

## Research Note

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# Global Trading in INR Derivatives and the Indian OTC Derivatives Market

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Global trading in derivatives involving the Indian rupee (INR) has expanded significantly over the past decade, reflecting the currency's growing role in international hedging and trading activity. According to the Bank for International Settlements (BIS) Triennial Central Bank Survey, the INR ranked as the 11<sup>th</sup> most traded currency in the global foreign exchange (FX) derivatives market and the 17<sup>th</sup> most traded currency for interest rate derivatives (IRD) in April 2025.

This research note provides a global perspective on INR derivatives markets, followed by an analysis of over-the-counter (OTC) derivatives activity reported by sales desks in India. It examines market size, growth trends and the composition of trading by geography, currency, product and counterparty.

## EXECUTIVE SUMMARY

Trading in INR-denominated derivatives has increased in recent years, with INR ranking as the 11<sup>th</sup> most traded currency in the FX derivatives market and 17<sup>th</sup> most traded currency in the IRD market in April 2025, according to the BIS Triennial Central Bank Survey. Based on activity reported by sales desks in each market, India is the 17<sup>th</sup> largest FX derivatives market and the 20<sup>th</sup> largest IRD market globally.

### Key highlights include:

- Global average daily turnover of FX derivatives involving INR increased substantially over the past decade, rising to \$132.1 billion in April 2025 from \$37.5 billion in April 2013 (net-net basis). Turnover rose by 57.7% between 2022 and 2025, according to the BIS triennial survey. The UK was the largest trading center for INR FX derivatives in April 2025, accounting for 29.3% of activity, followed by Singapore (27.7%) and India (22.7%) (Charts 1, 2 and 3).
- Non-deliverable forwards (NDFs) represented the largest share of global FX derivatives involving INR, followed by FX swaps and deliverable forwards (Chart 4).
- Global average daily turnover of INR-denominated IRD grew to \$21.4 billion in April 2025 from \$6.5 billion in April 2013 (net-net basis). Trading activity declined by 7.3% between 2022 and 2025. India was the second largest trading center for INR IRD with 33.5% of activity, while Singapore represented more than half of global turnover (Charts 6–9).
- Focusing on trading activity reported by sales desks in India, total OTC derivatives turnover rose to \$55.2 billion in April 2025 from \$19.0 billion in April 2013<sup>1</sup>. FX turnover grew to \$44.2 billion in 2025 from \$15.8 billion in 2013, while IRD turnover increased to \$11.0 billion from \$3.2 billion (net-gross basis) (Charts 11, 12 and 15).

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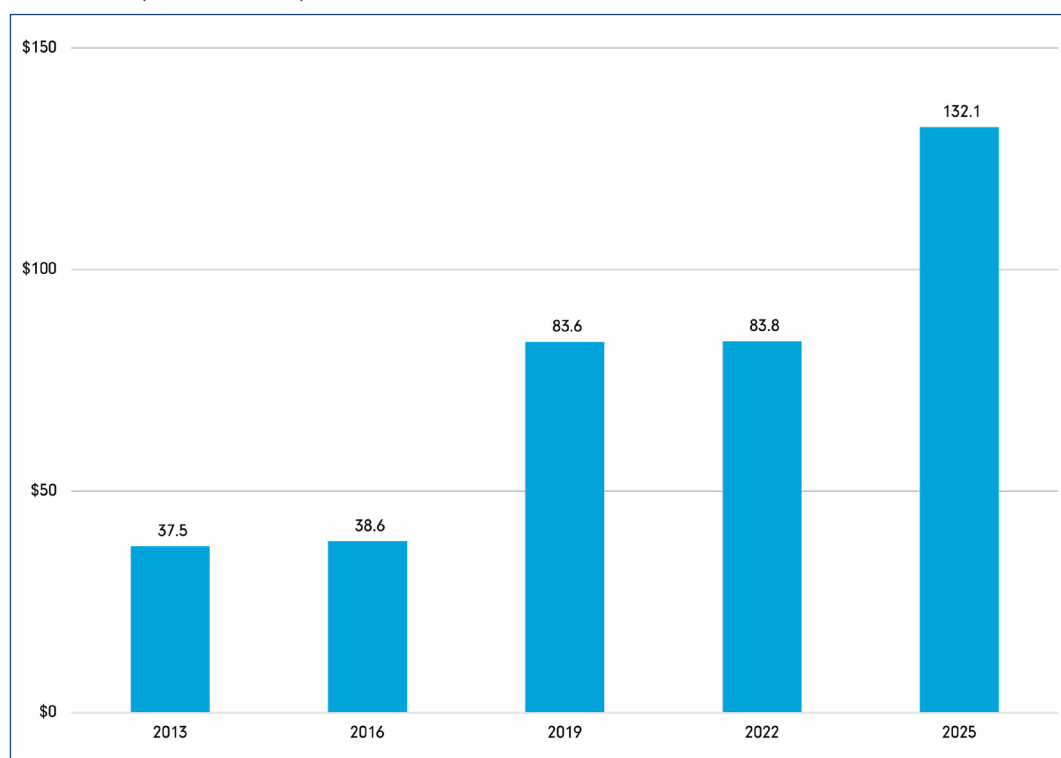
<sup>1</sup>This turnover data does not include credit derivatives, equity-linked derivatives and commodities

## GLOBAL TRADING IN FX DERIVATIVES INVOLVING INR

### Market Size

Global trading in FX derivatives involving INR has increased significantly over the past decade. Average daily turnover rose to \$132.1 billion in April 2025 from \$37.5 billion in April 2013<sup>2,3</sup>, reflecting the growing scale of INR-linked hedging and trading activity across international financial centers. Turnover remained broadly stable between 2019 and 2022, before increasing sharply by 57.7% in the latest survey (see Chart 1).

**Chart 1:** Global FX Derivatives Average Daily Turnover Involving INR on a Net-net Basis (US\$ billions)



Source: BIS Triennial Central Bank Survey

<sup>2</sup> This analysis is based on data from the Bank for International Settlements (BIS) Triennial Central Bank Survey of over-the-counter (OTC) foreign exchange (FX) and interest rate derivatives (IRD). The survey reports turnover, defined as the gross value of all new deals entered during the reporting period in April, based on data reported by the sales desks of reporting dealers on an unconsolidated basis, regardless of where trades are executed. The BIS adjusts turnover data for local interdealer double counting (net-gross basis) and for both local and cross-border interdealer double counting (net-net basis). Unless otherwise stated, global turnover figures are presented on a net-net basis, while turnover reported by location of sales desks (including activity reported in India) is presented on a net-gross basis, consistent with BIS reporting conventions

