

SwapsInfo Third Quarter of 2023 and Year-to- September 30, 2023 Review

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

Notional and trade count data for IRD and credit derivatives is obtained from the Depository Trust & Clearing Corporation (DTCC) swap data repository (SDR) and security-based swap data repository (SBSDR). It is available on the ISDA SwapsInfo website (swapsinfo.org).

This report covers IRD and index credit derivatives transactions disclosed to the DTCC SDR under US Commodity Futures Trading Commission (CFTC) regulations. Security-based credit derivatives analysis includes security-based transactions reported to the DTCC SBSDR and ICE Trade Vault under US Securities and Exchange Commission (SEC) regulations.

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KEY HIGHLIGHTS FOR THE THIRD QUARTER OF 2023 AND YEAR-TO-SEPTEMBER 30, 2023

Interest Rate Derivatives

In the third quarter of 2023, IRD traded notional and trade count grew by 6.5% and 3.9%, respectively, compared to the third quarter of 2022¹. Overnight index swaps (OIS) traded notional increased by 46.8%, while fixed-for-floating interest rate swaps (IRS) and forward rate agreement (FRA) traded notional fell by 45.9% and 58.0%, respectively. OIS trade count rose by 35.0%, fixed-for-floating IRS trade count declined by 14.4% and FRA trade count dropped by 74.5%.

In the third quarter of 2023:

- IRD traded notional rose to \$73.3 trillion in the third quarter of 2023 from \$68.8 trillion in the third quarter of 2022. Trade count increased to 590.4 thousand from 568.2 thousand over the same period.
- OIS traded notional grew to \$49.5 trillion in the third quarter of 2023 from \$33.7 trillion in the third quarter of 2022. Single currency fixed-for-floating IRS traded notional fell to \$10.1 trillion from \$18.7 trillion over the same period. FRA traded notional dropped to \$3.7 trillion from \$8.8 trillion.
- OIS accounted for 67.6% of total IRD traded notional and 50.7% of total IRD trade count. Single currency fixed-for-floating IRS and FRAs represented 13.8% and 5.1% of total IRD traded notional and 34.6% and 1.8% of total trade count, respectively.
- Cleared IRD transactions comprised 76.7% of total IRD traded notional and 79.3% of total trade count. 85.9% of fixed-for-floating IRS, 94.1% of FRA, 86.6% of OIS and 11.3% of other IRD traded notional was cleared.
- IRD transactions executed on SEFs accounted for 52.8% of total IRD traded notional and 67.9% of trade count. 66.1% of fixed-for-floating IRS, 78.9% of FRA, 50.6% of OIS and 40.1% of other IRD traded notional was traded on SEFs.

¹ This data only includes interest rate derivatives (IRD) reported to the Depository Trust & Clearing Corporation (DTCC) swap data repository (SDR) under US Commodity Futures Trading Commission (CFTC) regulations

- IRD contracts denominated in US dollars represented 40.2% of total IRD traded notional and 34.4% of total trade count. Euro-denominated transactions accounted for 32.4% of total traded notional and 21.1% of trade count. Sterling-denominated transactions comprised 10.8% and 7.4% of total IRD traded notional and trade count, respectively.
- OIS traded notional denominated in US dollars increased by 39.8%, while US-dollar-denominated fixed-for-floating IRS and FRA traded notional declined by 98.4% and 99.6%, respectively. Euro-denominated OIS and IRS traded notional grew by 64.0% and 18.0%, while euro-denominated FRA traded notional fell by 58.2%. Sterling-denominated OIS traded notional rose by 34.7%.

Year-to-September 30, 2023:

- IRD traded notional increased by 12.0% to \$251.3 trillion in the nine months to September 30, 2023 from \$224.3 trillion in the nine months to September 30, 2022. Trade count rose by 11.7% to 1.9 million from 1.7 million over the same period.
- The rise in IRD traded notional was driven by an increase in OIS traded notional, which grew by 53.4% to \$156.6 trillion in the nine months to September 30, 2023 from \$102.1 trillion in the nine months to September 30, 2022. Single currency fixed-for-floating IRS traded notional fell by 44.8% to \$38.2 trillion from \$69.2 trillion, while FRA traded notional dropped by 11.3% to \$25.1 trillion from \$28.4 trillion over the same period.
- OIS represented 62.3% of total IRD traded notional and 45.8% of trade count. Single currency fixed-for-floating IRS and FRAs comprised 15.2% and 10.0% of total IRD traded notional and 36.3% and 5.0% of total trade count, respectively.
- Cleared IRD transactions accounted for 78.4% of total traded notional and 79.4% of trade count. 87.2% of fixed-for-floating IRS, 97.7% of FRA, 86.4% of OIS and 12.4% of other IRD traded notional was cleared.
- SEF-traded IRD made up 53.3% of total traded notional and 67.6% of trade count. 68.3% of fixed-for-floating IRS, 88.1% of FRA, 47.0% of OIS and 38.7% of other IRD traded notional was executed on SEFs.

