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Research Note

CDS Market Dynamics: Five Years of Activity and a Record 2025

Global credit default swap (CDS) market activity reached a record $41.8 trillion in 2025, surpassing the previous peak of $38.7 trillion in 2022. Index CDS drove the increase, accounting for 93.3% of total activity and reaching a record $39.0 trillion.

The composition of CDS trading shifted over the period. Index-to-single-name activity rose to 15.7 times in 2022, fell to 8.5 times as a result of stress in the banking sector in 2023 and recovered to 13.8 times in 2025.

Index and single-name CDS activity responded differently to recent market events. During the 2020 pandemic and the 2025 US tariff shock, index CDS trading increased more than single-name CDS activity. By contrast, single-name CDS activity rose sharply following the failure of several banks including Silicon Valley Bank in 2023.

EXECUTIVE SUMMARY

This paper examines five years of global CDS market activity from 2021 to 2025 across index and single-name CDS[1]. Total CDS trading reached a record $41.8 trillion in 2025 versus the previous peak of $38.7 trillion in 2022. Index CDS drove the total, accounting for 93.3% of the market in 2025 and around 90% every year.

Index and single-name CDS typically perform different roles. Indices provide scale for broad portfolio hedging, while single-name CDS become more important when stress is issuer specific. Index CDS reached a record $39.0 trillion in 2025, exceeding its previous peak of $36.4 trillion in 2022. Single-name CDS activity peaked at $3.3 trillion in 2023 as a result of increased stress in the banking sector before easing to $2.8 trillion in 2025. While index CDS drove overall market growth, single-name CDS remained above its 2021 and 2022 levels, indicating sustained demand for name-specific risk transfer.

CDS market activity continued to expand in the first half of 2026[2]. Total trading reached $27.4 trillion, up by 27.8% from $21.5 trillion a year earlier. Index CDS rose by 28.3% to $25.7 trillion, while single-name CDS grew by 19.8% to $1.7 trillion.

Key findings include:

- Index-to-single-name activity dropped from 15.7 times in 2022 to 8.5 times in 2023 as use of single-name CDS increased in response to banking sector stress. It then swung back to 13.8 times in 2025. The share of index activity was 15.1 times that of single names in the first half of 2026, up from 14.1 times in the same period a year earlier. Higher multiples reflect broad credit hedging, while lower multiples reflect greater focus on individual reference entities.

- Index and single-name CDS activity responded differently to recent market events. During the 2020 pandemic and the sudden increase in US tariffs in 2025, index CDS activity rose more than single-name CDS activity. However, single-name CDS activity grew significantly due to several prominent bank failures in 2023.

[1] MRTA covers only transactions that change the risk positions between two parties, including new transactions, termination of existing transactions or assignment of existing transactions to a third party. Assignment of an existing transaction to a third party is commonly known as a novation. Index roll activity, when participants close positions in a maturing series and open positions in a new one, falls under this same new transaction and termination framework rather than a separate category. Portfolio compression reduces the number and notional of offsetting contracts without changing net risk. It is not separately identified in this dataset. To the extent compression generates termination transactions, it may be captured within MRTA. The analysis uses weekly DTCC TIW transaction activity from the week ending January 1, 2021 to the week ending December 26, 2025, aggregated to annual figures for headline series and kept quarterly for seasonality and stress-period analysis. Single-name data covers the most active reference entities and has been cleaned for duplicate and successor names. Index data covers both untranched and tranched transactions

[2] First half of 2026 figures reflect DTCC TIW transaction data for the weeks ending January 2 to June 26, 2026, compared with the weeks ending January 3 to June 27, 2025. Charts and tables cover data from 2021 to 2025

- Two benchmarks dominated index trading. CDX.NA.IG and iTraxx Europe together accounted for approximately three quarters of index CDS activity by traded notional in 2025, representing 43.4% and 32.4%, respectively.

- Single-name CDS market breadth remained broadly stable throughout the period. The number of unique reference entities executed each quarter remained within a relatively narrow range of approximately 710 to 760 names.

- Index CDS traded far more frequently than single-name CDS. CDX.NA.IG typically traded between 500 and 900 times per day. By contrast, most single-name CDS traded infrequently, with only 20 of 751 reference entities averaging 10 or more transactions per day in the fourth quarter of 2025.

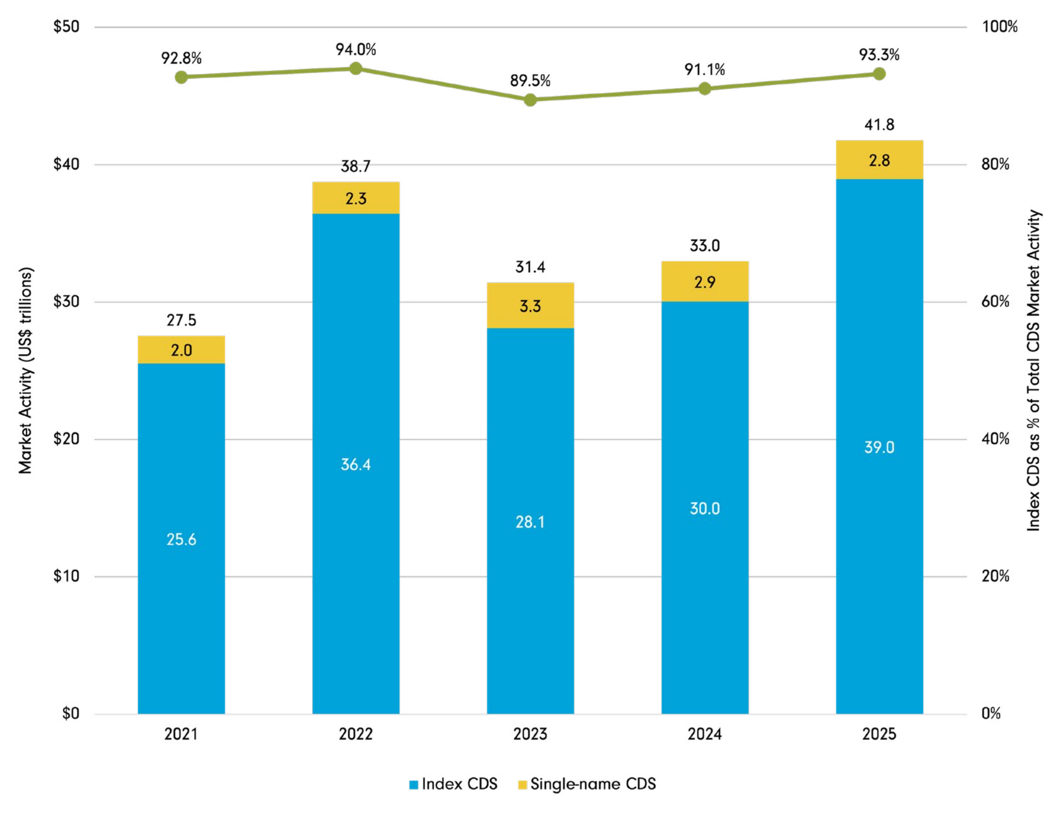
- Central clearing levels remained high. In 2025, 78.1% of index credit derivatives traded notional reported in the US was cleared, along with 63.1% of single-name CDS traded notional[3].

[3] SwapsInfo Full Year 2025 and the Fourth Quarter of 2025 Review, www.isda.org/a/mpdgE/SwapsInfo-Full-Year-2025-and-the-Fourth-Quarter-of-2025-Review.pdf

TOTAL CDS MARKET ACTIVITY

Total CDS trading, as measured by market activity in index and single-name CDS, reached a record $41.8 trillion in 2025, above the prior peak of $38.7 trillion in 2022. It declined to $31.4 trillion in 2023[4], then recovered in 2024 and 2025. Index CDS drove the increase and accounted for around 90% of total activity every year (see Chart 1).

