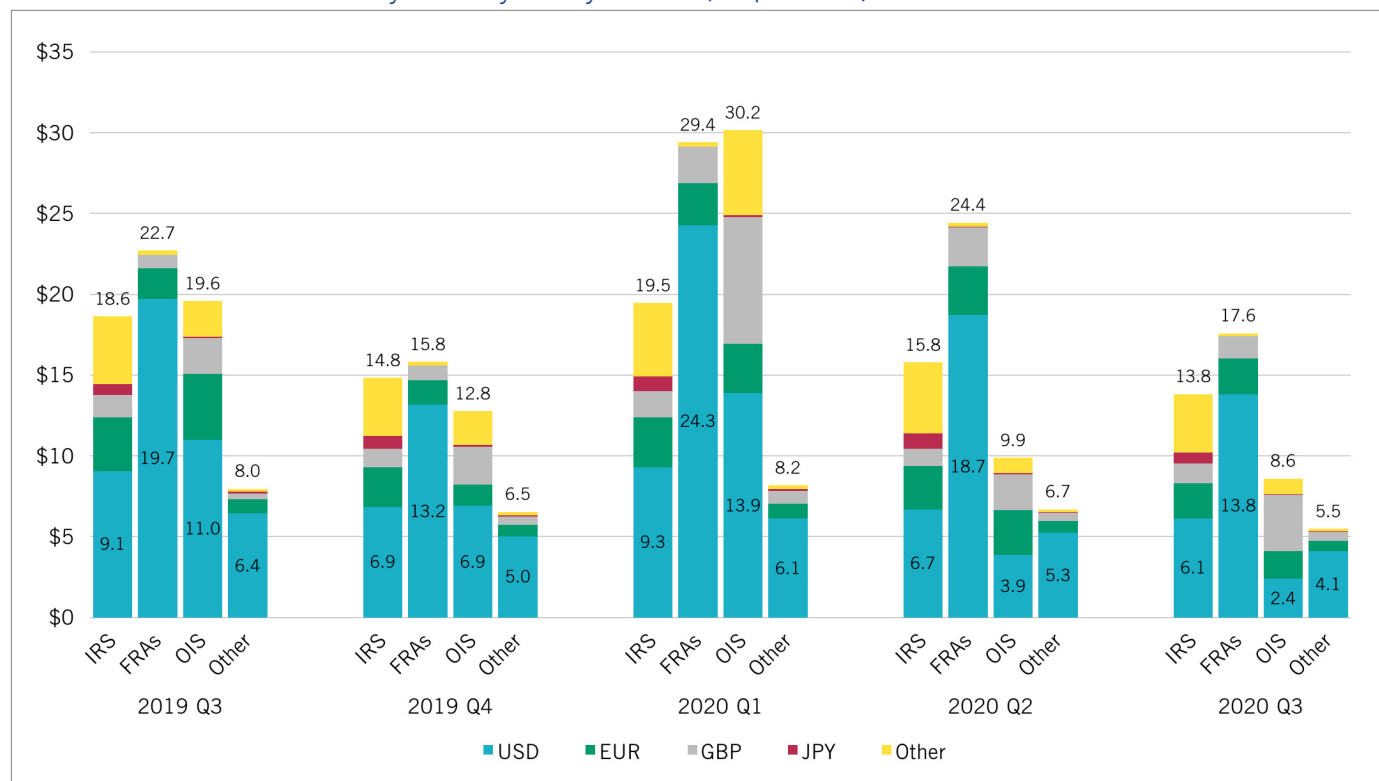
Chart 13: IRD Trade Count by Currency (thousands)


Source: DTCC and Bloomberg SDR

US dollar-denominated fixed-for-floating IRS declined by 32.4% to \$6.1 trillion in the third quarter of 2020 versus \$9.1 trillion in the third quarter of 2019. Euro-denominated fixed-for-floating IRS declined by 34.5% over the same period, from \$3.3 trillion to \$2.2 trillion. Sterling- and yen-denominated IRS totaled \$1.2 trillion and \$677.0 billion, respectively, in the third quarter of 2020 compared to \$1.4 trillion and \$700.5 billion, respectively, in the third quarter of 2019 (see Chart 14).

US dollar-denominated FRAs decreased by 29.8% to \$13.8 trillion in the third quarter of 2020 from \$19.7 trillion in the third quarter of 2019, while euro-denominated FRAs grew by 15.3% to \$2.2 trillion over the same period. Sterling-denominated FRAs increased by 67.1% to \$1.4 trillion in the third quarter of 2020 from \$0.8 trillion in the third quarter of 2019.

US dollar-denominated OIS decreased by 78.2% to \$2.4 trillion in the third quarter of 2020 from \$11.0 trillion in the third quarter of 2019. Euro-denominated OIS decreased by 57.6% to \$1.7 trillion from \$4.1 trillion over the same period. Sterling-denominated OIS increased by 55.2% to \$3.5 trillion in the third quarter of 2020 from \$2.2 trillion in the third quarter of 2019.