- IRD contracts denominated in US dollars comprised 41.1% of traded notional and 35.7% of trade count. Euro-denominated transactions accounted for 33.6% of traded notional and 23.1% of trade count. Sterling-denominated transactions made up 9.9% and 6.9% of total IRD traded notional and trade count, respectively.
- OIS traded notional denominated in US dollars grew by 49.6%, while US-dollar-denominated fixed-for-floating IRS traded notional fell by 81.5%. US-dollar-denominated FRA traded notional declined by 20.8% in the nine months to September 30, 2023 versus the same period in 2022. Euro-denominated OIS traded notional increased by 61.9%, while euro-denominated IRS and FRA traded notional fell by 1.1% and 11.0%, respectively. Sterling-denominated OIS traded notional rose by 41.1% and sterling-denominated IRS traded notional dropped by 41.8% in the nine months to September 30, 2023 compared to the nine months to September 30, 2022.

Index Credit Derivatives Reported Under CFTC Regulations

Index credit derivatives traded notional and trade count fell by 25.2% and 20.4%, respectively, in the third quarter of 2023 compared to the third quarter of 2022². There was less trading activity across CDX HY, CDX IG and iTraxx Europe.

In the third quarter of 2023:

- Index credit derivatives traded notional dropped to \$2.7 trillion in the third quarter of 2023 from \$3.6 trillion in the third quarter of 2022. Trade count fell to 79.8 thousand from 100.3 thousand over the same period.
- CDX HY traded notional declined by 24.4% to \$434.7 billion in the third quarter of 2023 from \$575.4 billion in the third quarter of 2022. CDX IG traded notional fell by 25.8% to \$958.9 billion from \$1.3 trillion and iTraxx Europe traded notional declined by 26.3% to \$625.9 billion from \$849.5 billion.
- CDX HY and CDX IG represented 16.3% and 36.1% of total index credit derivatives traded notional and 28.4% and 24.6% of total trade count, respectively. iTraxx Europe accounted for 23.5% of total index credit derivatives traded notional and 18.4% of total trade count.

² Index credit derivatives mostly comprise credit default swap (CDS) indices, but also include CDS index tranches, credit swaptions, exotic products, total return swaps and an insignificant amount of single-name CDS. This data only includes transactions reported to the DTCC SDR under CFTC regulations. Credit derivatives reported to the DTCC security-based swap data repository (SBSDR) under US Securities and Exchange Commission (SEC) regulations are not included in this data

- Cleared index credit derivatives transactions accounted for 87.1% of total index credit derivatives traded notional and 90.6% of total trade count. 99.2% of CDX HY, 99.2% of CDX IG, 95.5% of iTraxx Europe and 52.0% of other credit derivatives traded notional was cleared.
- SEF-traded index credit derivatives transactions comprised 85.9% of total index credit derivatives traded notional and 89.4% of trade count. 98.1% of CDX HY, 98.0% of CDX IG, 93.5% of iTraxx Europe and 51.6% of other credit derivatives traded notional was executed on SEFs.
- Index credit derivatives contracts denominated in US dollars made up 62.2% of total index credit derivatives traded notional and 63.1% of total trade count. Euro-denominated transactions accounted for 37.7% and 36.7% of total traded notional and trade count, respectively.

Year-to-September 30, 2023:

- Index credit derivatives traded notional declined by 27.4% to \$8.5 trillion in the nine months to September 30, 2023 from \$11.7 trillion in the nine months to September 30, 2022. Trade count fell by 17.7% to 260.4 thousand from 316.3 thousand over the same period.
- CDX HY traded notional dropped by 22.9% to \$1.4 trillion in the nine months to September 30, 2023 from \$1.8 trillion in the nine months to September 30, 2022. CDX IG traded notional fell by 24.7% to \$3.1 trillion from \$4.1 trillion. iTraxx Europe traded notional declined by 31.9% to \$2.0 trillion in the nine months to September 30, 2023 from \$2.9 trillion in the nine months to September 30, 2022.
- CDX HY and CDX IG represented 16.6% and 36.2% of total index credit derivatives traded notional and 28.7% and 24.5% of total trade count, respectively. iTraxx Europe accounted for 23.2% of total index credit derivatives traded notional and 17.9% of total trade count.
- Cleared index credit derivatives transactions made up 86.7% of total index credit derivatives traded notional and 90.0% of trade count. 99.3% of CDX HY, 99.4% of CDX IG, 96.4% of iTraxx Europe and 49.3% of other credit derivatives traded notional was cleared.