Chart 1: Total CDS Market Activity (US$ trillions)



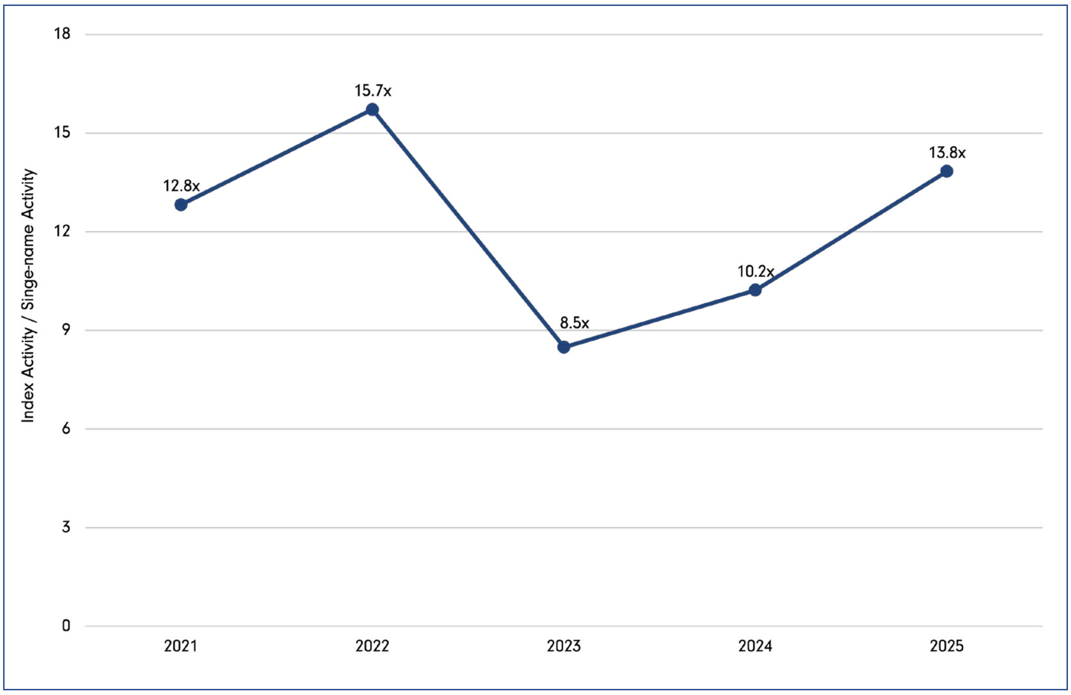
Source: DTCC TIW data

Index CDS provides exposure to a broad basket of credit entities, while each single-name CDS references an individual issuer. Comparing index to single-name CDS activity provides an indication of the relative use of the two instruments over time.

The multiple rose to 15.7 times in 2022, fell to 8.5 times in 2023 as the collapse of several banks pushed activity toward individual names, then recovered to 13.8 times in 2025 (see Chart 2). The two diverged most clearly in 2023, when index activity fell by 22.9% and single-name activity rose by 42.8%.

[4] In October 2023, Intercontinental Exchange, Inc. (ICE) completed the cessation of CDS clearing services at ICE Clear Europe. Initially announced in June 2022, this decision involved collaborating with clearing members and their clients to close out positions at ICE Clear Europe and transition over $400 billion of open interest to alternative clearing houses: https://ir.theice.com/press/news-details/2023/ICE-Announces-Successful-Transition-of-Credit-Default-Swap-Open-Interest-from-ICE-Clear-Europe/default.aspx. This shift may have inflated CDS trading activity, but a precise estimate of the effect is not available

Chart 2: Multiple of Index CDS to Single-name CDS Market Activity



Source: DTCC TIW data

CDS ACTIVITY DURING RECENT MARKET EVENTS

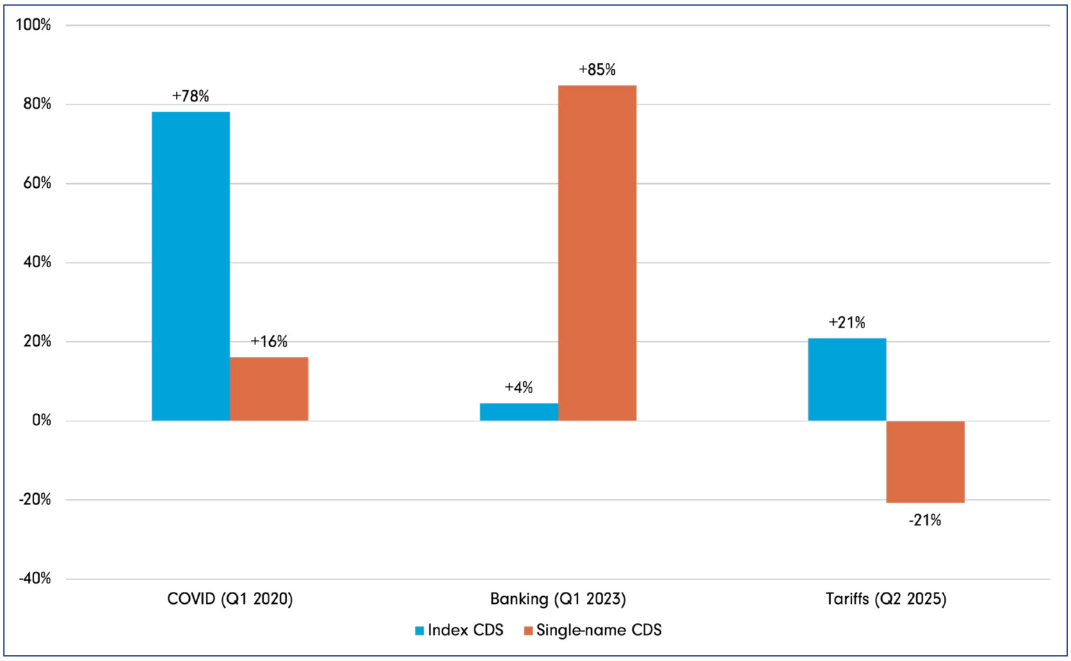
During the 2020 pandemic and following the sudden increase in US tariffs in 2025, index CDS activity increased more than single-name CDS trading. Single-name CDS activity rose substantially following the collapse of several banks in 2023[5].

During the first quarter of 2020, index CDS activity increased by 78.1% relative to its trailing four-quarter average, compared with a 16.1% rise in single-name CDS activity (see Chart 3).

The first quarter of 2023 showed the opposite pattern. Index CDS activity was broadly unchanged, rising by 4.5%[6], while single-name CDS activity grew by 84.8%. This period coincided with the failures of Silicon Valley Bank and Signature Bank, as well as the acquisition of Credit Suisse by UBS.

Following a sharp increase in US tariffs in April 2025, index CDS activity increased by 20.9% relative to its trailing average, while single-name CDS activity dropped by 20.7%.