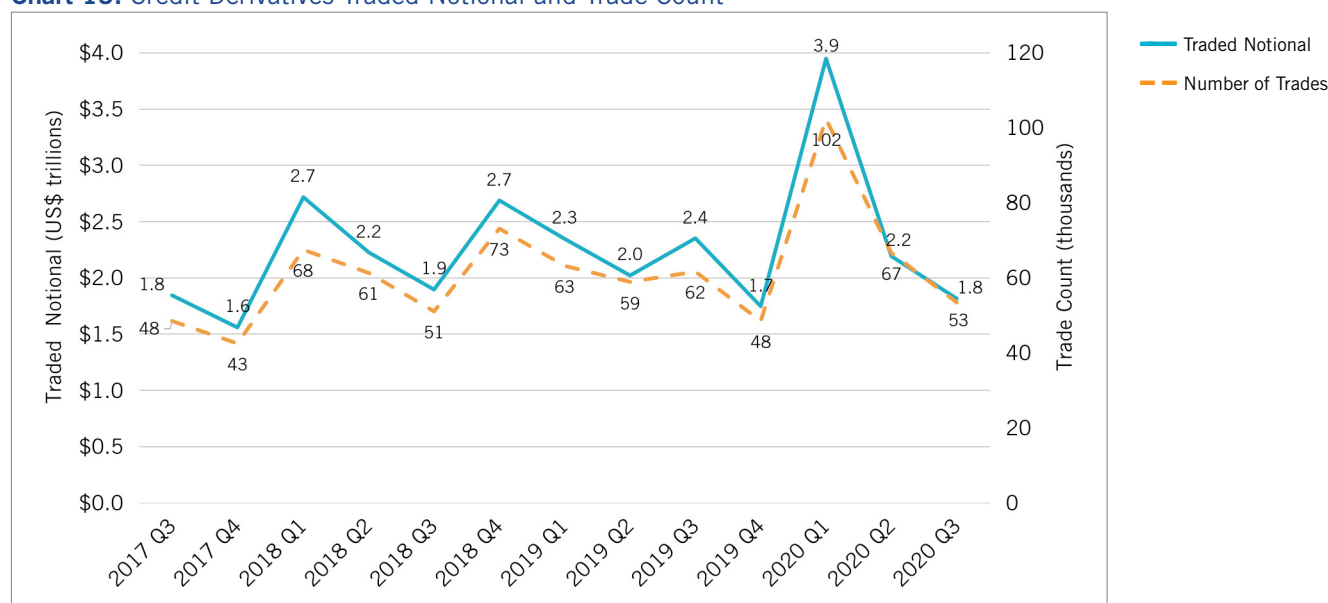
Chart 14: IRD Traded Notional by Currency and by Product (US\$ trillions)


Source: DTCC and Bloomberg SDRs

CREDIT DERIVATIVES

Credit derivatives traded notional decreased by 22.7% to \$1.8 trillion in the third quarter of 2020 from \$2.4 trillion in the third quarter of 2019¹. The number of trades decreased by 13.3% to 53.4 thousand from 61.6 thousand over the same period (see Chart 15).

Chart 15: Credit Derivatives Traded Notional and Trade Count



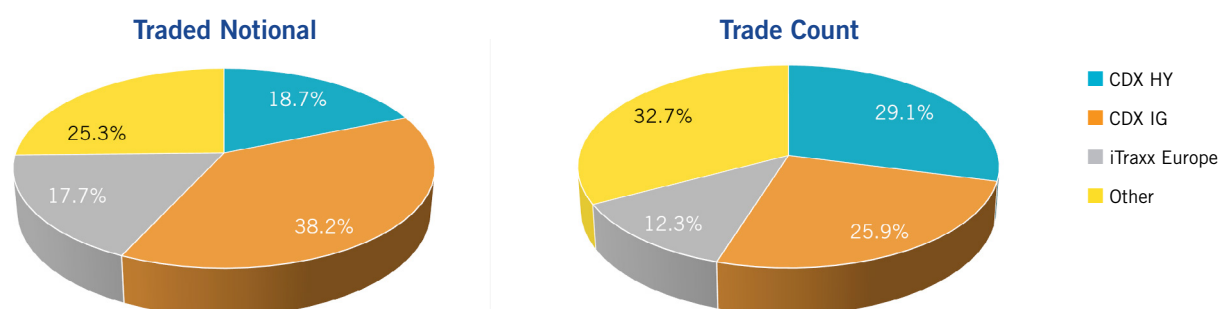
Source: DTCC and Bloomberg SDRs

In the nine months to September 30, 2020, credit derivatives traded notional increased by 18.5% to \$8.0 trillion from \$6.7 trillion in the nine months to September 30, 2019. Credit derivatives trade count increased by 21.1% to 222.4 thousand from 183.7 thousand over the same period.

Credit Derivatives Product Taxonomy

In the third quarter of 2020, CDX HY and CDX IG represented 18.7% and 38.2% of traded notional and 29.1% and 25.9% of total trade count, respectively. iTraxx Europe accounted for 17.7% of total traded notional and 12.3% of total trade count (see Chart 16).

