

# SwapsInfo Full Year 2020 and the Fourth Quarter of 2020 Review: Summary

---

The ISDA SwapsInfo Quarterly Review provides analysis of interest rate derivatives (IRD) and credit derivatives trading. The report provides a breakdown of cleared and non-cleared activity, swap execution facility (SEF) and off-SEF traded notional, product taxonomy and currency information.

IRD and credit derivatives traded notional and trade count data is taken from the ISDA SwapsInfo website ([swapsinfo.org](http://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 FULL YEAR 2020 AND THE FOURTH QUARTER OF 2020

### Interest Rate Derivatives

In 2020, IRD traded notional fell by 10.2%, while trade count increased by 6.3% compared to 2019. Fixed-for-floating interest rate swaps (IRS), forward rate agreements (FRAs) and overnight index swaps (OIS) traded notional decreased by 12.6%, 7.0% and 10.0%, respectively. Fixed-for-floating IRS trade count increased by 3.2% in 2020 versus 2019, while FRA and OIS trade count was up by 13.4% and 25.9%, respectively. Average trade size declined for all products.

#### In the full year 2020:

- IRD traded notional decreased by 10.2% to \$230.6 trillion from \$256.8 trillion in the full year 2019. Trade count grew by 6.3% to 1.6 million from 1.5 million over the same period.
- Single currency fixed-for-floating IRS traded notional decreased to \$63.1 trillion from \$72.2 trillion. FRA traded notional fell to \$83.0 trillion from \$89.2 trillion, and OIS traded notional declined to \$58.3 trillion from \$64.8 trillion in 2019.
- Single currency fixed-for-floating IRS average trade size decreased by 16.0% in 2020. FRA and OIS average trade size declined by 9.9% and 34.4%, respectively.
- Single currency fixed-for-floating IRS accounted for 62.0% of total IRD trades but represented only 27.4% of total IRD traded notional in 2020. FRAs and OIS represented 36.0% and 25.3% of total traded notional and 16.3% and 7.1% of total trade count, respectively.
- Cleared IRD transactions represented 90.2% of total traded notional and 83.9% of total trade count. 95.3% of fixed-for-floating IRS, 99.3% of FRA, 97.3% of OIS and 33.5% of other IRD traded notional was cleared in 2020<sup>1</sup>.

<sup>1</sup> A planned system upgrade by the DTCC SDR on November 21, 2020 changed reporting logic for the cleared status of trades. Following the upgrade, the percentage of trades indicated to be cleared appeared lower than historical averages as firms switched to the new reporting logic. As a result, quarterly and annual clearing rates in this report were calculated based on actual clearing rates up to November 21, and estimated clearing rates from November 21 to December 31, 2020. The estimated clearing rates were calculated by applying the actual clearing rate per product for the period from January 1, 2020 to November 21, 2020 to the traded notional for the period between November 21, 2020 and December 31, 2020

- SEF-traded IRD represented 59.6% of total traded notional and 63.2% of total trade count. 61.4% of fixed-for-floating IRS, 85.6% of FRA, 30.2% of OIS and 38.4% of other IRD traded notional was executed on SEFs in 2020<sup>2</sup>.
- IRD contracts denominated in US dollars contributed 60.0% of total traded notional and 51.0% of total trade count in 2020. Euro-denominated transactions accounted for 13.8% of total traded notional and 14.5% of total trade count. Sterling-denominated transactions comprised 13.4% and 9.7% of total IRD traded notional and trade count, respectively.
- Fixed-for-floating IRS, FRA and OIS contracts denominated in US dollars decreased by 17.7%, 11.4% and 35.2%, respectively, compared to 2019. Euro-denominated FRAs and OIS increased by 7.1% and 4.1%, respectively, while euro-denominated IRS decreased by 17.8%. Sterling-denominated IRS, FRA and OIS traded notional increased by 4.3%, 42.8% and 111.4%, respectively.