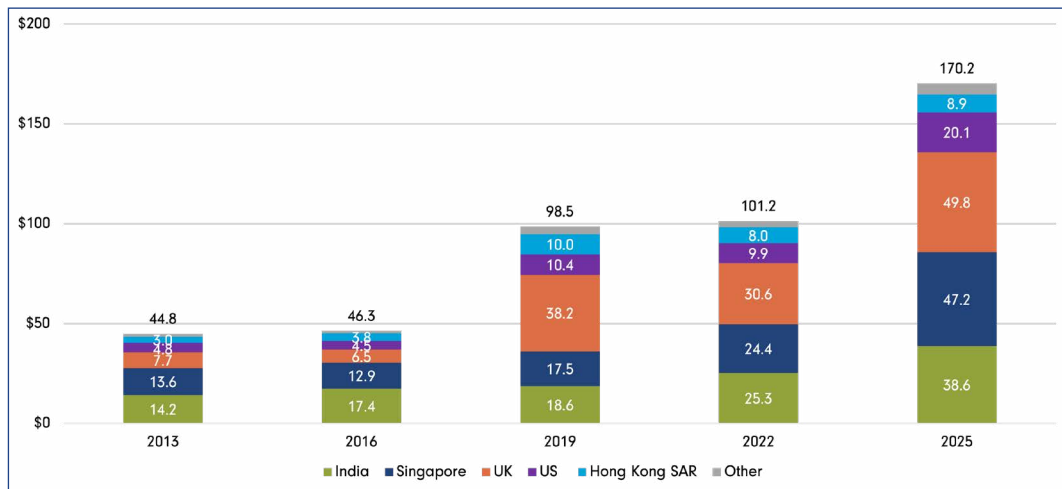
<sup>3</sup> ISDA's analysis is based on instruments classified as OTC FX derivatives in the BIS Triennial Central Bank Survey, including outright forwards, FX swaps, currency swaps and FX options. FX spot transactions are excluded. Under the BIS methodology, spot transactions are defined as single outright transactions involving the exchange of two currencies at a rate agreed on the date of the contract for value or delivery (cash settlement) within two business days. This excludes the spot legs of FX swaps, overnight swaps and 'tomorrow/next day' transactions, which are classified as FX swaps in the BIS survey

### Geographic Distribution

Global trading in FX derivatives involving INR expanded across all major financial centers between 2013 and 2025, with particularly strong growth in offshore hubs. Average daily turnover reported by sales desks in the UK grew to \$49.8 billion in April 2025 from \$7.7 billion in 2013, while activity in Singapore rose to \$47.2 billion from \$13.6 billion over the same period (see Chart 2).

Turnover reported in India also grew substantially, reaching \$38.6 billion in 2025 compared to \$14.2 billion in 2013. Activity reported in the US increased more moderately to \$20.1 billion, while turnover in Hong Kong rose in absolute terms but remained smaller than the other trading centers.

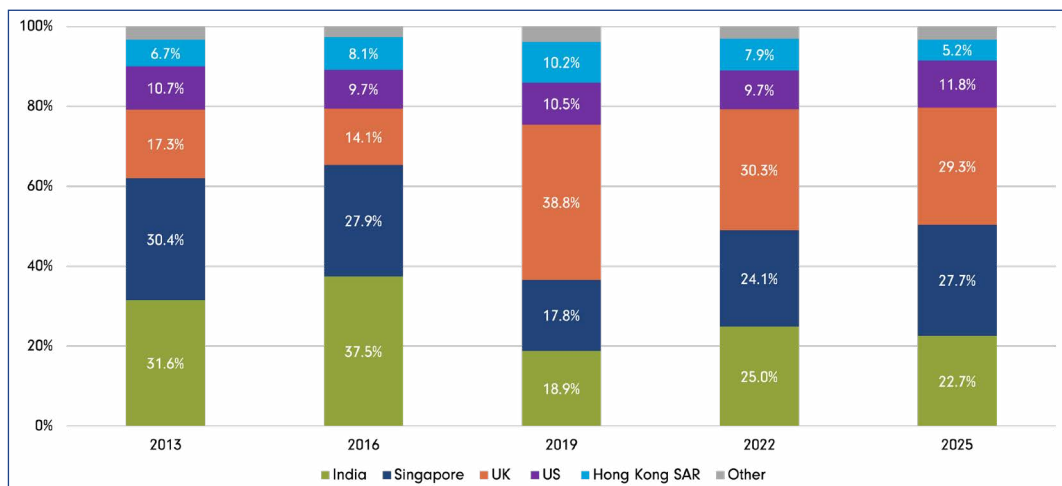
**Chart 2:** Global FX Derivatives Average Daily Turnover Involving INR by Location of Sales Desks on a Net-gross Basis (US\$ billions)



Source: BIS Triennial Central Bank Survey

The UK and Singapore accounted for 29.3% and 27.7% of global turnover, respectively. India’s share fell to 22.7% in 2025 from 31.6% in 2013, despite continued growth in absolute turnover (see Chart 3).

**Chart 3:** Share of Global FX Derivatives Average Daily Turnover Involving INR by Location of Sales Desks on a Net-gross Basis



Source: BIS Triennial Central Bank Survey

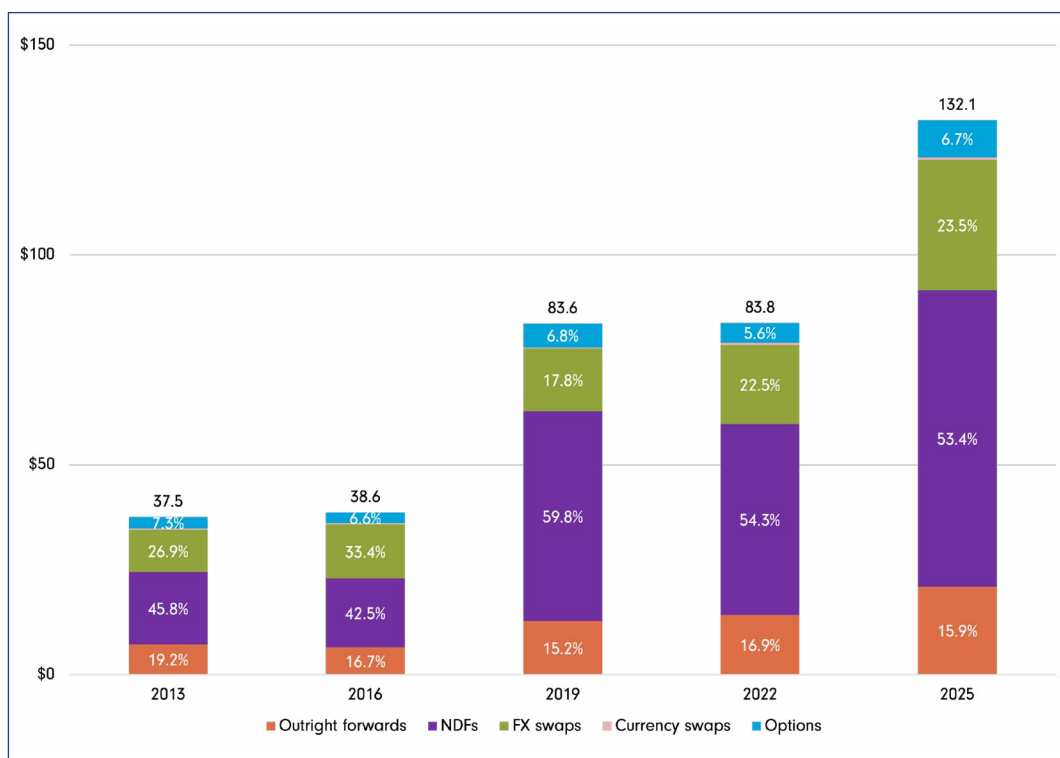
### Product Composition

NDFs accounted for the largest share of global FX derivatives turnover involving INR<sup>4</sup>. Average daily turnover in NDFs increased to \$70.6 billion in April 2025 from \$17.2 billion in 2013, representing 53.4% of total turnover<sup>5</sup> (see Chart 4).