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



Source: DTCC and Bloomberg SDRs

¹ 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

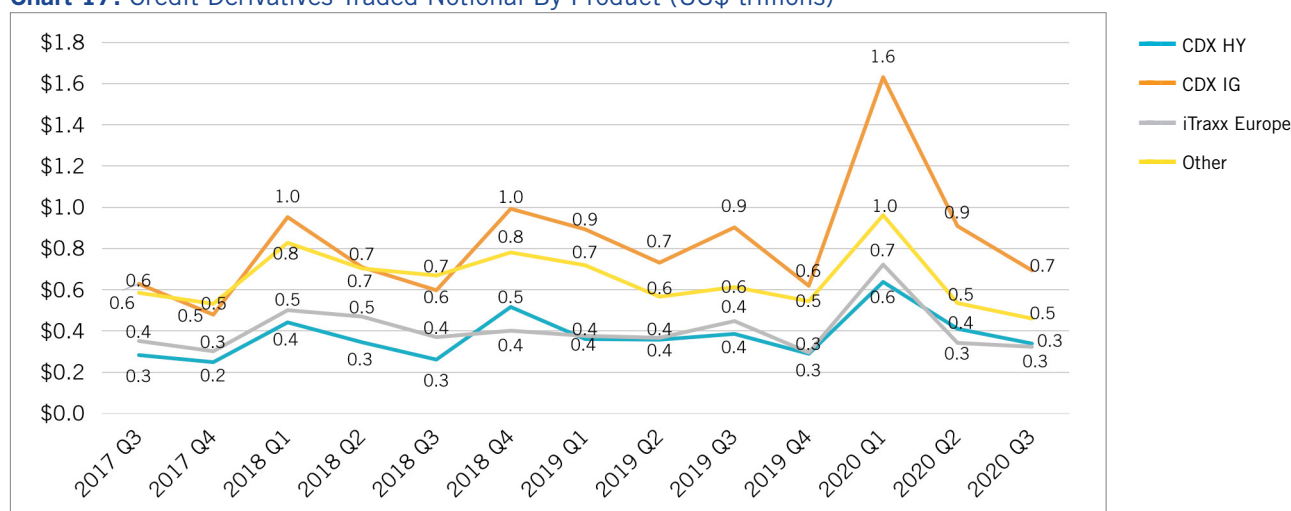
CDX HY and CDX IG traded notional decreased by 12.1% and 23.1%, respectively, in the third quarter of 2020 compared to the third quarter of 2019. CDX HY decreased to \$340.2 billion from \$387.0 billion, and CDX IG fell to \$694.5 billion from \$902.9 billion. Trade count decreased quarter-over-quarter by 13.0% for CDX HY and 12.6% for CDX IG (see Chart 17 and Chart 18).

iTraxx Europe traded notional decreased by 28.3% to \$322.0 billion in the third quarter of 2020 from \$449.0 billion in the third quarter of 2019. Trade count fell by 29.4% to 6.6 thousand over the same period.

In the nine months to September 30, 2020, CDX HY traded notional increased by 25.3% to \$1.4 trillion from \$1.1 trillion in the nine months to September 30, 2019. CDX IG traded notional increased by 28.0% over the same period to \$3.2 trillion from \$2.5 trillion. Trade count for CDX HY and CDX IG rose by 21.8% and 33.4%, respectively.

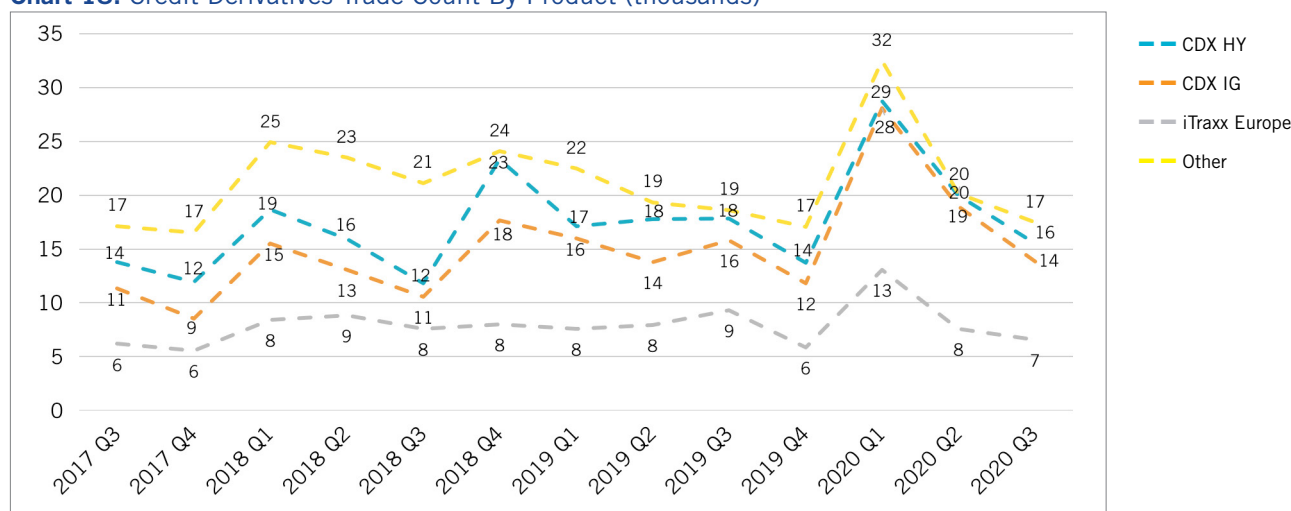
iTraxx Europe traded notional increased by 16.3% to \$1.4 trillion in the nine months to September 30, 2020 compared to \$1.2 trillion in the nine months to September 30, 2019. Trade count increased by 9.5% over the same period.

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

Average daily traded notional of CDX HY and CDX IG decreased by 12.1% and 23.1%, respectively, between the third quarter of 2019 and the third quarter of 2020, and totaled \$5.3 billion and \$10.9 billion, respectively. Average daily trade count of CDX HY fell by 13.0% and totaled 242, while CDX IG declined by 12.6% and totaled 216. Average trade size of CDX HY and CDX IG was \$19.5 million and \$46.8 million, respectively (see Table 2).

iTraxx Europe average daily traded notional decreased by 28.3% to \$5.0 billion and average daily trade count fell by 29.4% to 101. iTraxx Europe average trade size dropped by 3.6% to \$44.2 million in the third quarter of 2020 compared to \$45.9 million in the third quarter of 2019.