- SEF-traded index credit derivatives represented 85.1% of total index credit derivatives traded notional and 88.8% of trade count. 97.6% of CDX HY, 98.0% of CDX IG, 94.3% of iTraxx Europe and 47.9% of other credit derivatives traded notional was executed on SEFs.
- Index credit derivatives contracts denominated in US dollars comprised 62.7% of total index credit derivatives traded notional and 63.1% of trade count. Euro-denominated transactions accounted for 37.2% and 36.7% of traded notional and trade count, respectively.

Security-based Credit Derivatives Reported Under SEC Regulations

In the third quarter of 2023:

- Security-based credit derivatives traded notional declined by 1.0% to \$173.9 billion in the third quarter of 2023 from \$175.6 billion in the third quarter of 2022. Trade count dropped by 4.1% to 52.6 thousand from 54.9 thousand over the same period^{3,4}.
- Corporate single-name credit default swaps (CDS) traded notional grew by 6.8% to \$132.4 billion in the third quarter of 2023 from \$124.0 billion in the third quarter of 2022. Sovereign single-name CDS traded notional fell by 20.9% to \$32.0 billion from \$40.4 billion.
- Corporate single-name CDS traded notional accounted for 76.1% of total security-based credit derivatives traded notional and sovereign single-name CDS made up 18.4%. Corporate and sovereign single-name CDS represented 77.1% and 14.7% of total trade count, respectively. Other security-based credit derivatives traded notional comprised 5.5% of total security-based credit derivatives traded notional and 8.2% of total trade count.
- Cleared security-based credit derivatives transactions accounted for 49.5% of total security-based credit derivatives traded notional and 47.8% of total trade count. 53.3% of corporate single-name CDS and 48.0% of sovereign single-name CDS traded notional was cleared.

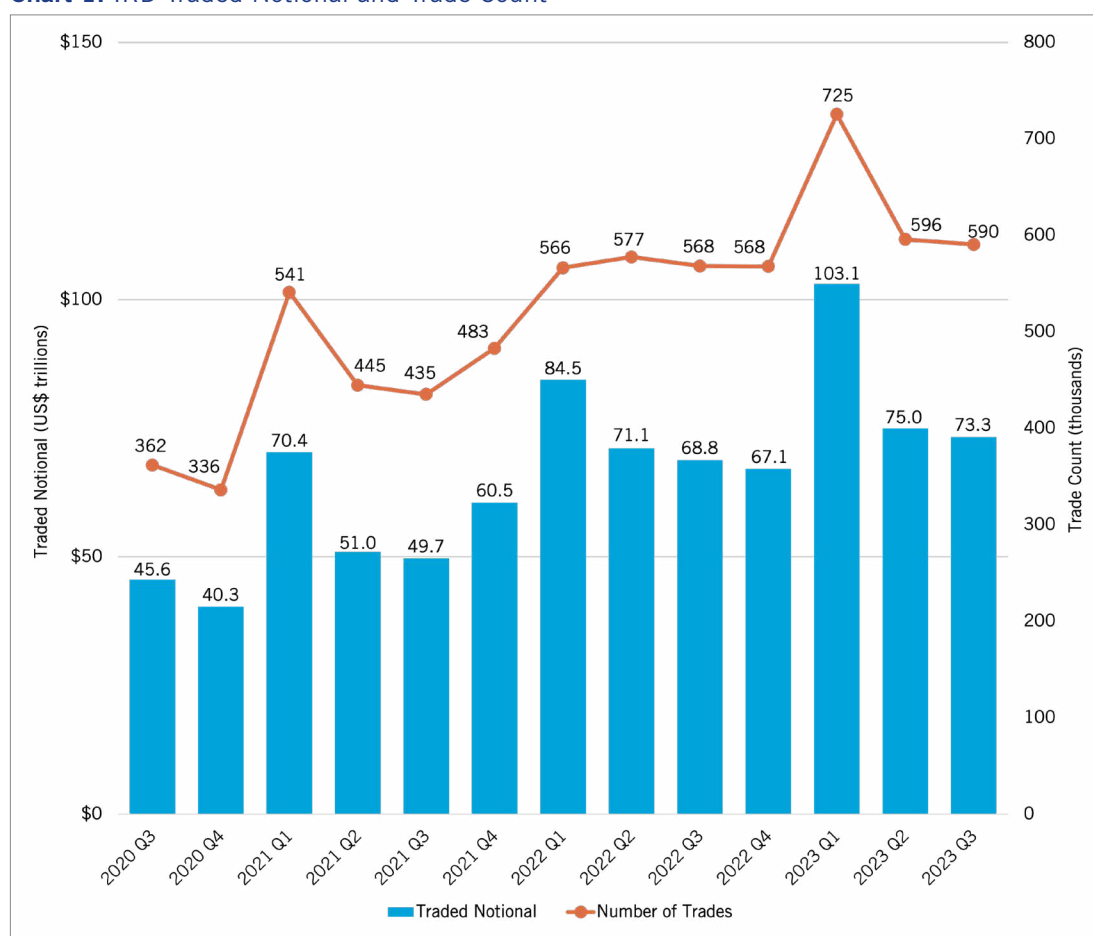
³ Security-based credit derivatives mostly comprise single-name CDS, but also include total return swaps, index, exotic, index tranche, swaptions and other single-name swaps (eg, asset-backed, loan and municipal security-based swaps)