FX swaps comprised the second largest product segment, with turnover rising to \$31.1 billion in 2025 from \$10.1 billion in 2013, making up 23.5% of total activity. Deliverable outright forwards also expanded over the period but remained smaller than NDFs, increasing to \$21.0 billion in 2025 from \$7.2 billion in 2013, accounting for 15.9% of total turnover.

Activity in FX options remained comparatively modest, with turnover rising to \$8.9 billion in 2025, making up 6.7% of total turnover. Currency swaps represented a negligible share of global INR-related FX derivatives activity, totaling \$0.6 billion in 2025.

**Chart 4:** Global FX Derivatives Average Daily Turnover Involving INR by Product on a Net-net Basis (US\$ billions)



Source: BIS Triennial Central Bank Survey

<sup>4</sup> While non-deliverable forwards (NDFs) accounted for a large share of global FX derivatives involving Indian rupee (INR), offshore trading also included deliverable forwards, FX swaps and options reported by sales desks in major international financial centers

<sup>5</sup> In the BIS Triennial Central Bank Survey, NDFs are reported as a subset of the outright forwards

## Counterparty Structure

Global FX derivatives turnover involving INR was concentrated among reporting dealers<sup>6</sup> and other financial institutions<sup>7</sup>. Average daily turnover with reporting dealers rose to \$70.8 billion in April 2025 from \$18.6 billion in 2013, comprising 53.6% of total turnover (see Chart 5).

Activity with other financial institutions also grew substantially, rising to \$53.7 billion in 2025 from \$12.8 billion in 2013. The share of total turnover was at 40.6% in April 2025, after peaking at 53.1% in 2019.

Activity with non-financial customers<sup>8</sup> was comparatively limited and has dropped as a share of total turnover over time. Average daily turnover with non-financial customers increased to \$7.6 billion in 2025 from \$6.1 billion in 2013, but the share fell to 5.7% from 16.3% over the same period.

**Chart 5:** Global FX Derivatives Average Daily Turnover Involving INR by Counterparty on a Net-net Basis (US\$ billions)



Source: BIS Triennial Central Bank Survey

<sup>6</sup> Under the BIS Triennial Central Bank Survey classification, reporting dealers are financial institutions that report turnover data in the survey. These are primarily large commercial and investment banks and securities houses that participate in the interdealer market and/or maintain active derivatives business with major clients, including large corporates, governments and non-reporting financial institutions

<sup>7</sup> Other financial institutions refer to financial entities that are not classified as reporting dealers. This category includes smaller banks and securities firms, as well as institutional investors and other financial entities such as mutual funds, pension funds, hedge funds, insurance companies, money market funds, leasing companies, financial subsidiaries of corporates and central banks

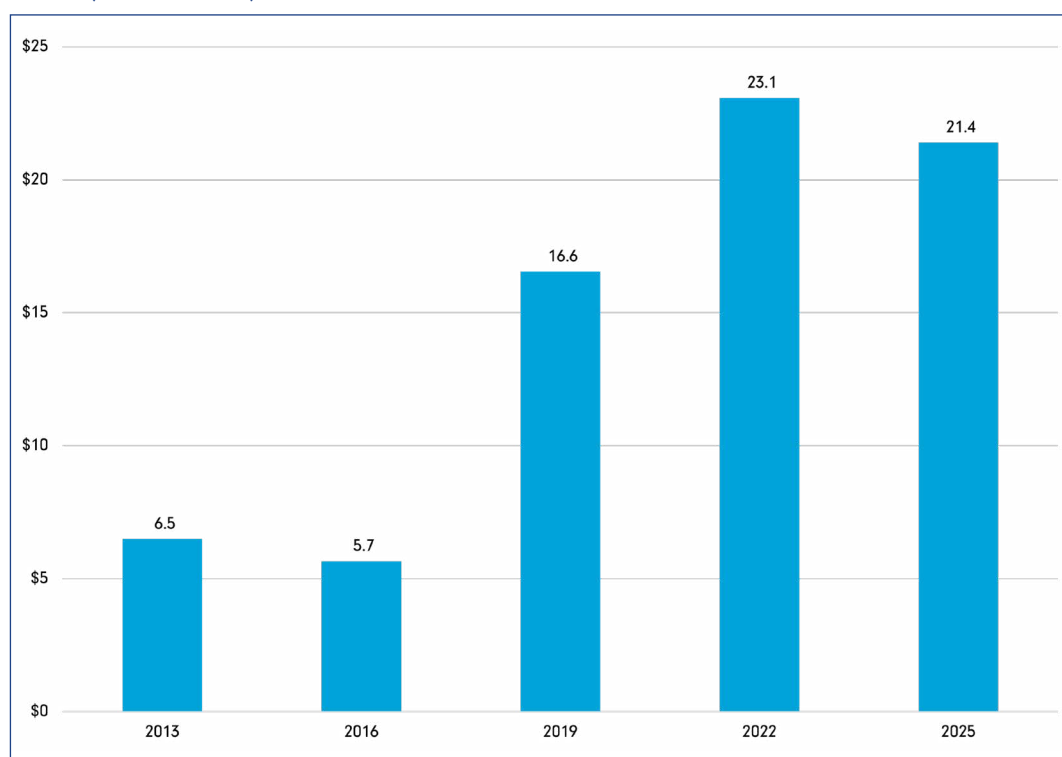
<sup>8</sup> Non-financial customers refer to non-financial end users, including non-financial corporations and government entities. This category may also include private individuals that transact directly with reporting dealers, primarily for investment or hedging purposes

## GLOBAL TRADING IN INR-DENOMINATED IRD

### Market Size

Global trading in INR-denominated IRD increased over the past decade, although activity remained smaller in scale than FX derivatives involving INR. Average daily turnover rose to \$21.4 billion in April 2025 from \$6.5 billion in April 2013, although turnover fell by 7.3% between 2022 and 2025 (see Chart 6).

**Chart 6:** Global INR-denominated IRD Average Daily Turnover on a Net-net Basis (US\$ billions)



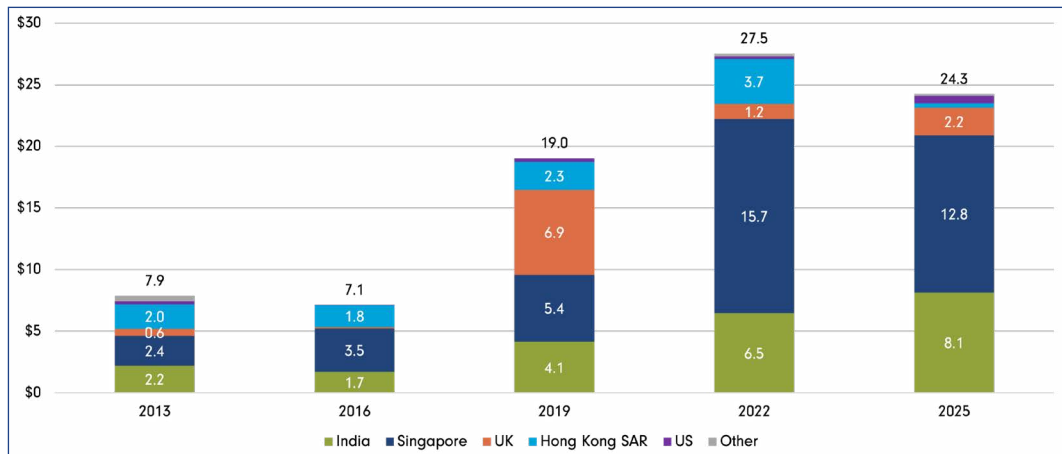
Source: BIS Triennial Central Bank Survey

### Geographic Distribution

Global trading in INR-denominated IRD was concentrated in a small number of financial centers, with most activity in Singapore and India. Average daily turnover reported by sales desks in Singapore rose to \$12.8 billion in April 2025 from \$2.4 billion in April 2013, making it the largest location for global INR-denominated IRD trading. Activity reported in India also grew significantly, to \$8.1 billion in 2025 from \$2.2 billion in 2013 (see Chart 7).