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

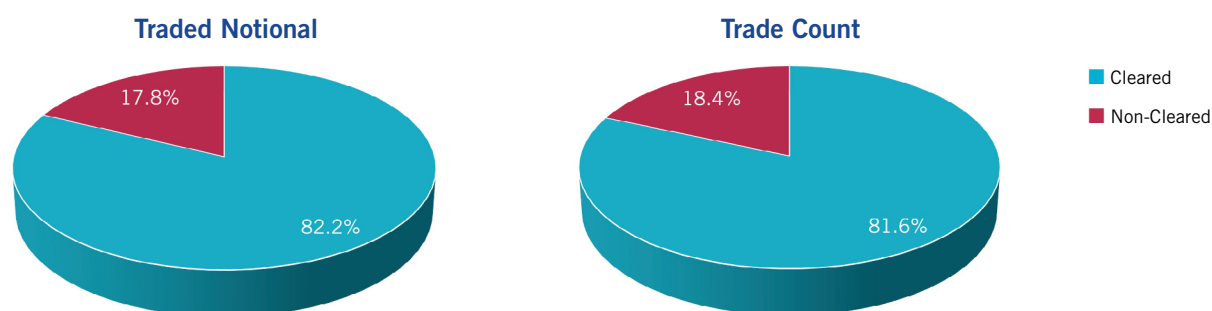
	Average Daily Traded Notional (US\$ billions)			Average Daily Trade Count			Average Trade Size (US\$ millions)		
	CDX HY	CDX IG	iTraxx Europe	CDX HY	CDX IG	iTraxx Europe	CDX HY	CDX IG	iTraxx Europe
2020 Q3	5.3	10.9	5.0	242	216	101	19.5	46.8	44.2
2019 Q3	6.0	14.1	6.9	279	247	143	20.3	54.6	45.9
2020 Q3 vs. 2019 Q3	-12.1%	-23.1%	-28.3%	-13.0%	-12.6%	-29.4%	-4.2%	-14.3%	-3.6%
YTD Q3 2020	7.3	17.2	7.3	339	323	143	20.3	50.5	47.8
YTD Q3 2019	5.9	13.4	6.3	281	243	131	20.1	53.9	46.4
YTD Q3 2020 vs. YTD Q3 2019	24.5%	27.8%	15.7%	20.9%	33.2%	9.0%	1.1%	-6.2%	3.0%

Source: DTCC and Bloomberg SDRs

Credit Derivatives Central Clearing

Cleared credit derivatives transactions represented 82.2% of traded notional and 81.6% of trade count in the third quarter of 2020 (see Chart 19). Traded notional and trade count of cleared credit derivatives transactions was \$1.5 trillion and 43.5 thousand, respectively.

Chart 19: Credit Derivatives Cleared Traded Notional and Trade Count



Source: DTCC and Bloomberg SDRs

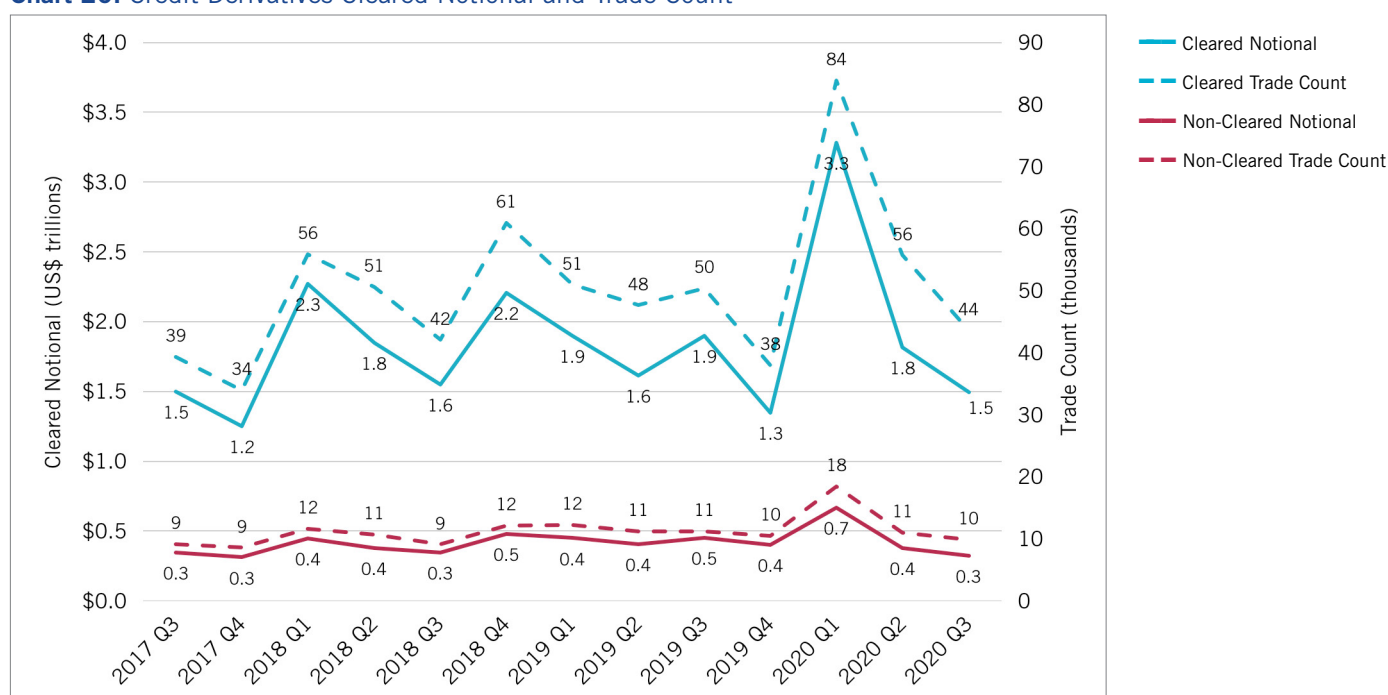
Credit derivatives cleared notional decreased by 21.4% to \$1.5 trillion in the third quarter of 2020 from \$1.9 trillion in the third quarter of 2019. Cleared trade count decreased by 13.6% to 43.5 thousand from 50.4 thousand over the same period (see Chart 20).