Chart 3: Single-name and Index CDS Activity During Recent Market Events



Source: DTCC TIW data

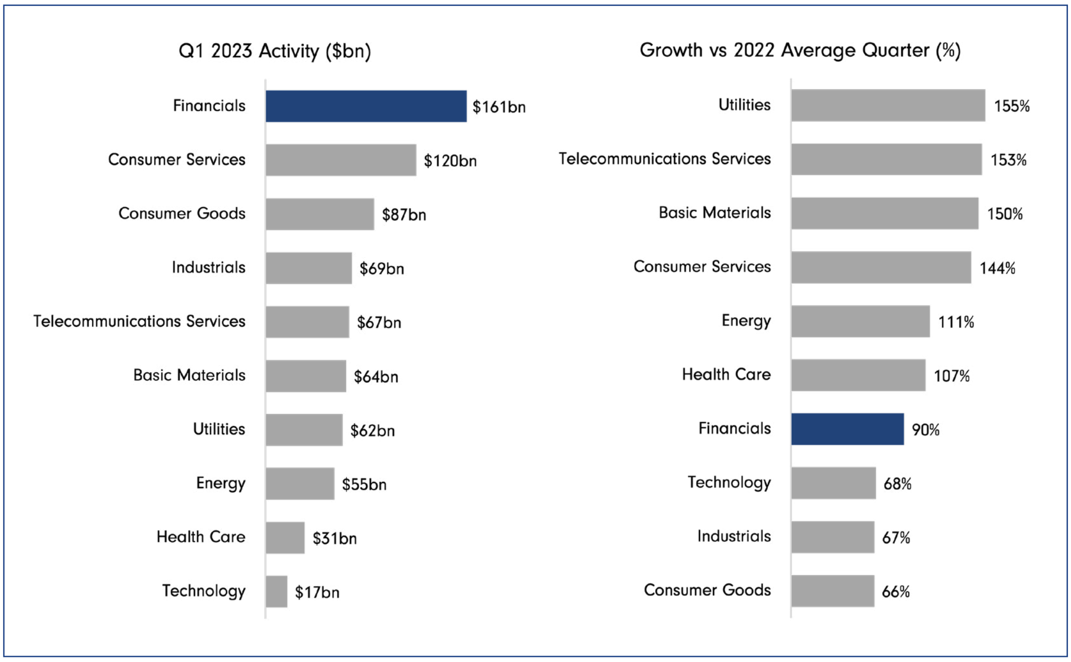
The increase in single-name CDS activity during the first quarter of 2023 extended beyond financial reference entities. Every corporate sector recorded higher activity relative to the 2022 quarterly average[7] (see Chart 4). Financial names recorded the highest activity at $161 billion. Utilities, telecommunications and basic materials experienced the largest percentage increases, each rising by approximately 150%.

[5] Activity in each stress quarter is measured against its trailing four-quarter average, separately for index and single-name CDS. The 2020 pandemic episode (first quarter of 2020) is included for context and uses the four quarters of 2019 as its baseline. The second quarter of 2025 window reflects the April 2025 increase in US tariffs

[6] The trailing four-quarter baseline for the first quarter of 2023 spans the four quarters of 2022, when index CDS trading was elevated after the invasion of Ukraine. The 4% increase therefore understates the rise in activity relative to calmer periods

[7] Sector growth compares first quarter 2023 activity against the 2022 average quarter, calculated as total 2022 activity divided by four, for corporate single-name CDS by market sector

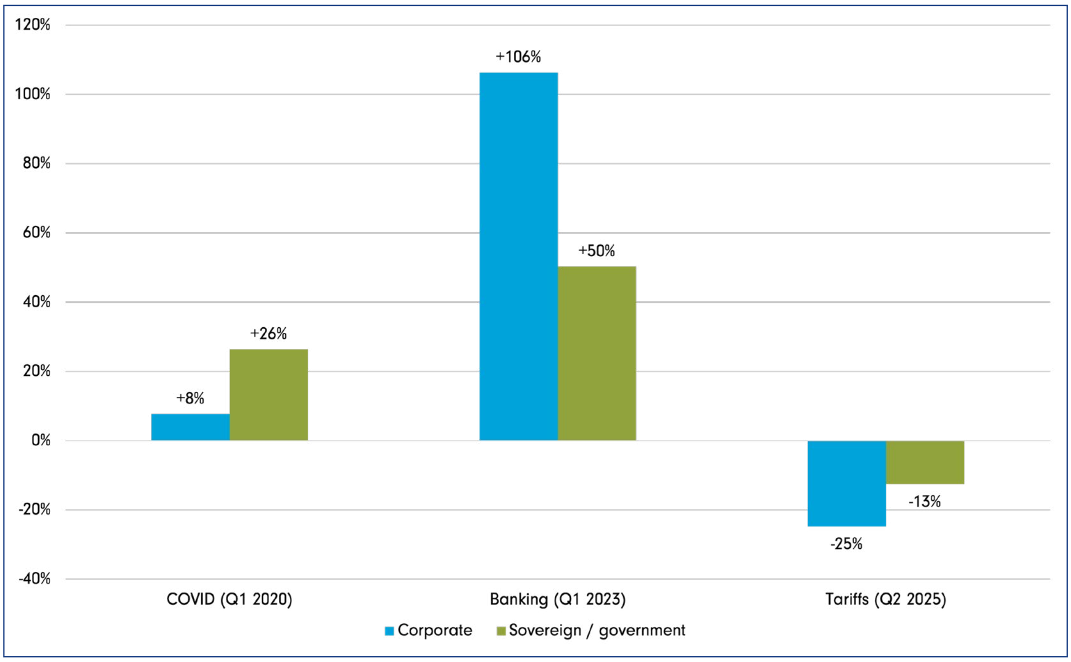
Chart 4: Corporate Single-name CDS Activity by Sector



Source: DTCC TIW data

Splitting single-name CDS activity between corporate and sovereign reference entities shows that corporate activity increased by 106% relative to its trailing average in the first quarter of 2023, compared with 50% for sovereign and government reference entities (see Chart 5). In contrast, sovereign activity increased more than corporate trading during the first quarter of 2020, while both declined during the second quarter of 2025.

Chart 5: Single-name CDS Activity During Recent Market Events, Corporate vs. Sovereign

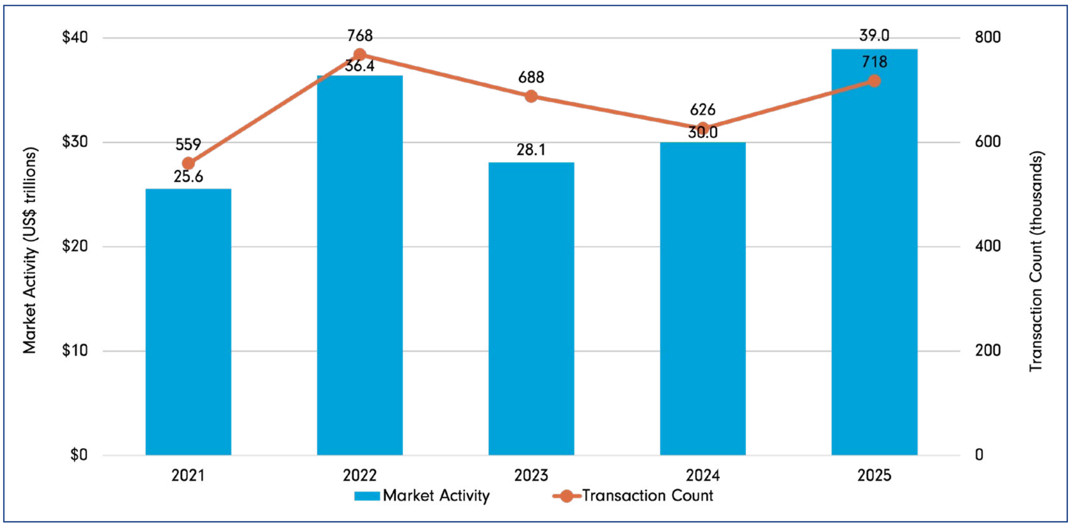


Source: DTCC TIW data

INDEX CDS MARKET ACTIVITY

Index CDS activity reached a record $39.0 trillion in 2025, having peaked previously at $36.4 trillion in 2022. It dipped to $28.1 trillion in 2023 and increased slightly in 2024. Transaction count followed a similar path, indicating that the swings reflected the volume of trading rather than a change in average trade size (see Chart 6).