Turnover reported in the UK and Hong Kong was more volatile and remained smaller in absolute terms. Activity in the UK peaked in 2019 before declining and recovering to \$2.2 billion in 2025, while turnover in Hong Kong fell to \$0.4 billion in 2025. Trading reported in the US and other jurisdictions was limited.

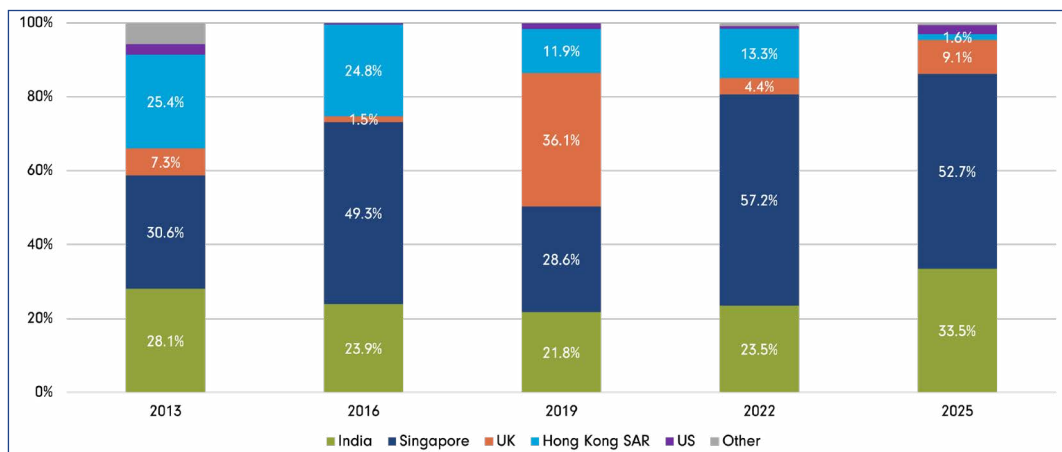
**Chart 7:** Global INR-denominated IRD Average Daily Turnover by Location of Sales Desks on a Net-gross Basis (US\$ billions)



Source: BIS Triennial Central Bank Survey

Singapore accounted for the largest proportion of global INR-denominated IRD turnover in 2025, representing 52.7% of total activity, followed by India at 33.5%. Activity in the UK and the US was smaller, with shares of 9.1% and 2.5%, respectively. Turnover reported in Hong Kong declined to 1.6% in 2025 compared to 25.4% in 2013 (see Chart 8).

**Chart 8:** Share of Global INR-denominated IRD Average Daily Turnover by Location of Sales Desks on a Net-gross Basis



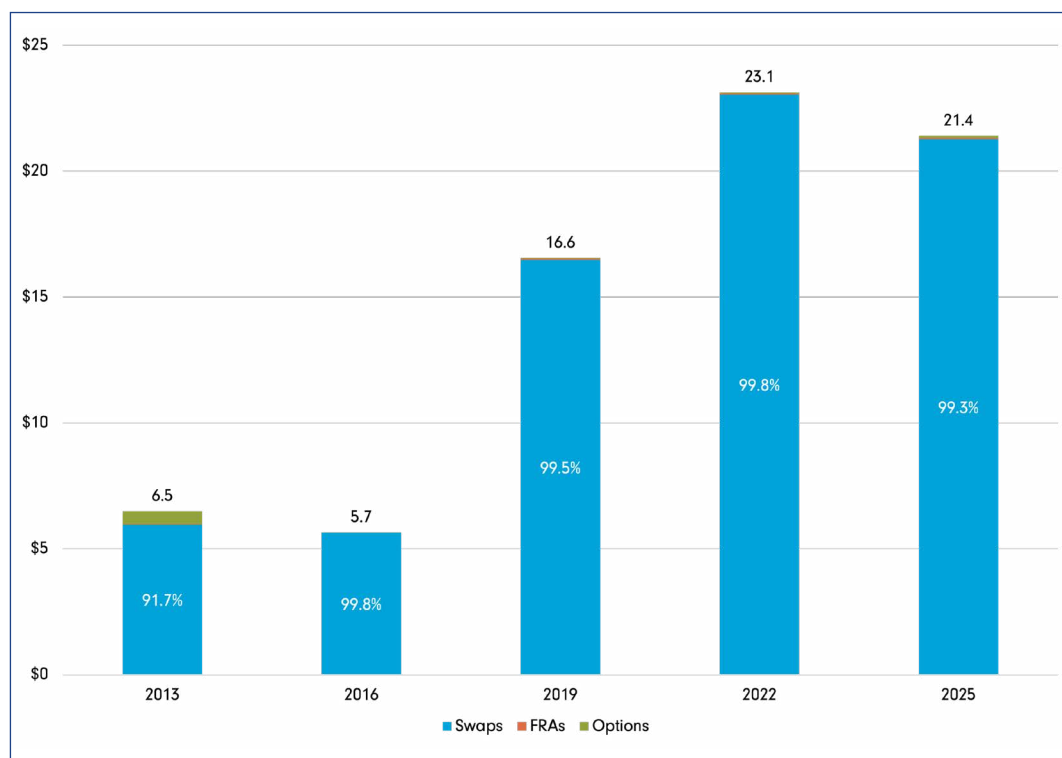
Source: BIS Triennial Central Bank Survey

### Product Composition

Interest rate swaps (IRS) accounted for the majority of global INR-denominated IRD turnover, with average daily turnover totaling \$21.3 billion in April 2025 versus \$6.0 billion in 2013, representing 99.3% of total INR-denominated IRD activity (see Chart 9).

Activity in other IRD instruments was negligible. Turnover in forward rate agreements and options totaled approximately \$0.1 billion each in 2025, together accounting for less than 1% of total turnover.