⁴ This data includes security-based credit derivatives transactions reported to the DTCC SBSDR and ICE Trade Vault from February 2022 under SEC regulations. It does not include any transactions that are required to be reported to the DTCC SDR under CFTC regulations

INTEREST RATE DERIVATIVES

IRD traded notional rose by 6.5% to \$73.3 trillion in the third quarter of 2023 from \$68.8 trillion in the third quarter of 2022. Trade count grew by 3.9% over the same period to 590.4 thousand from 568.2 thousand⁵ (see Chart 1).

Chart 1: IRD Traded Notional and Trade Count



Source: DTCC SDR

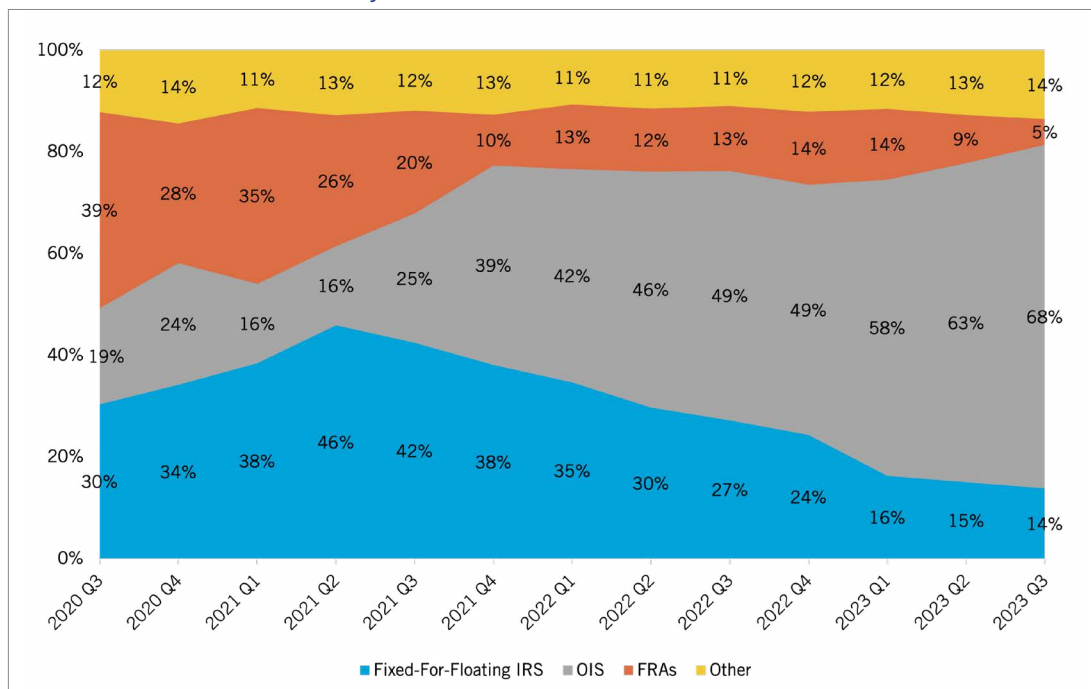
In the nine months to September 30, 2023, IRD traded notional increased by 12.0% to \$251.3 trillion from \$224.3 trillion in the nine months to September 30, 2022. Trade count grew by 11.7% to 1.9 million from 1.7 million over the same period.