Chart 6: Index CDS Market Activity and Transaction Count

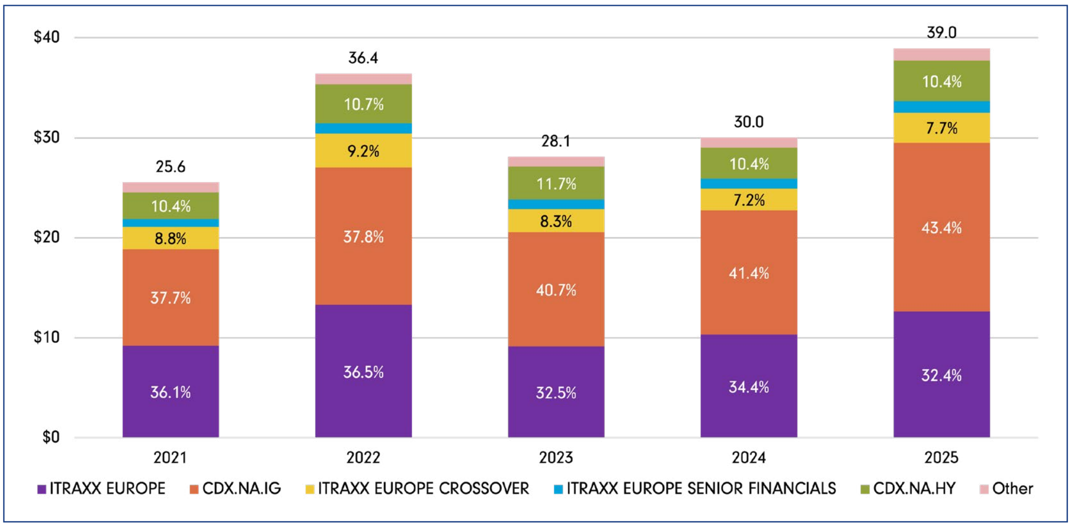


Source: DTCC TIW data

CDX.NA.IG was the most actively traded index, accounting for 43.4% of index CDS activity in 2025, followed by iTraxx Europe at 32.4%. The two investment-grade benchmarks together made up about three quarters of index CDS trading (see Chart 7).

The high-yield benchmarks, CDX.NA.HY and iTraxx Europe Crossover, accounted for 10.4% and 7.7% of total index activity, respectively, in 2025. The remaining indices, including iTraxx Europe Senior Financials and CDX Emerging Markets, made up the balance. The composition was broadly stable over the period, with trading in all the major indices growing in 2025.

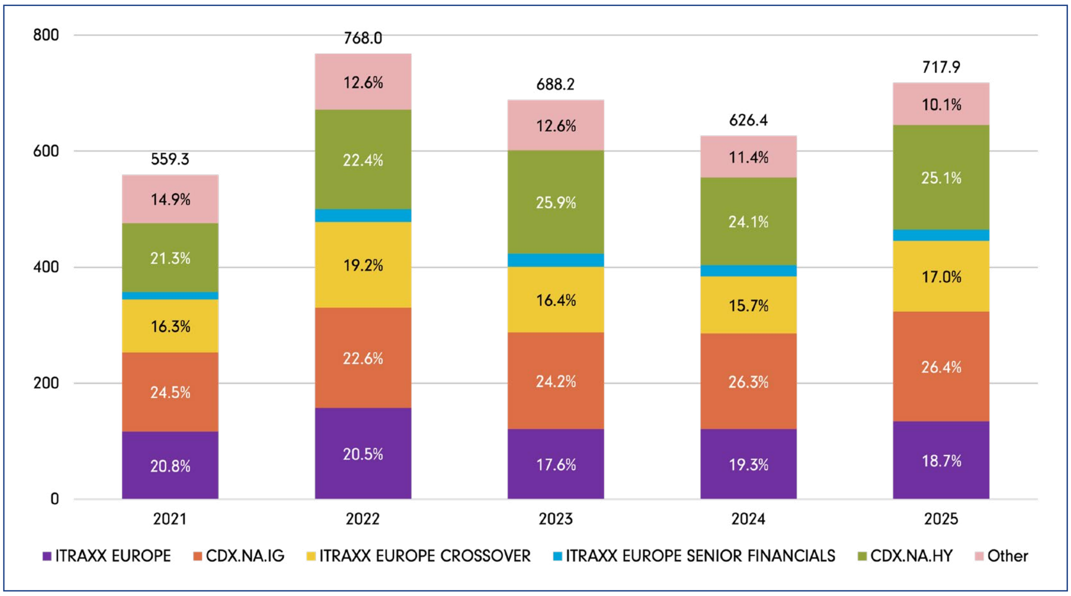
Chart 7: Index CDS Market Activity by Credit Indices (US$ trillions)



Source: DTCC TIW data

When measured by transaction count, the CDX.NA.HY and iTraxx Europe Crossover indices account for approximately 42% of total index activity (see Chart 8). That's because the size of investment-grade index trades are larger – an average of nearly $90 million for CDX.NA.IG and iTraxx Europe in 2025 versus roughly $25 million for the high-yield benchmarks.

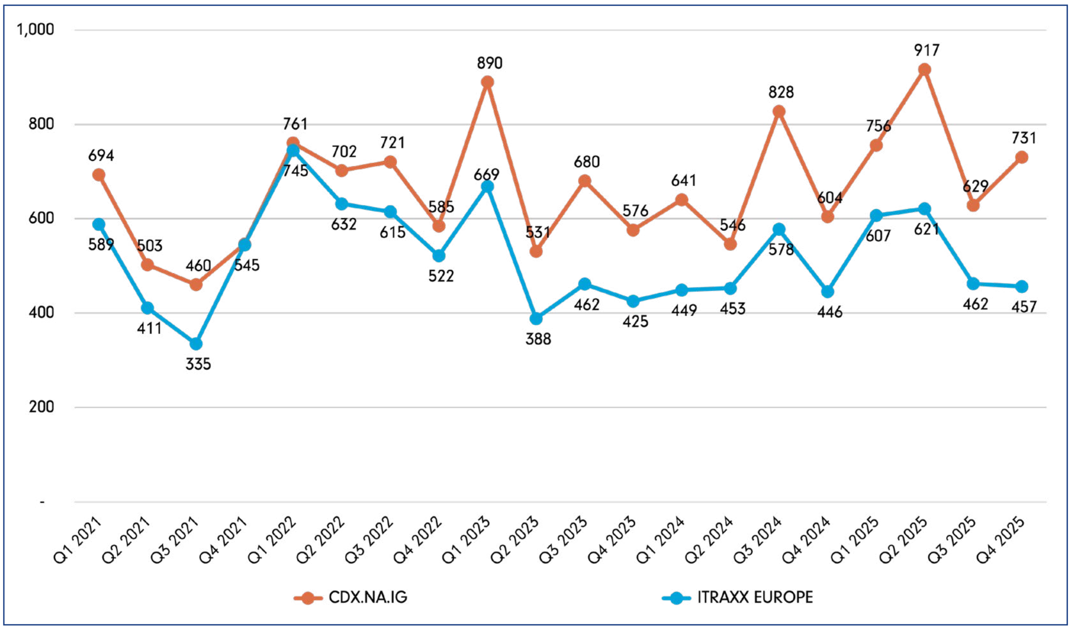
Chart 8: Index CDS Transaction Count by Credit Indices (thousands)



Source: DTCC TIW data

Index CDS are highly liquid and trade frequently throughout the day due to their structure, which offers exposure to a broad basket of credit entities. CDX.NA.IG and iTraxx Europe were the most actively traded benchmarks, with CDX.NA.IG typically trading between 500 and 900 times a day and exceeding 900 times in the second quarter of 2025. iTraxx Europe traded between 400 and 800 times a day. Daily activity in both rose during periods of market stress (see Chart 9).