**Chart 9:** Global INR-denominated IRD Average Daily Turnover by Product on a Net-net Basis (US\$ billions)



Source: BIS Triennial Central Bank Survey

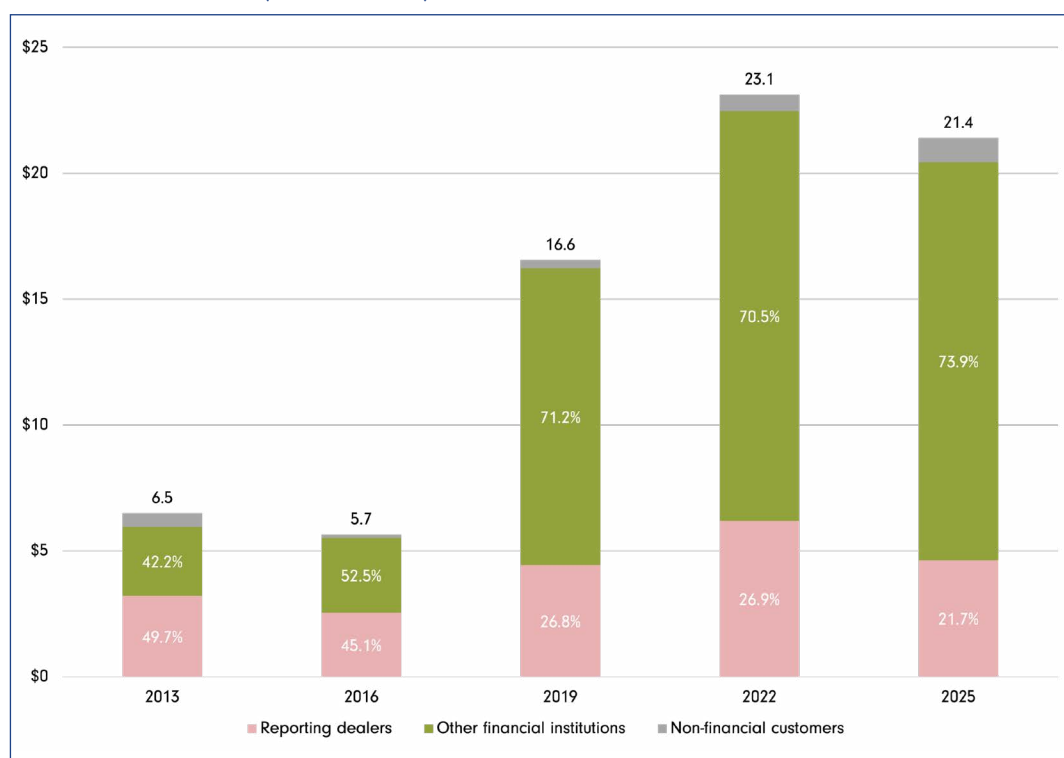
### Counterparty Structure

Global trading in INR-denominated IRD was primarily driven by other financial institutions. Average daily turnover with other financial institutions rose to \$15.8 billion in April 2025 from \$2.7 billion in April 2013, accounting for 73.9% of turnover (see Chart 10).

Turnover with reporting dealers was \$4.6 billion in 2025 versus \$3.2 billion in 2013, with the share of total turnover falling to 21.7% from 49.7%.

Average daily turnover with non-financial customers increased to \$0.9 billion in 2025 from \$0.5 billion in 2013, representing 4.4% of total INR-denominated IRD turnover.

**Chart 10:** Global INR-denominated IRD Average Daily Turnover by Counterparty on a Net-net Basis (US\$ billions)



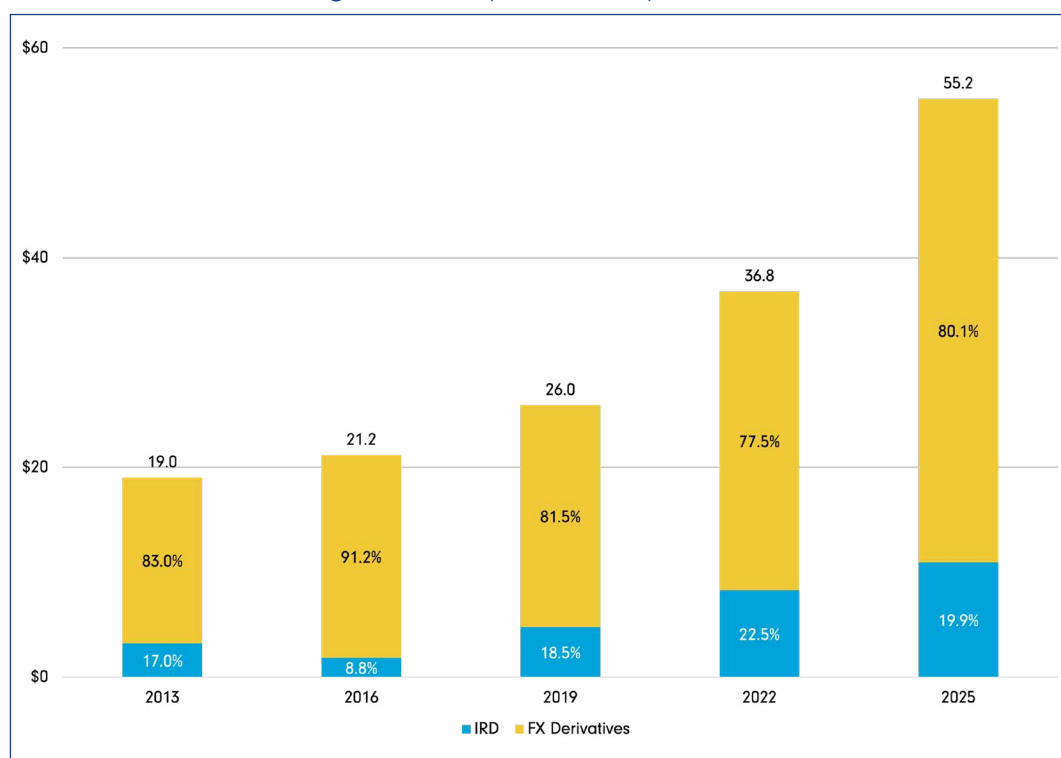
Source: BIS Triennial Central Bank Survey

## INDIAN OTC DERIVATIVES

Total turnover of OTC FX and IRD reported by sales desks in India grew to \$55.2 billion in April 2025 from \$19.0 billion in April 2013 on a net-gross basis<sup>9</sup> (Chart 11). The growth was largely driven by FX derivatives, which accounted for the majority of total turnover over the period.

FX derivatives represented 83.0% of total turnover in 2013 and 80.1% in 2025, while IRD accounted for 17.0% and 19.9%, respectively.

**Chart 11:** FX Derivatives and IRD Average Daily Turnover Reported by Sales Desks in India on a Net-gross Basis (US\$ billions)