#### **In the fourth quarter of 2020:**

- IRD traded notional decreased by 17.7% to \$41.1 trillion from \$49.9 trillion in the fourth quarter of 2019. Trade count fell by 1.0% to 340.5 thousand from 344.1 thousand over the same period.
- Single currency fixed-for-floating IRS traded notional decreased by 4.9% to \$14.1 trillion from \$14.8 trillion. FRA traded notional dropped by 27.0% to \$11.5 trillion from \$15.8 trillion, and OIS traded notional declined by 24.0% to \$9.7 trillion from \$12.8 trillion in the fourth quarter of 2019.
- Single currency fixed-for-floating IRS average trade size decreased by 5.5% in the fourth quarter of 2020 versus the same period in 2019. FRA average trade size increased by 0.2%, while OIS average trade size declined by 38.3%.
- Single currency fixed-for-floating IRS accounted for 64.8% of total IRD trades but represented only 34.3% of total IRD traded notional in the fourth quarter of 2020. FRAs and OIS represented 28.1% and 23.6% of total traded notional and 10.5% and 7.9% of total trade count, respectively.

<sup>2</sup> A planned system upgrade by the DTCC SDR on November 21, 2020 caused execution venue not to be included in its public price dissemination information. As of December 5, 2020, this issue has been resolved and execution venue type is being published. Missing data was estimated on the SwapsInfo website and in this report, based on actual SEF-execution metrics per product for the period from January 1, 2020 to November 21, 2020

- Cleared IRD transactions represented 87.8% of total traded notional and 81.7% of total trade count. 95.3% of fixed-for-floating IRS, 99.5% of FRA, 97.1% of OIS and 30.5% of other IRD traded notional was cleared in the fourth quarter of 2020<sup>3</sup>.
- SEF-traded IRD represented 59.3% of total traded notional and 61.8% of total trade count. 62.2% of fixed-for-floating IRS, 87.4% of FRA, 34.9% of OIS and 37.0% of other IRD traded notional was executed on SEFs in the fourth quarter of 2020<sup>4</sup>.
- IRD contracts denominated in US dollars contributed 57.9% of total traded notional and 50.4% of total trade count in the fourth quarter of 2020. Euro-denominated transactions accounted for 15.3% of total traded notional and 15.2% of total trade count. Sterling-denominated transactions comprised 13.4% and 8.9% of total IRD traded notional and total trade count, respectively.
- FRA and OIS contracts denominated in US dollars decreased by 27.4% and 58.5%, respectively, while US dollar-denominated fixed-for-floating IRS contracts increased by 3.1% compared to the fourth quarter of 2019. Euro-denominated IRS and FRAs decreased by 11.1% and 32.1%, respectively, while euro-denominated OIS increased by 83.5%. Sterling-denominated IRS and FRA traded notional decreased by 10.2% and 9.5%, respectively, while sterling-denominated OIS traded notional increased by 34.3% in the fourth quarter of 2020.

<sup>3</sup> These rates were estimated. Please see Footnote 1

<sup>4</sup> These rates were estimated. Please see Footnote 2

## Credit Derivatives

Credit derivatives traded notional and trade count increased by 14.8% and 18.9%, respectively, in 2020 compared to 2019<sup>5</sup>. There was more trading activity across all major indices, including CDX HY, CDX IG and iTraxx Europe.

### In the full year 2020:

- Credit derivatives traded notional increased by 14.8% to \$9.7 trillion from \$8.5 trillion in the full year 2019. Trade count grew by 18.9% to 276.1 thousand from 232.1 thousand over the same period.
- CDX HY traded notional increased by 21.3% to \$1.7 trillion from \$1.4 trillion in 2019. CDX IG traded notional increased by 24.4% to \$3.9 trillion from \$3.1 trillion. iTraxx Europe traded notional rose by 13.7% to \$1.7 trillion in 2020 from \$1.5 trillion in 2019.
- CDX HY and CDX IG represented 17.4% and 40.3% of total traded notional and 28.8% and 27.1% of total trade count, respectively, in 2020. iTraxx Europe accounted for 17.4% of total credit derivatives traded notional and 12.2% of total trade count.
- Cleared credit derivatives transactions represented 82.5% of total traded notional and 82.1% of total trade count in 2020. 96.9% of CDX HY, 97.4% of CDX IG, 89.3% of iTraxx Europe and 43.9% of other credit derivatives traded notional was cleared<sup>6</sup>.
- SEF-traded credit derivatives represented 78.9% of both total traded notional and trade count in 2020. 95.7% of CDX HY, 96.0% of CDX IG, 87.0% of iTraxx Europe and 33.8% of other credit derivatives traded notional was executed on SEFs<sup>7</sup>.