⁵ This data only includes IRD transactions reported to the DTCC SDR under CFTC regulations

IRD Product Taxonomy

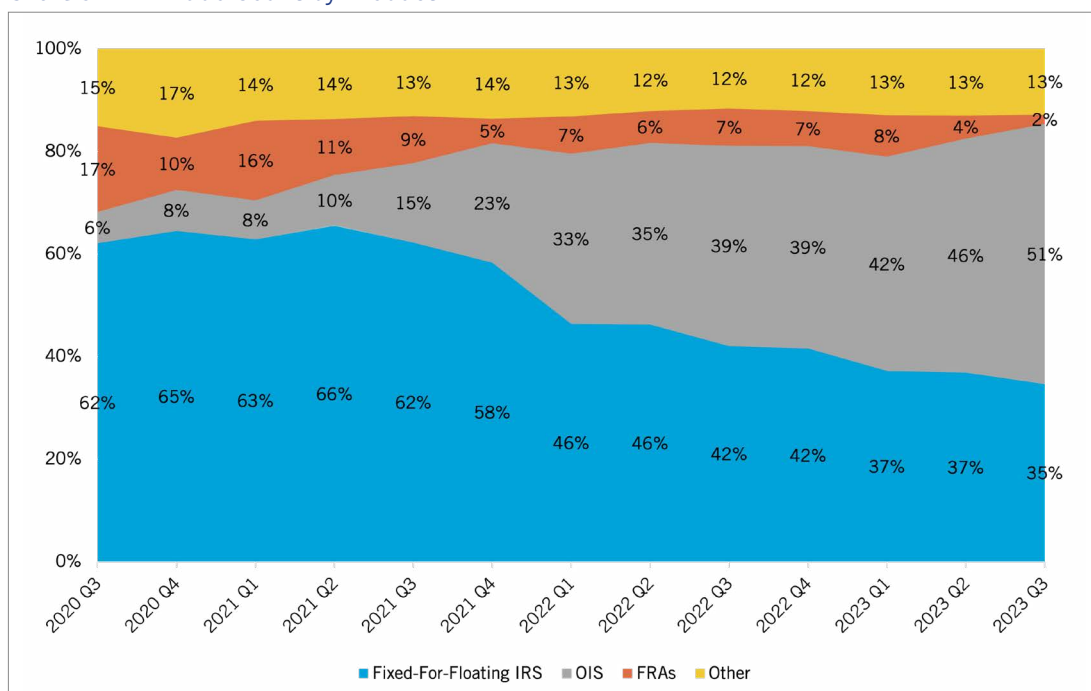
OIS accounted for 67.6% of total IRD traded notional and 50.7% of total trade count in the third quarter of 2023. Single currency fixed-for-floating IRS and FRAs represented 13.8% and 5.1% of total IRD traded notional and 34.6% and 1.8% of trade count, respectively (see Chart 2 and Chart 3).

Chart 2: IRD Traded Notional by Product



Source: DTCC SDR

Chart 3: IRD Trade Count by Product



Source: DTCC SDR

OIS traded notional grew by 46.8% to \$49.5 trillion in the third quarter of 2023 from \$33.7 trillion in the third quarter of 2022. OIS trade count rose by 35.0% to 299.5 thousand from 221.8 thousand over the same period (see Chart 4 and Chart 5).

In the nine months to September 30, 2023, OIS traded notional increased by 53.4% to \$156.6 trillion from \$102.1 trillion in the nine months to September 30, 2022. Trade count grew by 42.4% to 874.8 thousand from 614.1 thousand.