Source: BIS Triennial Central Bank Survey

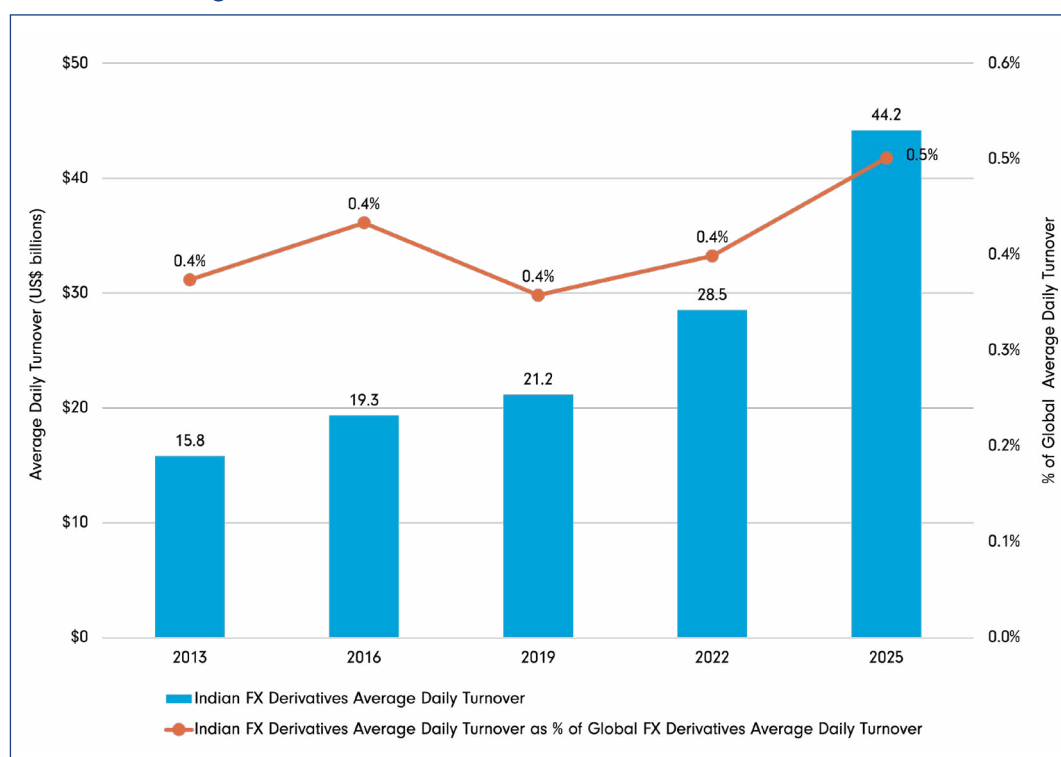
<sup>9</sup>Data for India refers to turnover reported by sales desks located in India and is presented on a net-gross basis

## FOREIGN EXCHANGE DERIVATIVES REPORTED IN INDIA

### Market Size

Average daily turnover of FX derivatives reported by sales desks in India increased to \$44.2 billion in April 2025 from \$15.8 billion in April 2013. Despite this growth, India’s share of global FX derivatives turnover remained relatively small, accounting for 0.5% of global turnover in 2025 compared with around 0.4% in earlier years (see Chart 12).

**Chart 12:** FX Derivatives Average Daily Turnover Reported by Sales Desks in India on a Net-gross Basis



Source: BIS Triennial Central Bank Survey

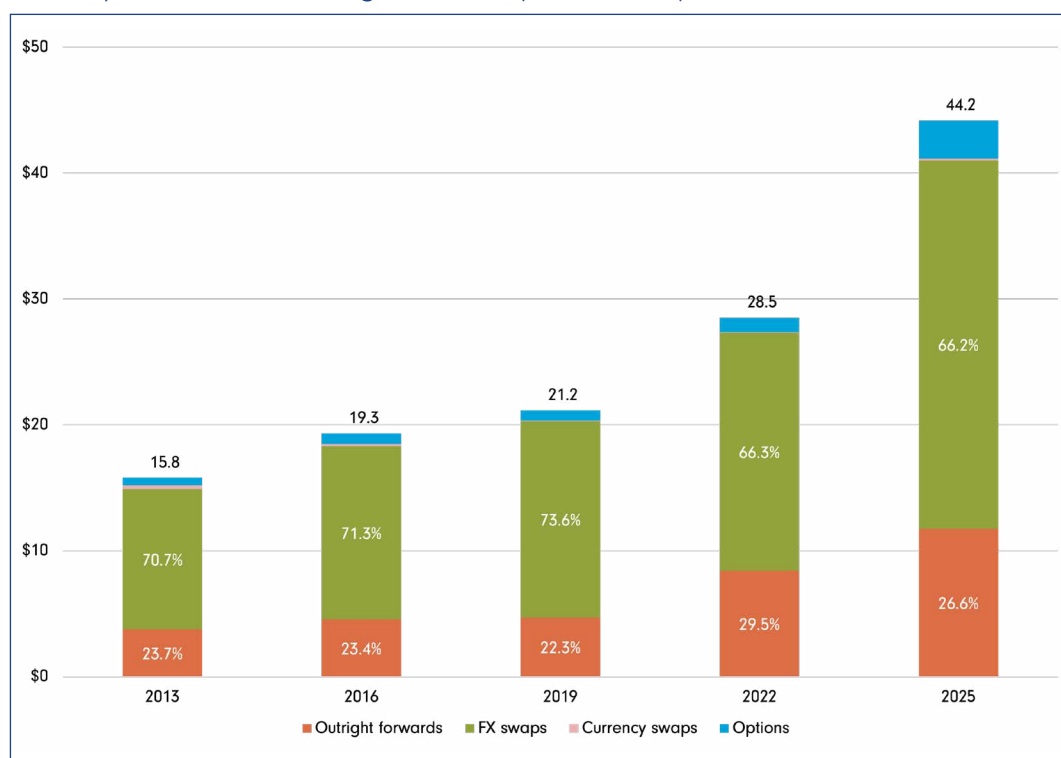
## Product Composition

FX swaps comprised the largest share of FX derivatives activity reported by sales desks in India. Average daily turnover in FX swaps increased to \$29.3 billion in April 2025 from \$11.2 billion in April 2013, representing around two-thirds of total FX derivatives turnover (see Chart 13).

Outright forwards were the second largest product segment, with turnover rising to \$11.7 billion in April 2025 from \$3.7 billion in 2013<sup>10</sup> and the share of total turnover growing to 26.6% from 23.7%.

Currency swaps accounted for less than 1% of total FX derivatives turnover, while the share of options climbed to 6.9% in April 2025 from 3.7% in 2013.

**Chart 13:** FX Derivatives Average Daily Turnover Reported by Sales Desks in India by Product on a Net-gross Basis (US\$ billions)