Non-cleared notional decreased by 28.4% to \$453.1 billion in the third quarter of 2020 from \$324.3 billion in the third quarter of 2019. Non-cleared trade count decreased by 12.2% over the same period.

In the nine months to September 30, 2020, credit derivatives cleared notional increased by 21.8% to \$6.6 trillion from \$5.4 trillion in the nine months to September 30, 2019. Cleared trade count grew by 22.9% to 183.1 thousand from 149.0 thousand over the same period.

Non-cleared notional grew to \$1.4 trillion in the nine months to September 30, 2020, a 4.7% increase compared to \$1.3 trillion in the nine months to September 30, 2019. Non-cleared trade count rose by 13.4% to 39.3 thousand from 34.6 thousand over the same period.

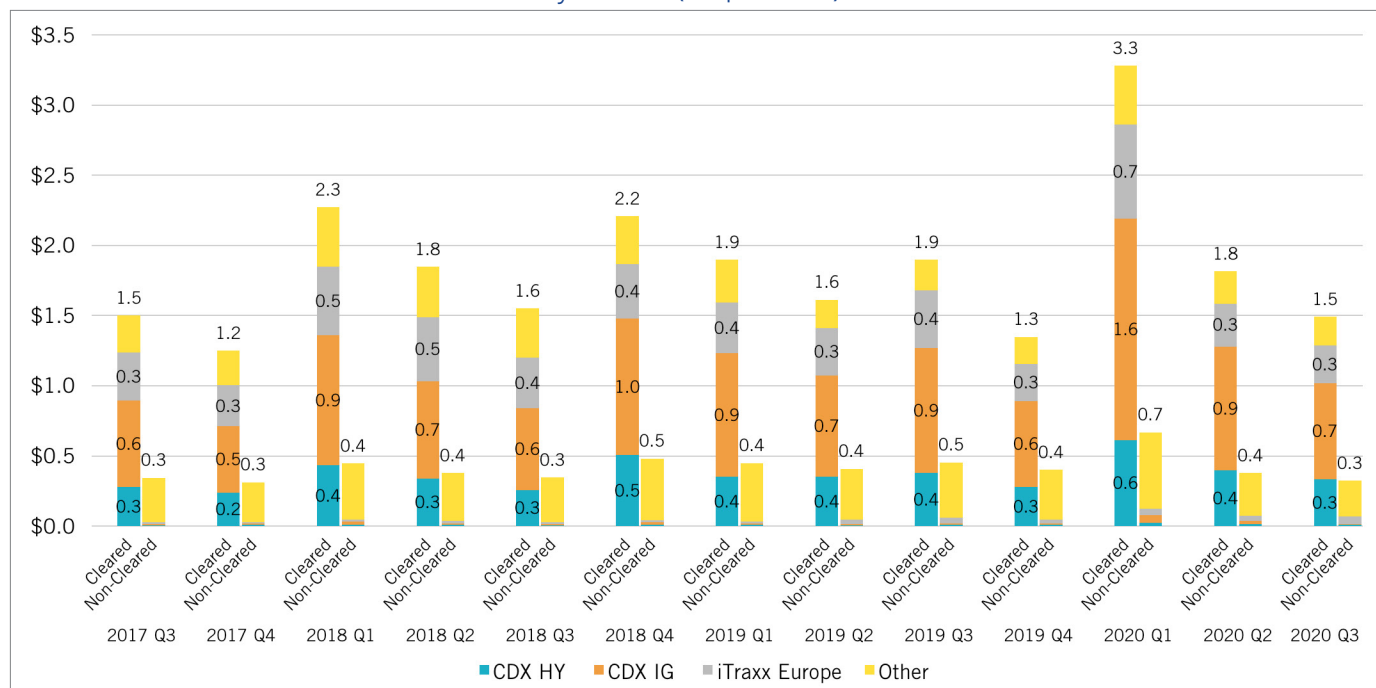
Chart 20: Credit Derivatives Cleared Notional and Trade Count



Source: DTCC and Bloomberg SDRs

In the third quarter of 2020, \$333.0 billion (97.9%) of CDX HY and \$686.8 billion (98.9%) of CDX IG was cleared, while \$7.2 billion and \$7.8 billion, respectively, was non-cleared. Cleared notional of iTraxx Europe totaled \$266.0 billion (82.6%) in the third quarter of 2020, while non-cleared notional was \$56.0 billion. \$206.9 billion (45.0%) of other credit derivatives traded notional was cleared and \$253.4 billion was non-cleared (see Chart 21).