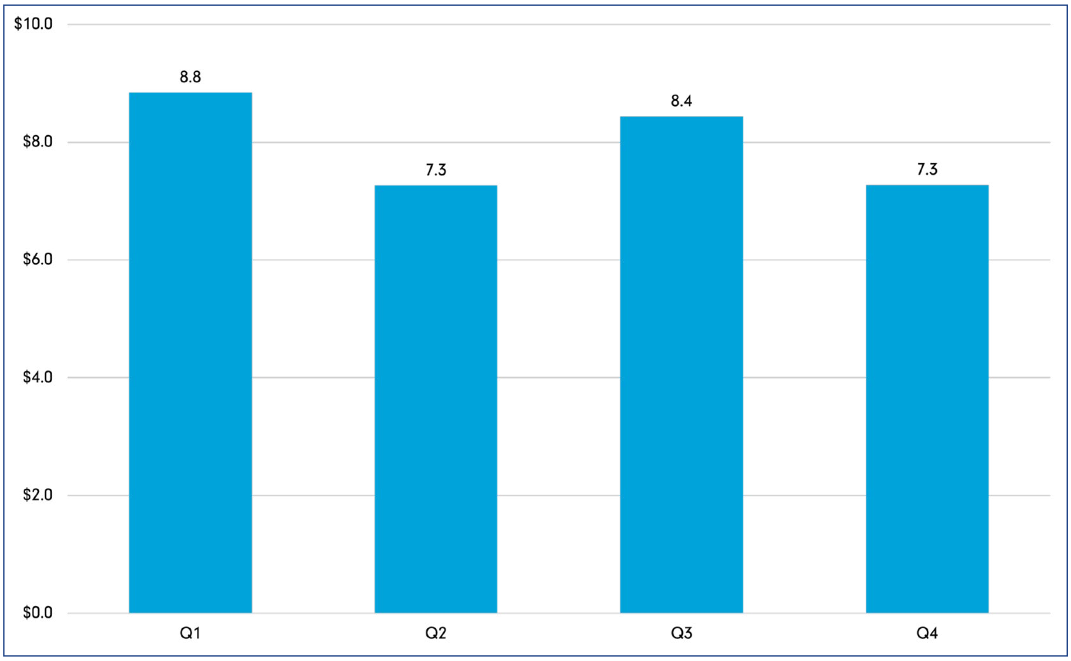
Chart 9: CDX.NA.IG and iTraxx Europe Average Number of Daily Transactions



Source: DTCC TIW data

Index activity is consistently higher in the first and third quarters than in the second and fourth quarters (see Chart 10). The pattern follows the semiannual index roll, when participants move to the new on-the-run series of the index, rather than any change in the underlying pace of trading[8].

Chart 10: Average Index CDS Activity by Calendar Quarter (US$ trillions)



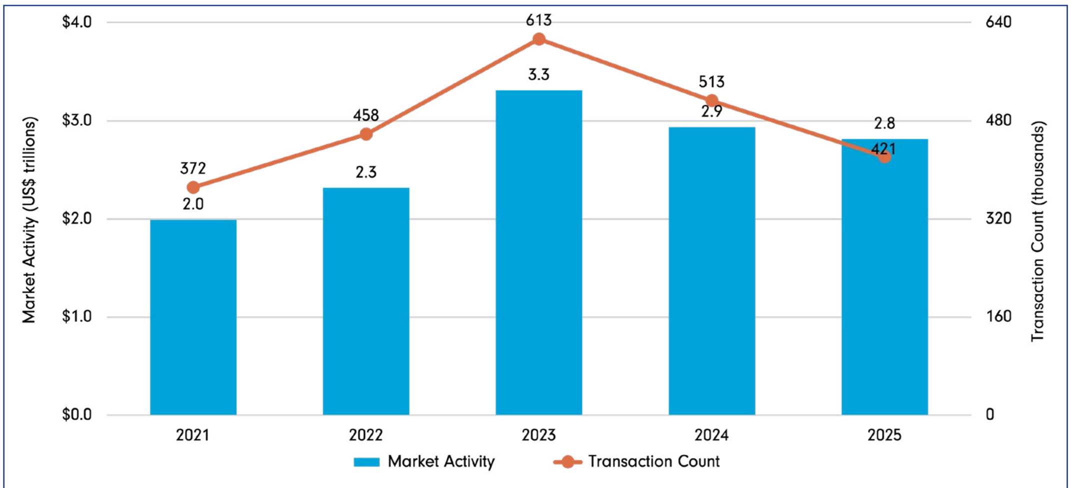
Source: DTCC TIW data

[8] Major CDS indices roll into a new on-the-run series twice a year, around March 20 and September 20. Around these dates, participants commonly close positions in the maturing series and open positions in the new one. In the two-week window around each roll date, index notional has typically represented between one quarter and nearly half of first quarter or third quarter notional over 2021 to 2025. This is an approximate indicator of the roll effect, not a precise measure, since the underlying data does not tag individual transactions by type

SINGLE-NAME CDS MARKET ACTIVITY

Single-name CDS activity reached a peak of $3.3 trillion in 2023, as participants managed exposures to individual entities following the failures of several banks. Activity fell to $2.8 trillion in 2025, still above its 2021 and 2022 levels. Transaction count peaked in 2023 alongside activity (see Chart 11). Single-name CDS activity has not kept pace with the recent rise in global corporate bond issuance[9].

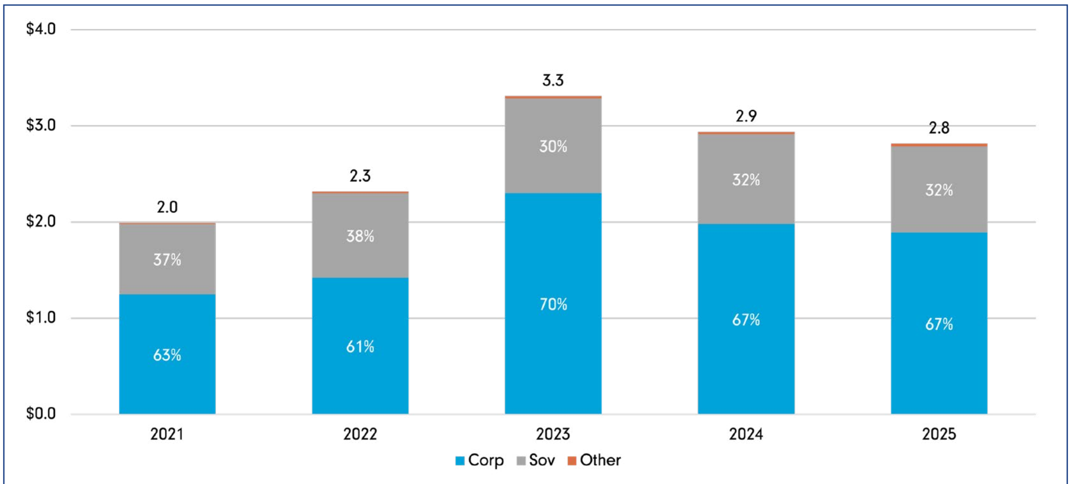
Chart 11: Single-name CDS Market Activity and Transaction Count



Source: DTCC TIW data

The corporate share of single-name CDS activity rose to 69.5% in 2023 from 61.3% in 2022 (see Chart 12). The increase in corporate-name activity followed the collapse of several banks, including Silicon Valley Bank. The proportion of corporate activity has fallen slightly since but has remained above pre-2023 levels at about 67%.

