ISDA-Clarus RFR Adoption Indicator

April 2023

ISDA-Clarus RFR Adoption Indicator tracks how much global trading activity (as measured by DV01) is conducted in cleared over-the-counter (OTC) and exchange-traded interest rate derivatives (IRD) that reference the identified risk-free rates (RFRs) in eight major currencies.

<table>
<thead>
<tr>
<th>RFR Adoption Indicator</th>
<th>60.7%</th>
<th>53.4%</th>
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<tbody>
<tr>
<td>RFR Adoption Indicator</td>
<td>vs. 56.6% last month (Chart 1).</td>
<td>vs. 52.3% last month (Chart 3).</td>
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<tr>
<td>DV01 of RFR-linked IRD was</td>
<td>$18.9 Bn</td>
<td>$93.6 Tn</td>
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<tr>
<td>vs. $33.8 Bn last month (Chart 2).</td>
<td>vs. $200.4 Tn last month (Chart 3).</td>
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RFR Risk by Currency

<table>
<thead>
<tr>
<th>Currency</th>
<th>%</th>
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<tbody>
<tr>
<td>CHF</td>
<td>70.9% saw the largest percentage of RFR-linked IRD risk traded at 100% of total CHF IRD DV01 (Chart 5a).</td>
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<tr>
<td>JPY</td>
<td>saw the highest percentage of RFR-linked IRD DV01 executed as transactions with tenors &gt;2Y (Chart 6).</td>
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Total IRD Activity

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Total IRD DV01 transacted this month</td>
<td>$31.1 Bn vs. $59.8 Bn the prior month.</td>
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<tr>
<td>Total IRD notional transacted this month</td>
<td>$175.1 Tn vs. $383.6 Tn the prior month.</td>
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<tr>
<td>Other indices DV01 transacted this month</td>
<td>$12.2 Bn vs. $26 Bn the prior month.</td>
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Chart 1: RFR Adoption Indicator: % of DV01 Transacted as RFR-linked IRD Products in AUD, CAD, CHF, EUR, GBP JPY, SGD, USD

Calculation: The sum of all DV01s for RFR-linked IRD products, including OTC and exchange-traded derivatives (ETD) for all eight currencies, divided by the sum of DV01s for all indices (both RFR and other indices) across all IRD products.
Chart 2: Total IRD DV01 Traded per Month

**Calculation:** Total DV01 traded per month across all IRD products split by RFRs (including OTC and ETD) and all IRD products referencing other indices.

Chart 3: Total IRD Notional Traded per Month

**Calculation:** Total traded notional per month across all IRD products split by RFRs (including OTC and ETD) and all IRD products referencing other indices.
Chart 4: RFR-linked IRD DV01 Traded per Month Split by OTC and ETD

*Calculation*: The sum of DV01s for OTC RFR-linked IRD products across all six currencies divided by the sum of DV01s for OTC and ETD RFR-linked IRD products.

Chart 5a: The Percentage of DV01 per Currency Traded as an RFR-linked IRD Product

**Current Month** | **Previous Month** | **M-o-M Change**
--- | --- | ---
AUD 42.6% | 40.6% | 2.0%
CAD 43.2% | 38.2% | 5.0%
CHF 100.0% | 100.0% | 0.0%
EUR 29.1% | 32.1% | -3.0%
GBP 99.6% | 99.9% | -0.3%
JPY 98.8% | 98.5% | 0.3%
SGD 98.6% | 96.6% | 2.0%
USD 70.9% | 61.5% | 9.4%

*Calculation*: The sum of DV01s for RFR-linked IRD products (OTC and ETD) per currency divided by the sum across all OTC and ETD IRD products (both RFR and other indices) per currency.
Chart 5b: The Percentage of IRD DV01 Traded as an RFR in USD, EUR and JPY

**Calculation:** Same data as in Chart 5a with the focus only on USD, EUR and JPY RFR. Please note that the average maturities of USD SOFR and EUR €STR OTC products are now calculated using a DV01-weighting.

Chart 6: The Percentage of RFR-linked IRD DV01 per Currency Traded with a Tenor Longer than Two Years

**Calculation:** The sum of DV01s for RFR-linked IRD products (OTC and ETD) per currency in the 5Y, 10Y, 30Y and 50Y tenors divided by DV01s for RFR-linked IRD products (OTC and ETD) per currency across all tenor buckets.
Data is collected from all major CCPs that clear OTC and ETD IRD products in the eight currencies, including ASX, CME, EUREX, ICE, JSCC, LCH, TFX and TMX. Only cleared transactions are captured.

Other indices include IBORs (AUD BBR-BBSW, CAD-CDOR, CHF LIBOR, EUR LIBOR, EURIBOR, GBP LIBOR, JPY LIBOR, SGD-SOR, TIBOR, Euroyen TIBOR, and USD LIBOR) and overnight rates (the effective federal funds rate (EFFR) and EONIA).

RFRs include AONIA, CORRA, ESTR, SARON, SOFR, SONIA, SORA and TONA.

This data is standardized and collated to produce notional-equivalent volumes in six tenor buckets (based on duration of transactions).

The notional data is converted into a maturity agnostic measure of risk, DV01.

Notional volumes are collected in millions of USD-equivalent and converted to DV01 on the USD curve.

The measures of volumes are extremely broad, covering many OTC IRD products (interest rate swaps, overnight index swaps, forward rate agreements and basis swaps), as well as short-term interest rate futures contracts.

RFR volumes are measured across both swaps and futures.

A whitepaper detailing the exact methodology can be found here.

To access interactive charts and export the data, click here.
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The RFR Adoption Indicator and all associated data are built exclusively using Clarus microservices, a cloud hosted service that is accessible via any programming language.

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