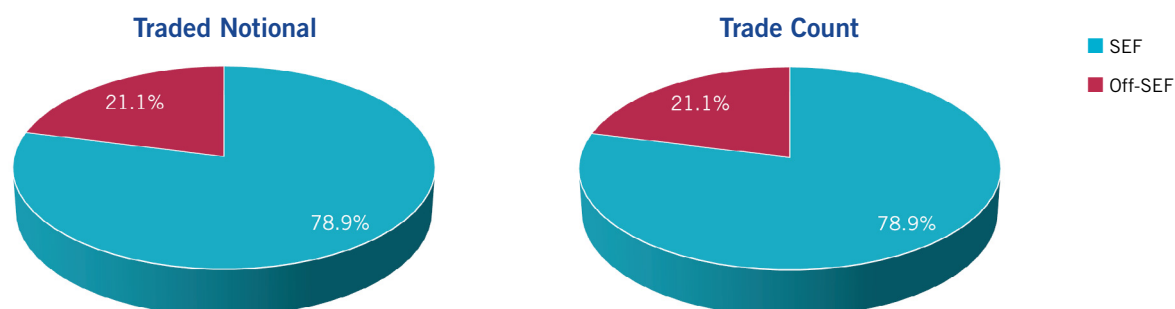
In the nine months to September 30, 2020, \$1.3 trillion (96.8%) of CDX HY and \$3.1 trillion (97.3%) of CDX IG traded notional was cleared and \$44.2 billion and \$86.1 billion, respectively, was non-cleared. Cleared notional of iTraxx Europe totaled \$1.2 trillion (89.9%) in the nine months to September 30, 2020. \$856.3 billion (43.8%) of other credit derivatives traded notional was cleared and \$1.1 trillion was non-cleared.

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

Source: DTCC and Bloomberg SDRs

Credit Derivatives Trading Venue

SEF-traded credit derivatives represented 78.9% of total traded notional and 78.9% of total trade count in the third quarter of 2020 (see Chart 22). Total credit derivatives traded notional executed on SEFs was \$1.4 trillion, while \$0.4 trillion was executed off-SEF. 42.1 thousand transactions were executed on SEFs and 11.3 thousand transactions were off-SEF.

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

Source: DTCC and Bloomberg SDRs

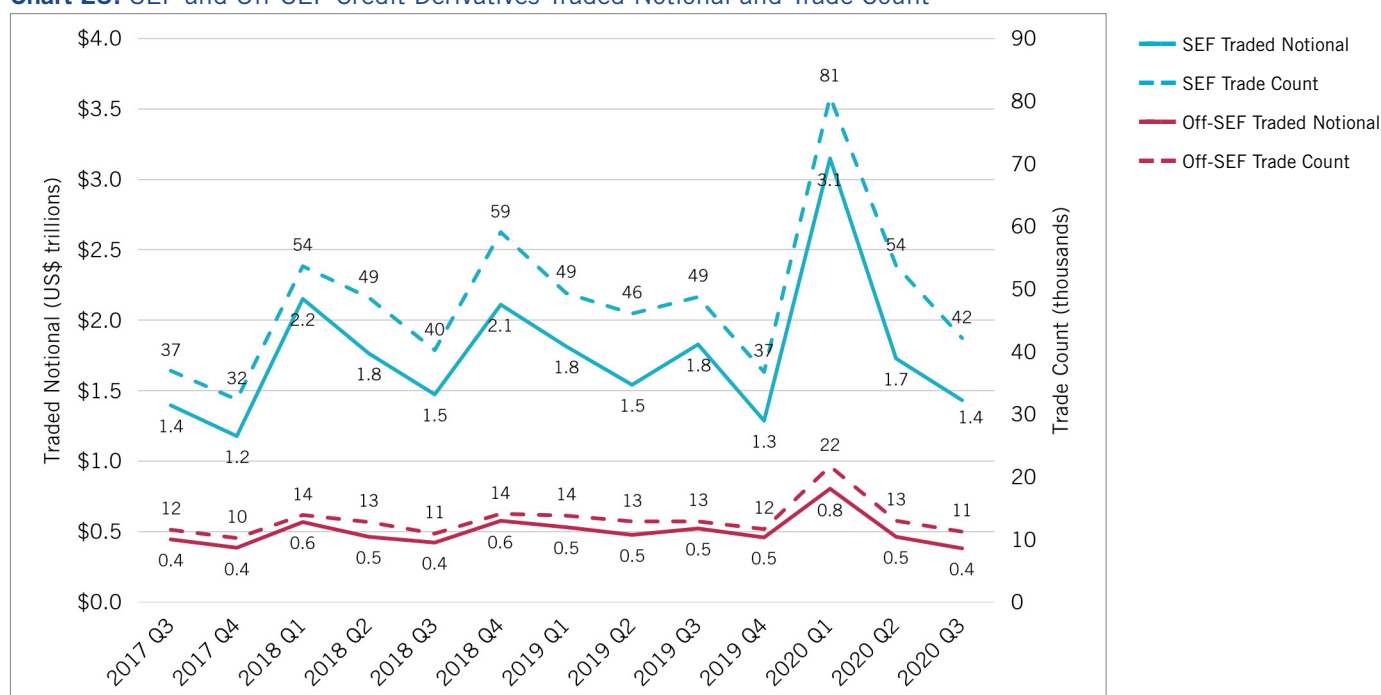
Credit derivatives traded notional executed on SEFs decreased by 21.6% to \$1.4 trillion in the third quarter of 2020 from \$1.8 trillion in the third quarter of 2019. The number of trades executed on SEFs decreased by 13.6% over the same period (see Chart 23).

Credit derivatives traded notional executed off-SEF decreased by 26.7% to \$382.7 billion in the third quarter of 2020 from \$522.0 billion in the third quarter of 2019. The number of off-SEF transactions decreased by 12.6% over the same period.

In the nine months to September 30, 2020, traded notional executed on SEFs grew by 21.6% to \$6.3 trillion from \$5.2 trillion in the nine months to September 30, 2019. Trade count rose by 22.5% to 176.5 thousand from 144.1 thousand over the same period.