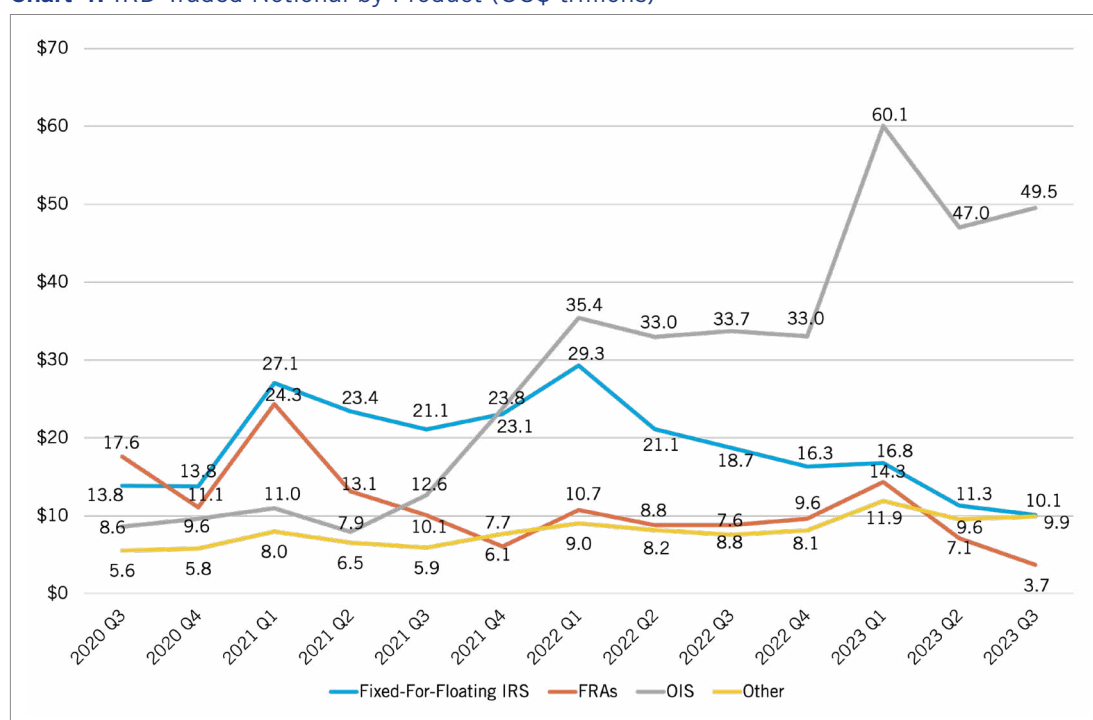
Fixed-for-floating IRS traded notional declined by 45.9% to \$10.1 trillion in the third quarter of 2023 from \$18.7 trillion in the third quarter of 2022. IRS trade count fell by 14.4% to 204.5 thousand from 238.8 thousand over the same interval.

In the nine months to September 30, 2023, fixed-for-floating IRS traded notional fell by 44.8% to \$38.2 trillion versus \$69.2 trillion in the same period of 2022. Trade count dropped by 9.7% to 693.6 thousand from 768.3 thousand.

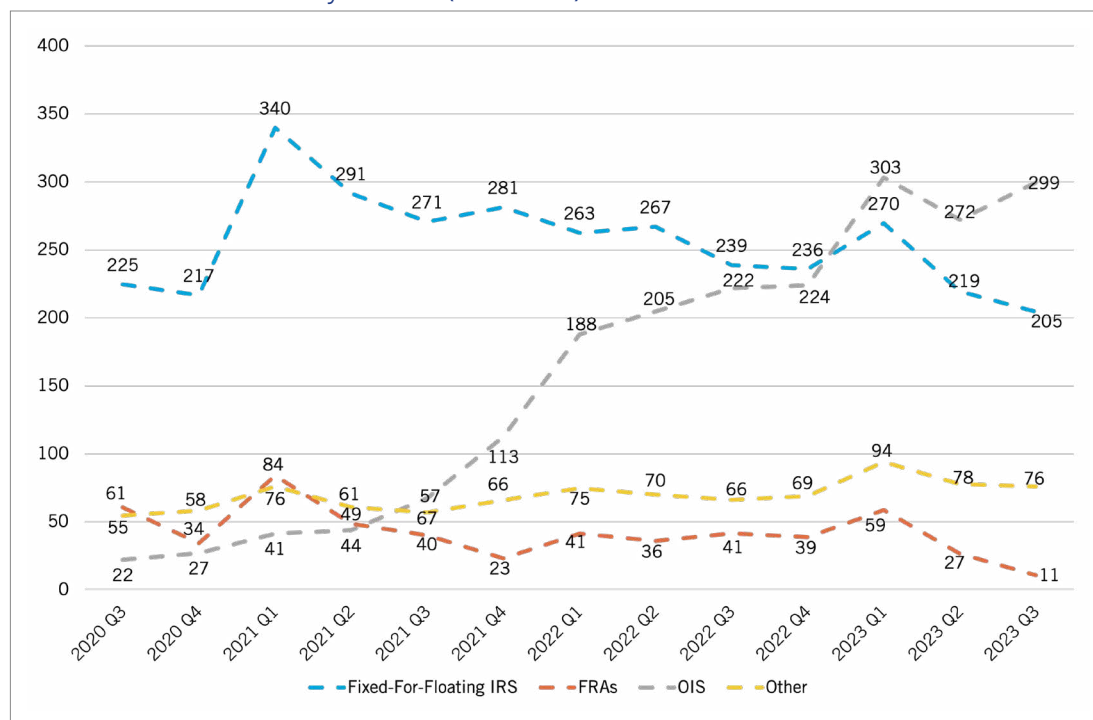
FRA traded notional dropped by 58.0% to \$3.7 trillion in the third quarter of 2023 from \$8.8 trillion in the third quarter of 2022. Trade count fell by 74.5% to 10.6 thousand from 41.5 thousand over the same period.