<sup>5</sup> 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

<sup>6</sup> A planned system upgrade by the DTCC SDR on November 21, 2020 changed reporting logic for the cleared status of trades. Following the upgrade, the percentage of trades indicated to be cleared appeared lower than historical averages as firms switched to the new reporting logic. As a result, quarterly and annual clearing rates in this report were calculated based on actual clearing rates up to November 21, and estimated clearing rates from November 21 to December 31, 2020. The estimated clearing rates were calculated by applying the actual clearing rate per product for the period from January 1, 2020 to November 21, 2020 to the traded notional for the period between November 21, 2020 and December 31, 2020

<sup>7</sup> A planned system upgrade by the DTCC SDR on November 21, 2020 caused execution venue not to be included in its public price dissemination information. As of December 5, 2020, this issue has been resolved and execution venue type is being published. Missing data was estimated on SwapsInfo website and in this report based on actual SEF-execution metrics per product for the period from January 1, 2020 to November 21, 2020

- Credit derivatives contracts denominated in US dollars represented 71.6% of total traded notional and 72.4% of total trade count in 2020. Euro-denominated transactions accounted for 28.1% and 27.2% of total traded notional and trade count, respectively.

#### **In the fourth quarter of 2020:**

- Credit derivatives traded notional increased by 0.6% to \$1.8 trillion from \$1.7 trillion in the fourth quarter of 2019. Trade count grew by 10.7% to 53.7 thousand from 48.5 thousand over the same period.
- CDX HY traded notional increased by 6.1% to \$307.5 billion in the fourth quarter of 2020 versus \$289.7 billion in the fourth quarter of 2019. CDX IG traded notional increased by 9.7% to \$678.2 billion from \$618.2 billion, and iTraxx Europe traded notional rose by 2.9% to \$302.6 billion from \$294.1 billion over the same period.
- CDX HY and CDX IG represented 17.5% and 38.6% of total traded notional and 28.6% and 26.0% of total trade count, respectively, in the fourth quarter of 2020. iTraxx Europe accounted for 17.2% of total credit derivatives traded notional and 11.8% of total trade count.
- Cleared credit derivatives transactions represented 81.4% of total traded notional and 81.2% of total trade count in the fourth quarter of 2020. 97.1% of CDX HY, 97.6% of CDX IG, 87.0% of iTraxx Europe and 44.2% of other credit derivatives traded notional was cleared<sup>8</sup>.
- SEF-traded credit derivatives represented 76.8% of total traded notional and 76.9% of total trade count in the fourth quarter of 2020. 95.4% of CDX HY, 96.2% of CDX IG, 83.8% of iTraxx Europe and 31.9% of other credit derivatives traded notional was executed on SEFs<sup>9</sup>.
- Credit derivatives contracts denominated in US dollars represented 70.2% of total traded notional and 71.8% of total trade count in the fourth quarter of 2020. Euro-denominated transactions accounted for 29.5% and 27.8% of total traded notional and trade count, respectively.

---

<sup>7</sup> These rates were estimated. Please see Footnote 6

<sup>8</sup> These rates were estimated. Please see Footnote 7



ISDA has published other recent research papers:

- ***ISDA-Clarus RFR Adoption Indicator: December 2020, January 2021***  
<https://www.isda.org/a/luBTE/ISDA-Clarus-RFR-Adoption-Indicator-December-2020.pdf>
- ***Evolution of OTC Derivatives Markets Since the Financial Crisis, January 2021***  
<https://www.isda.org/a/8jjTE/Evolution-of-OTC-Derivatives-Markets-Since-the-Financial-Crisis.pdf>
- ***Overview of ESG-related Derivatives Products and Transactions, January 2021***  
<https://www.isda.org/a/qRpTE/Overview-of-ESG-related-Derivatives-Products-and-Transactions.pdf>

### For questions on ISDA Research, please contact:

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

## ABOUT ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has more than 925 member institutions from 74 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](#).