Credit derivatives traded notional executed off-SEF increased by 7.6% to \$1.6 trillion in the nine months to September 30, 2020. The number of off-SEF transactions increased by 16.1% over the same period.

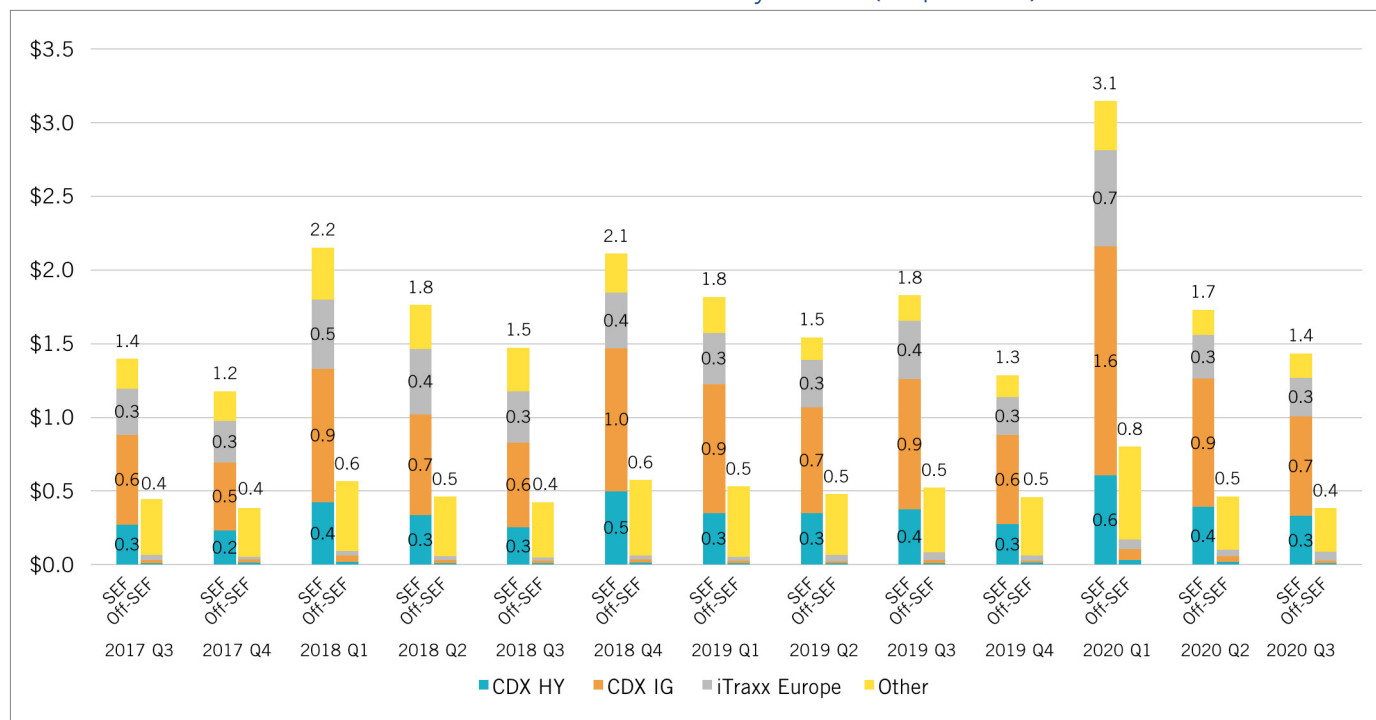
Chart 23: SEF and Off-SEF Credit Derivatives Traded Notional and Trade Count



Source: DTCC and Bloomberg SDRs

In the third quarter of 2020, \$330.6 billion (97.2%) of CDX HY and \$676.2 billion (97.4%) of CDX IG notional was traded on SEFs, and \$9.6 billion and \$18.3 billion, respectively, was executed off-SEF. \$262.9 billion (81.7%) of iTraxx Europe traded notional was executed on SEFs and \$59.0 billion occurred off-SEF. Only \$164.5 billion (35.7%) of traded notional for other credit derivatives was executed on SEFs and \$295.7 billion was traded off-SEF (see Chart 24).

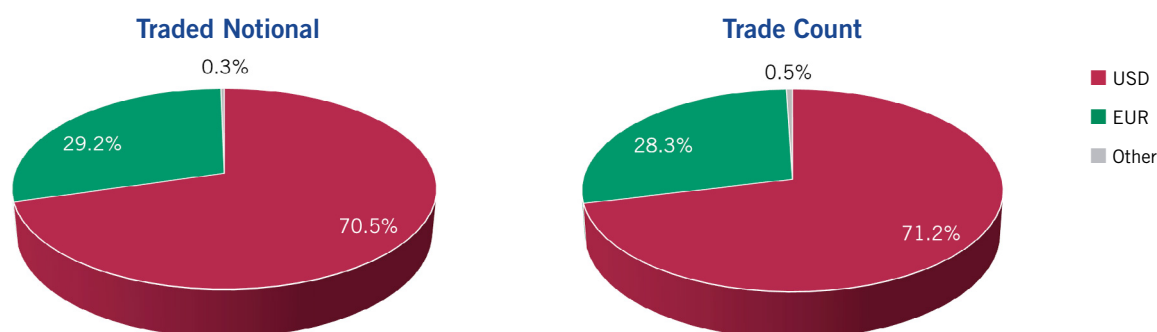
In the nine months to September 30, 2020, \$1.3 trillion (95.7%) of CDX HY, \$3.1 trillion (96.0%) of CDX IG and \$1.2 trillion (87.6%) of iTraxx Europe notional was traded on SEFs. \$668.9 billion (34.2%) of other credit derivatives traded notional was executed on SEFs and \$1.3 trillion was traded 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 70.5% and 71.2% of traded notional and trade count, respectively, in the third quarter of 2020. Euro-denominated transactions accounted for 29.2% and 28.3% of traded notional and trade count, respectively (see Chart 25).