Chart 12: Single-name CDS Market Activity Split by Corporate vs. Sovereign (US$ trillions)[10]



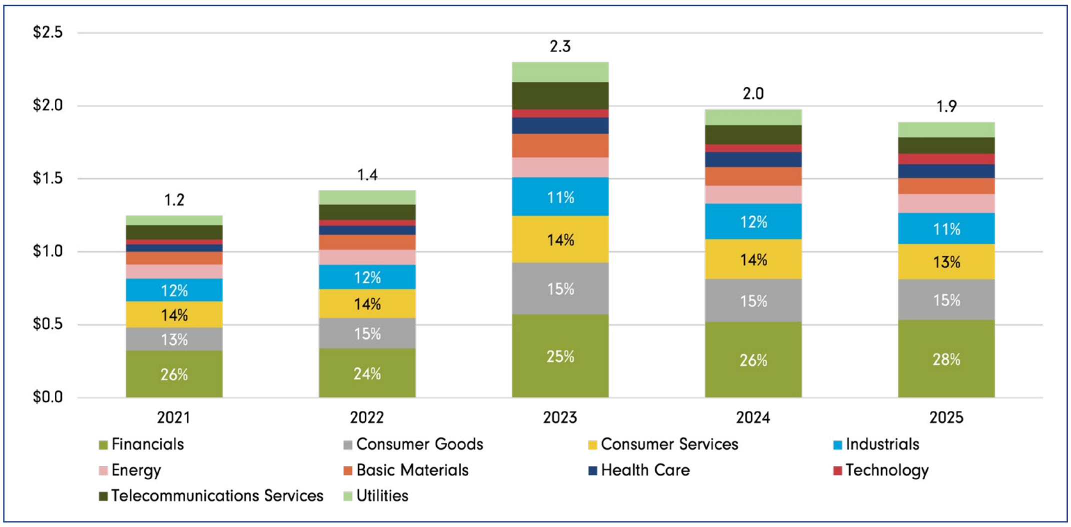
Source: DTCC TIW data

[9] Global corporate bond issuance reached $6.8 trillion in 2025, up from approximately $6.4 trillion in 2024. according to the Organisation for Economic Co-operation and Development Global Debt Report 2026, www.oecd.org/content/dam/oecd/en/publications/reports/2026/03/global-debt-report-2026_59d2d627/e9d80efd-en.pdf

[10] Other includes municipal, state body, state and supranational CDS

The financial sector was the most active for corporate single-name CDS, followed by consumer goods and consumer services. CDS on financial names accounted for 28.2% of total corporate CDS market activity in 2025, while consumer goods and consumer services comprised 14.8% and 12.8%, respectively. The composition of corporate single-name CDS has remained relatively stable since 2021 (see Chart 13).

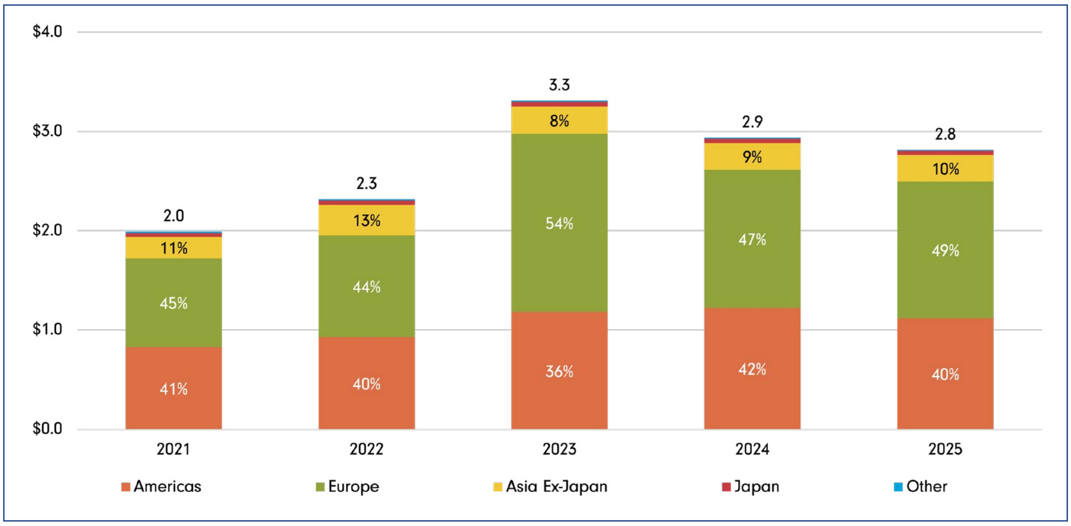
Chart 13: Corporate Single-name CDS Market Activity by Reference Entity Sector (US$ trillions)



Source: DTCC TIW data

Europe comprised the largest share of single-name CDS activity by Credit Derivatives Determinations Committee (DC) region[11]. In 2025, contracts under the Europe DC represented 48.9% of single-name activity, followed by the Americas at 39.7% (see Chart 14). The European share rose to 54.2% in 2023, potentially reflecting the emergency acquisition of Credit Suisse by UBS.

Chart 14: Single-name CDS Market Activity Split by DC Region (US$ trillions)

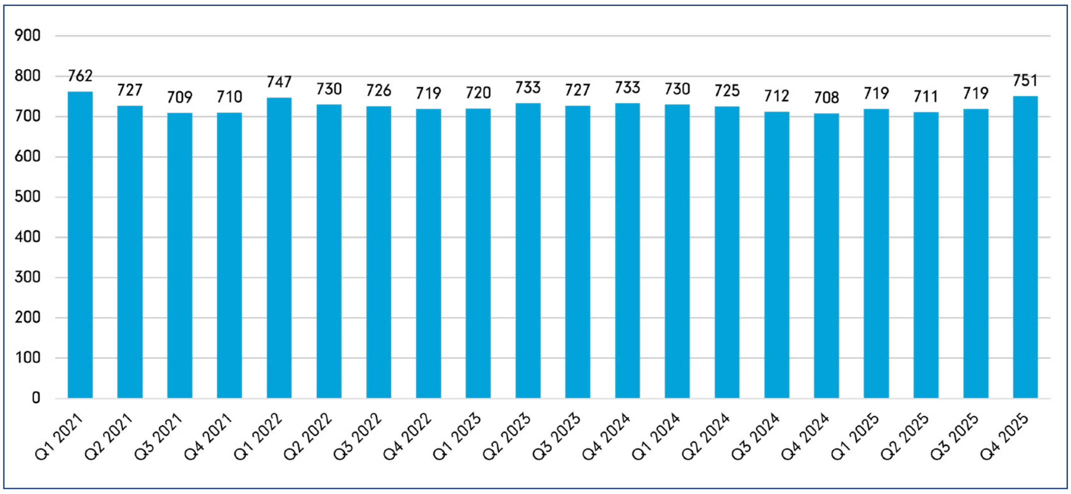


Source: DTCC TIW data

[11] The DTCC TIW dataset assigns a Determinations Committee region based on the predominant trading style associated with each reference entity, determined by the documentation type of the underlying trades. For example, transactions documented as StandardNorthAmericanCorporate are associated with the Americas region. A region is included when it accounts for more than 25% of an entity's transactions, so, in some cases, this attribute shows two or more regions

Market breadth remained broadly stable throughout the period. The number of unique reference entities executed during each three-month period stayed within a relatively narrow range of approximately 710 to 760 names[12] (see Chart 15), despite significant changes in overall trading activity.