FRA traded notional declined by 11.3% to \$25.1 trillion in the nine months to September 30, 2023 from \$28.4 trillion in the nine months to September 30, 2022. Trade count fell by 19.3% to 95.7 thousand from 118.7 thousand.

Chart 4: IRD Traded Notional by Product (US\$ trillions)



Source: DTCC SDR

Chart 5: IRD Trade Count by Product (thousands)


Source: DTCC SDR

IRD Average Daily Traded Notional, Trade Count and Trade Size

Fixed-for-floating IRS average daily traded notional fell to \$155.8 billion in the third quarter of 2023, a fall of 45.1% compared to the third quarter of 2022. Fixed-for-floating IRS average daily trade count declined by 13.0%, while average trade size dropped by 33.1% (see Table 1).

FRA average daily traded notional was \$57.0 billion in the third quarter of 2023, 57.3% lower than the third quarter of 2022. FRA average daily trade count fell by 74.1% and average trade size increased by 30.0%.

OIS average daily traded notional grew by 49.1% to \$761.9 billion in the third quarter of 2023 compared to \$511.0 billion in the third quarter of 2022. OIS average daily trade count and average trade size rose by 37.1% and 9.0%, 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	FRAs	OIS	IRS	FRAs	OIS	IRS	FRAs	OIS
2023 Q3	155.8	57.0	761.9	3,146	163	4,607	50.1	577.2	167.3
2022 Q3	283.9	133.5	511.0	3,618	628	3,360	74.9	444.0	153.4
2023 Q3 vs. 2022 Q3	-45.1%	-57.3%	49.1%	-13.0%	-74.1%	37.1%	-33.1%	30.0%	9.0%
YTD Q3 2023	195.9	130.1	803.2	3,557	495	4,486	54.9	566.9	183.2
YTD Q3 2022	355.5	147.0	523.9	3,942	615	3,147	84.4	487.9	167.4
YTD Q3 2023 vs. YTD Q3 2022	-44.9%	-11.5%	53.3%	-9.8%	-19.4%	42.5%	-35.0%	16.2%	9.5%