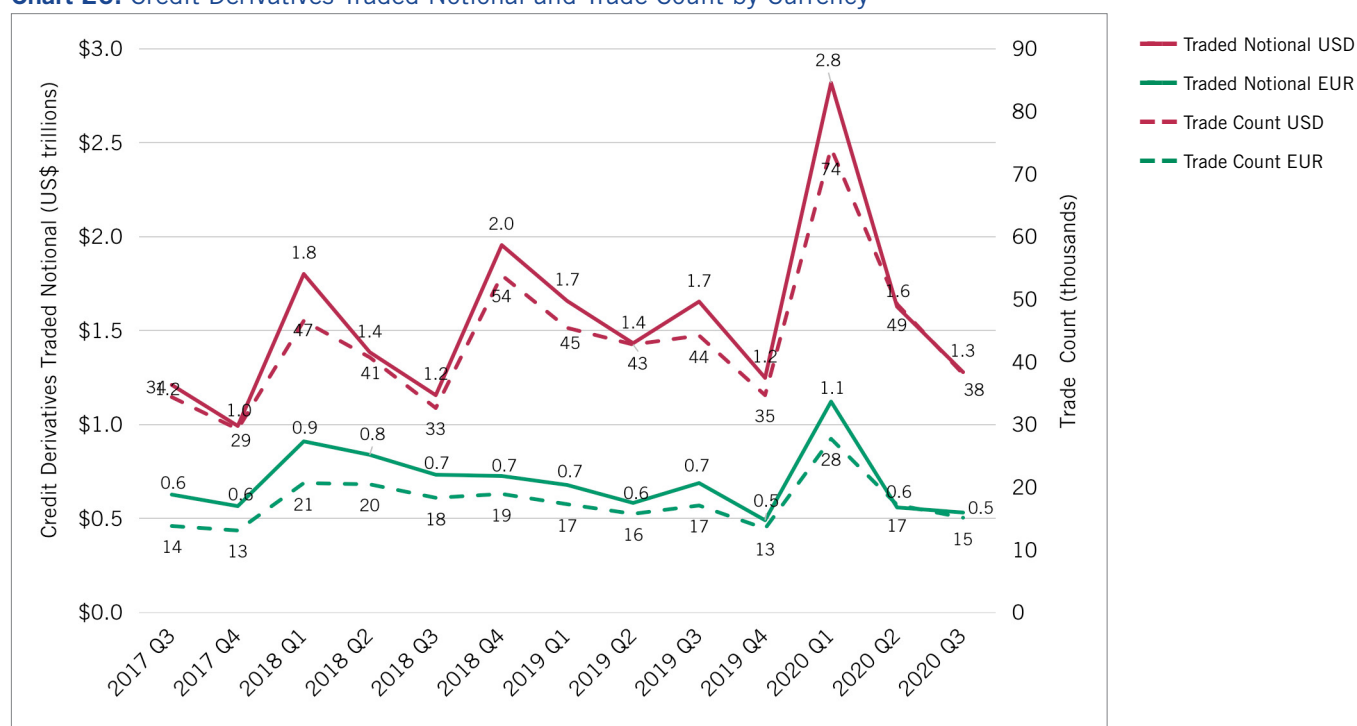
Chart 25: Credit Derivatives Traded Notional and Trade Count by Currency


Source: DTCC and Bloomberg SDRs

US dollar-denominated traded notional decreased by 22.6% to \$1.3 trillion in the third quarter of 2020 from \$1.7 trillion in the third quarter of 2019. Euro-denominated traded notional decreased by 22.9% to \$530.9 billion in the third quarter of 2020 compared to the third quarter of 2019. Trade count fell by 13.9% for US dollar-denominated trades and 11.6% for euro-denominated trades over the same period (see Chart 26).

In the nine months to September 30, 2020, US dollar-denominated traded notional increased by 20.7% to \$5.7 trillion from \$4.7 trillion in the nine months to September 30, 2019. Euro-denominated traded notional increased by 13.7% to \$2.2 trillion from \$1.9 trillion over the same period. Trade count rose by 21.8% and 19.9% for US dollar- and euro-denominated transactions, respectively, in the nine months to September 30, 2020 versus the nine months to September 30, 2019. For other currencies, traded notional and trade count declined by 32.3% and 12.1%, respectively, over the same period.

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



Source: DTCC and Bloomberg SDRs



ISDA has published other recent research papers:

- ***Transition to RFRs Review: Third Quarter of 2020 and Year-to-September 30, 2020***

<https://www.isda.org/a/Bi4TE/Transition-to-RFRs-Review-Q3-of-2020-and-Year-to-September-30-2020.pdf>

- ***ISDA-Clarus RFR Adoption Indicator: September 2020***

<https://www.isda.org/a/furTE/ISDA-Clarus-RFR-Adoption-Indicator-2020-09.pdf>

- ***SwapsInfo First Half of 2020 and Second Quarter of 2020 Review, July 2020***

<https://www.isda.org/a/tImTE/SwapsInfo-1H-and-Q2-of-2020-Review-Full-Report.pdf>

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