Chart 15: Number of Single-name CDS Reference Entities Executed per Quarter

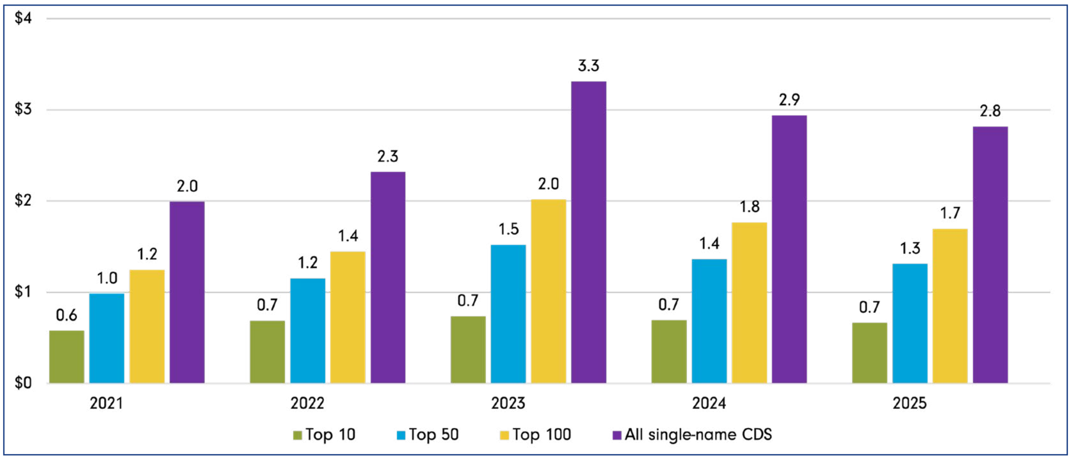


Source: DTCC TIW data

The share of market activity in the top 10, 50 and 100 single-name CDS has gradually declined, pointing to more trading in smaller, less concentrated names and a broader distribution of activity across a wider set of reference entities.

The share of the top 10 names, most of them major sovereigns, fell from 29.0% of total single-name CDS activity in 2021 to 23.6% in 2025, while the top 100 names dropped from 62.5% to 60.3%. Total single-name CDS activity rose from \$2.0 trillion in 2021 to \$2.8 trillion in 2025, while the top 10 names rose from \$0.6 trillion to \$0.7 trillion (see Charts 16 and 17).

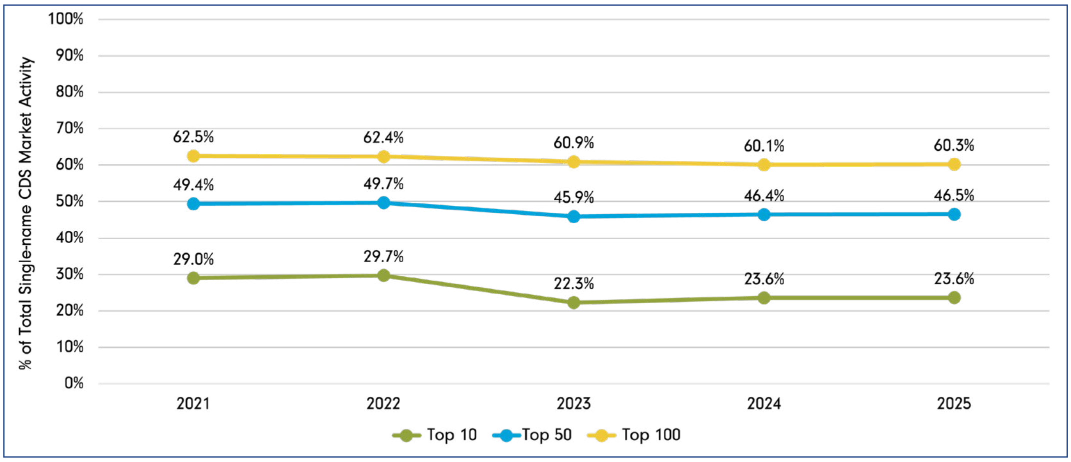
Chart 16: Top 10, 50 and 100 Single-name CDS Market Activity (US$ trillions)



Source: DTCC TIW data

[12] DTCC data was cleaned up to remove duplicate CDS reference entities due to misspelling or name changes. Different legal entities in the same corporate group were considered to be separate reference entities if there was concurrent market activity in CDS referencing each of those entities. However, if market activity ceased under one legal entity and resumed under a different legal entity in the same corporate group, ISDA would count those legal entities as one reference entity on the basis that this likely reflected a successor (where the CDS contract moves from one legal entity to another). If a reference entity was renamed, ISDA would treat both names as one reference entity

Chart 17: Top 10, 50 and 100 Single-Name Market Activity as % of Total Single-name CDS Trading



Source: DTCC TIW data

While the most actively traded names shifted from quarter to quarter, a stable core remained active throughout. Of all the reference entities executed between 2021 and 2025, 30 ranked in the top 100 in every single quarter (see Table 1). These names are predominantly major sovereigns and large global banks, with a handful of large corporates.

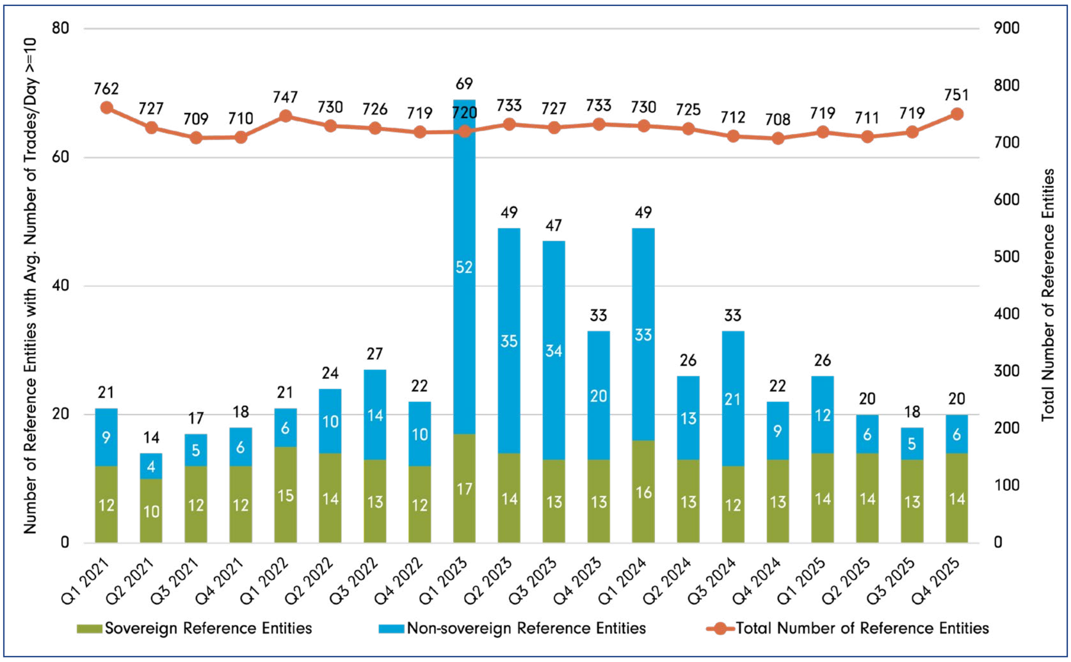
Table 1: 30 Single-name CDS Reference Entities that Remained in the Top 100 Each Quarter