Source: BIS Triennial Central Bank Survey

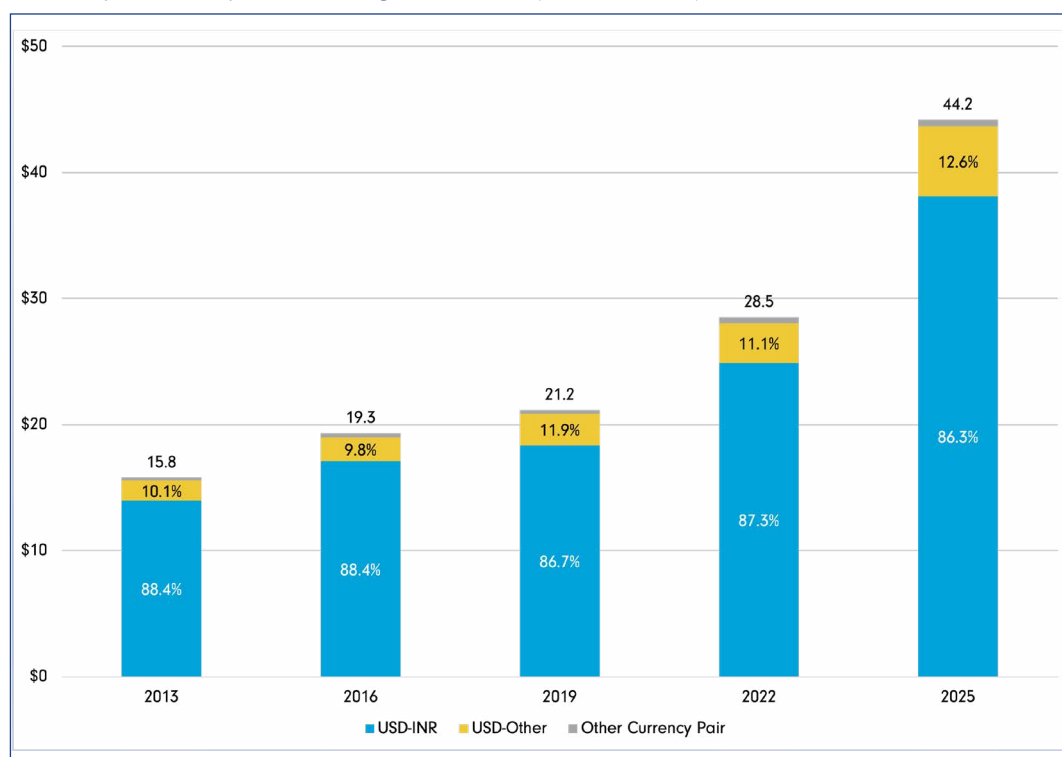
<sup>10</sup> NDFs are included within the outright forwards category in the BIS data. A separate product split for NDFs is not available for turnover reported by location of sales desks

### Currency Composition

The US dollar was on one side of most OTC FX derivatives contracts reported by sales desks in India, with USD-INR the dominant currency pair. Average daily turnover in USD-INR derivatives increased to \$38.1 billion in April 2025 from \$14.0 billion in April 2013 and has accounted for approximately 86–88% of total FX derivatives turnover over the period (see Chart 14).

Activity in other US dollar currency pairs also expanded in absolute terms, with turnover rising to \$5.6 billion in 2025 from \$1.6 billion in 2013. However, the share of total turnover was modest, reaching 12.6% in 2025. Derivatives involving non-US-dollar currency pairs remained limited throughout the period, accounting for around 1–2% of total FX derivatives turnover reported in India.

**Chart 14:** FX Derivatives Average Daily Turnover Reported by Sales Desks in India by Currency on a Net-gross Basis (US\$ billions)



Source: BIS Triennial Central Bank Survey

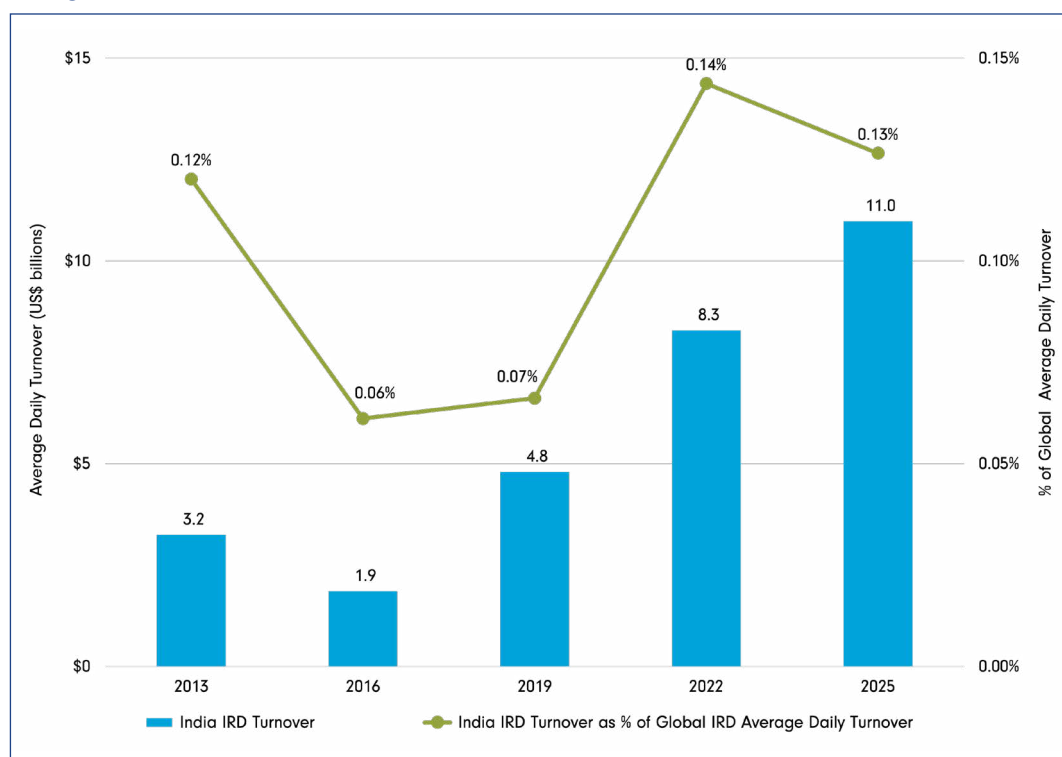
## INTEREST RATE DERIVATIVES REPORTED IN INDIA

### Market Size

Average daily turnover of OTC IRD reported by sales desks in India rose to \$11.0 billion in April 2025 from \$3.2 billion in April 2013. After declining in 2016, turnover recovered in subsequent years and reached its highest level in 2025, broadly in line with the expansion in global OTC IRD activity over the same period<sup>11</sup> (see Chart 15).

Despite this growth in absolute terms, India's share of global OTC IRD turnover remained very small. Turnover reported by sales desks in India accounted for 0.13% of global OTC IRD activity in 2025 versus 0.12% in 2013. India's share declined to 0.06% in 2016 before increasing to a peak of 0.14% in 2022.

**Chart 15:** IRD Average Daily Turnover Reported by Sales Desks in India on a Net-gross Basis



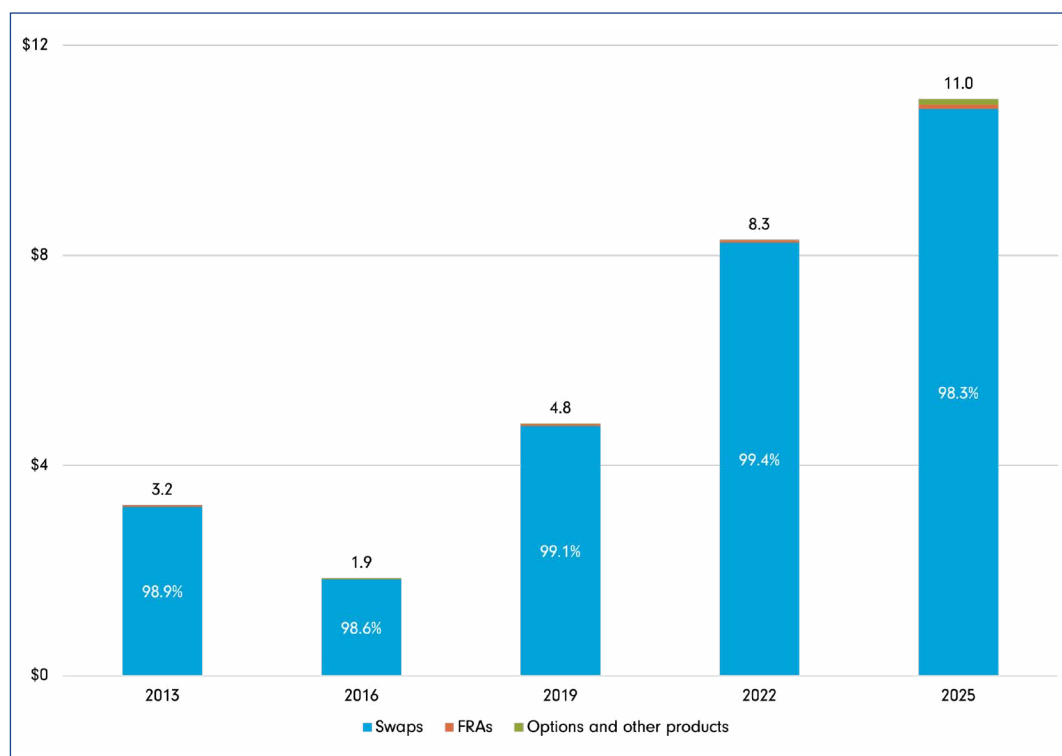
Source: BIS Triennial Central Bank Survey