BANCO SANTANDER, S.A.	REPUBLIC OF CHILE
BANK OF AMERICA CORPORATION	REPUBLIC OF COLOMBIA
BARCLAYS PLC	REPUBLIC OF INDONESIA
BNP PARIBAS	REPUBLIC OF ITALY
DEUTSCHE BANK AKTIENGESELLSCHAFT	REPUBLIC OF KOREA
FEDERATIVE REPUBLIC OF BRAZIL	REPUBLIC OF PERU
FORD MOTOR COMPANY	REPUBLIC OF SOUTH AFRICA
FRENCH REPUBLIC	REPUBLIC OF THE PHILIPPINES
GENERAL MOTORS COMPANY	REPUBLIC OF TURKEY
GLENCORE INTERNATIONAL AG	SOCIETE GENERALE
HSBC HOLDINGS PLC	STANDARD CHARTERED PLC
INTESA SANPAOLO SPA	UNICREDIT, SOCIETA PER AZIONI
KINGDOM OF SAUDI ARABIA	UNITED MEXICAN STATES
MALAYSIA	VERIZON COMMUNICATIONS INC.
PEOPLE'S REPUBLIC OF CHINA	VOLKSWAGEN AKTIENGESELLSCHAFT

Daily trading in single-name CDS was generally low, with most reference entities executed infrequently. Of the 751 unique names executed in the fourth quarter of 2025, only 20 (or 2.7%) averaged 10 or more transactions per day, of which 14 were sovereign and six were non-sovereign (see Chart 18). That number rose to 69 (9.6%) in the first quarter of 2023, during a period of heightened market volatility. The increase was led by non-sovereign names following turbulence in the banking sector[13]. Higher traded notional does not mean deeper liquidity. Activity is concentrated in a small number of names, and most single-name CDS reference entities trade only rarely.

[13] Average daily transactions are calculated as quarterly transaction count divided by business days, excluding weekends and US market holidays (federal holidays plus Good Friday). A reference entity is counted when its average rounds to 10 or more transactions per day, meaning an average above 9.5 per day in the quarter

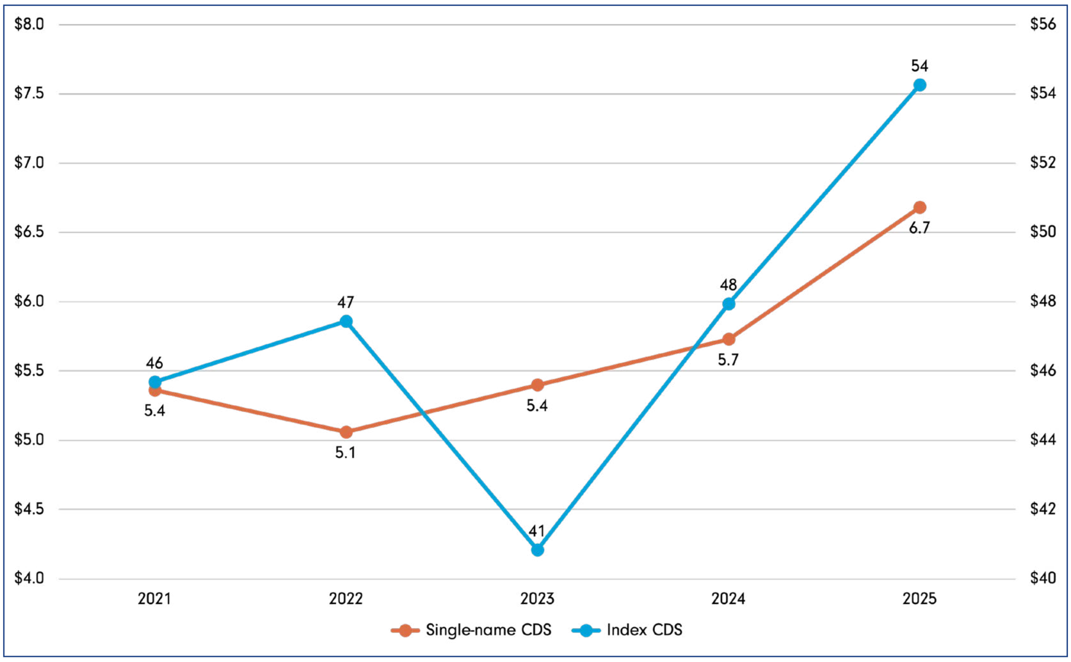
Chart 18: Number of Single-name CDS Reference Entities with Average 10 or More Transactions Per Day



Source: DTCC TIW data

The average single-name CDS trade size was \$6.7 million in 2025, up from \$5.4 million in 2021. Index trades were far larger, averaging \$54.3 million in 2025 – about eight times more than the single-name CDS trades (see Chart 19).

Chart 19: Average Trade Size of Single-name and Index CDS



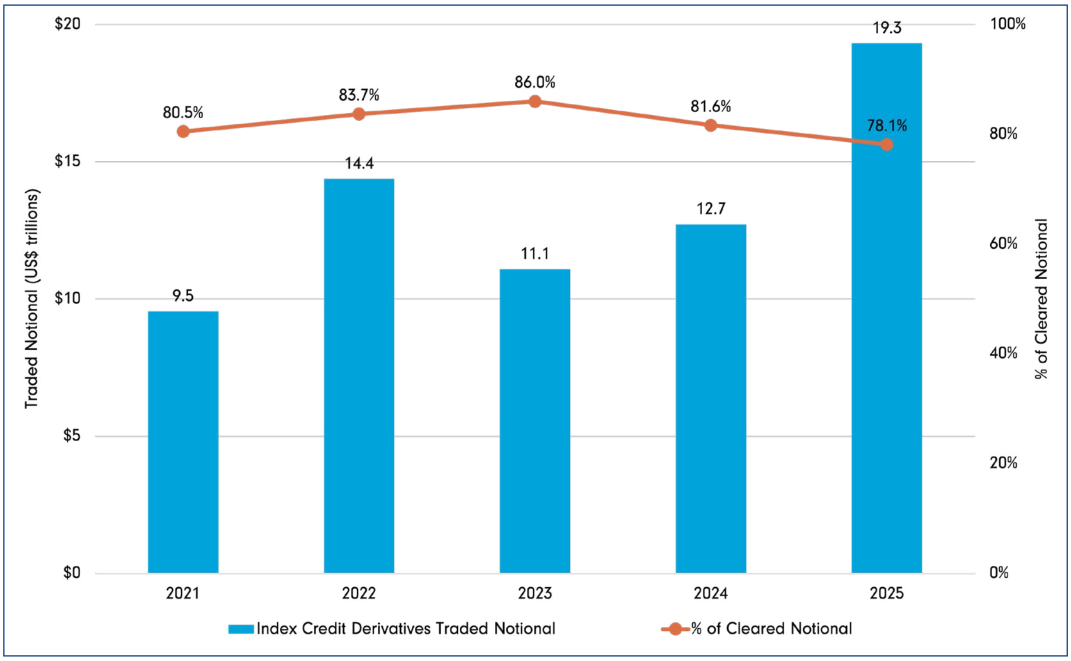
Source: DTCC TIW data

CDS CENTRAL CLEARING

Central clearing reduces risk in the CDS market. It replaces bilateral exposures with a single exposure to a central counterparty and allows multilateral netting across participants. It also lowers the risk that a default at one firm disrupts the wider market.

Based on index credit derivatives data reported in the US, 78.1% of total traded notional was cleared in 2025[14] (see Chart 20). Additionally, market participants cleared 63.1% of security-based credit derivatives traded notional[15]. Within that total, 72.1% of corporate single-name CDS and 61.6% of sovereign single-name CDS traded notional was cleared in 2025[16]. These clearing rates are calculated based on data reported in the US and do not reflect global clearing activity.

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



Source: DTCC swap data repository

[14] This data only includes index credit derivatives transactions reported to the DTCC swap data repository under Commodity Futures Trading Commission rules

[15] This data includes security-based credit derivatives transactions reported to the DTCC security-based swap data repository and ICE Trade Vault under Securities and Exchange Commission requirements

[16] SwapsInfo Full Year 2025 and the Fourth Quarter of 2025 Review, www.isda.org/a/mpdgE/SwapsInfo-Full-Year-2025-and-the-Fourth-Quarter-of-2025-Review.pdf

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