<sup>11</sup> Historically, domestic INR-denominated IRD in India have largely been referenced to MIBOR-based benchmarks, but the market is transitioning toward the Secured Overnight Rupee Rate (SORR). Benchmark-level trading data by reference rate is not currently published, limiting the ability to assess the extent of adoption or its impact on market activity

### Product Composition

IRD activity reported by sales desks in India was concentrated in IRS. Average daily turnover in IRS grew to \$10.8 billion in April 2025 from \$3.2 billion in April 2013 and has consistently accounted for about 98–99% of total IRD turnover over the period (see Chart 16).

**Chart 16:** IRD Average Daily Turnover Reported by Sales Desks in India by Product on a Net-gross Basis (US\$ billions)<sup>12</sup>



Source: BIS Triennial Central Bank Survey

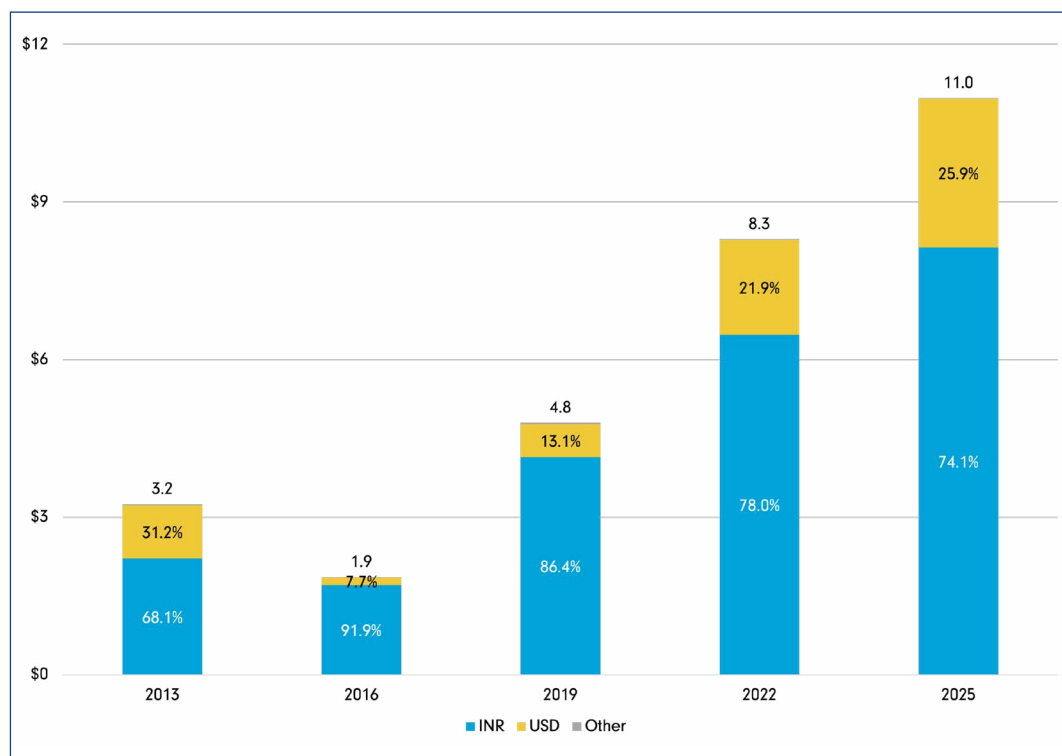
<sup>12</sup> Other IRD includes highly leveraged transactions and/or trades with a variable notional amount and where a decomposition into individual plain vanilla components is impractical or impossible

### Currency Composition

IRD activity reported by sales desks in India was predominantly denominated in INR, although the share of US-dollar-denominated transactions has grown over time. INR-denominated turnover rose to \$8.1 billion in April 2025 from \$2.2 billion in April 2013, accounting for 74.1% of total IRD turnover (see Chart 17).

US-dollar-denominated IRD activity also increased over the period, rising to \$2.8 billion in 2025 from \$1.0 billion in 2013, with the share of total turnover growing to 25.9% in 2025 from a low of 7.7% in 2016. Activity in IRD denominated in other currencies was negligible over the period.

**Chart 17:** IRD Average Daily Turnover Reported by Sales Desks in India by Currency on a Net-gross Basis (US\$ billions)



Source: BIS Triennial Central Bank Survey

## ISDA HAS RECENTLY PUBLISHED OTHER RESEARCH PAPERS:

### Global FX Derivatives Market Overview: Size, Structure and Uses

<https://www.isda.org/a/P1tiE/Global-FX-Derivatives-Market-Overview-Size-Structure-and-Uses.pdf>

### IRRBB Management in Emerging Market and Developing Economies: The Role of Derivatives in Supporting Financial Stability and Economic Development

[www.isda.org/a/s1dgE/IRRBB-Management-in-Emerging-Market-and-Developing-Economies-The-Role-of-Derivatives-in-Supporting-Financial-Stability-and-Economic-Development.pdf](http://www.isda.org/a/s1dgE/IRRBB-Management-in-Emerging-Market-and-Developing-Economies-The-Role-of-Derivatives-in-Supporting-Financial-Stability-and-Economic-Development.pdf)

### Key Trends in the Size and Composition of OTC Derivatives Markets in the First Half of 2025

[www.isda.org/a/oSdgE/Key-trends-in-the-size-and-composition-of-OTC-derivatives-markets-in-the-first-half-of-2025.pdf](http://www.isda.org/a/oSdgE/Key-trends-in-the-size-and-composition-of-OTC-derivatives-markets-in-the-first-half-of-2025.pdf)

ISDA SwapsInfo enhances transparency in the over-the-counter derivatives markets by transforming publicly available regulatory data into clear, accessible insights. The platform offers user-friendly interactive tools to analyze trading volumes for IRD and credit derivatives, helping market participants, policymakers and researchers monitor developments across jurisdictions and product types. Users can easily chart market activity, explore trends over time and download data for further analysis.

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## ABOUT ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has more than 1,000 member institutions from 78 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities

firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website: [www.isda.org](http://www.isda.org). Follow us on [Twitter](#), [LinkedIn](#), [Facebook](#) and [YouTube](#).