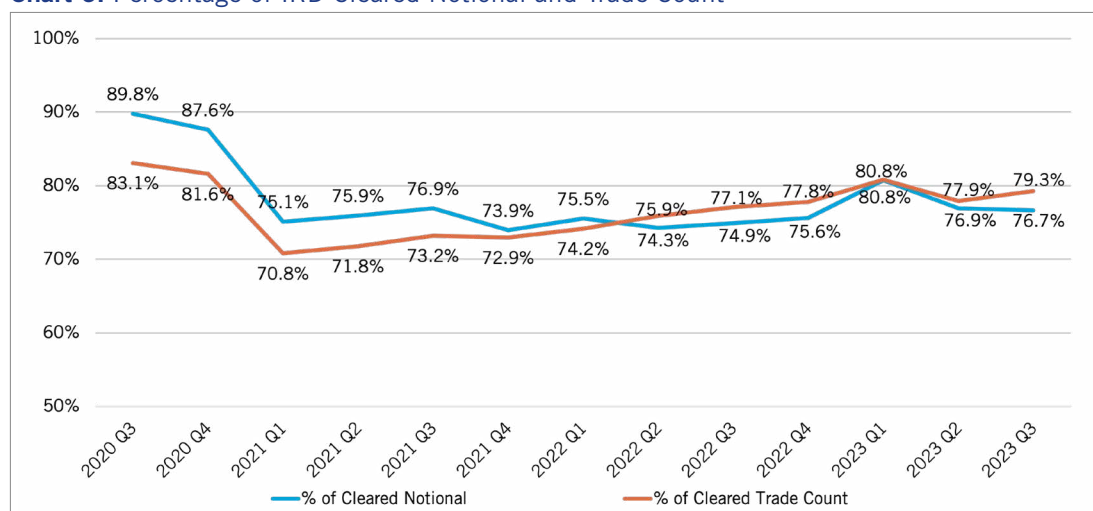
Source: DTCC SDR

IRD Central Clearing

Cleared IRD transactions accounted for 76.7% of total IRD traded notional and 79.3% of trade count during the third quarter of 2023 (see Chart 6). IRD cleared traded notional and trade count totaled \$56.2 trillion and 468.1 thousand, respectively.

The DTCC SDR completed a planned system upgrade on November 21, 2020, which changed the reporting logic for the status of cleared trades. Following the upgrade, the percentage of IRD cleared trades appears to be lower compared to historical averages, as firms switched to the new reporting logic.

Chart 6: Percentage of IRD Cleared Notional and Trade Count

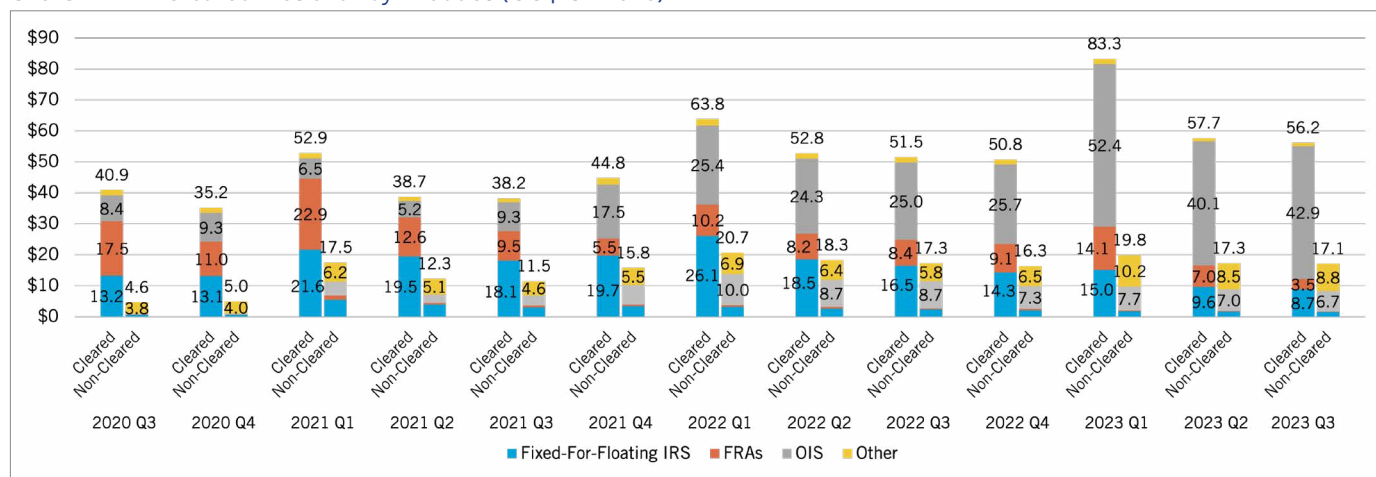


Source: DTCC SDR

In the third quarter of 2023, \$8.7 trillion (85.9%) of fixed-for-floating IRS traded notional was cleared and \$1.4 trillion was non-cleared. Cleared FRA and OIS traded notional was \$3.5 trillion (94.1%) and \$42.9 trillion (86.6%), respectively. \$1.1 trillion (11.3%) of other IRD products traded notional was cleared and \$8.8 trillion was non-cleared (see Chart 7).

In the nine months to September 30, 2023, \$33.3 trillion (87.2%) of fixed-for-floating IRS traded notional was cleared and \$4.9 trillion was non-cleared. Traded notional of cleared FRAs and OIS was \$24.6 trillion (97.7%) and \$135.3 trillion (86.4%), respectively. \$3.9 trillion (12.4%) of other IRD products traded notional was cleared and \$27.5 trillion was non-cleared.

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

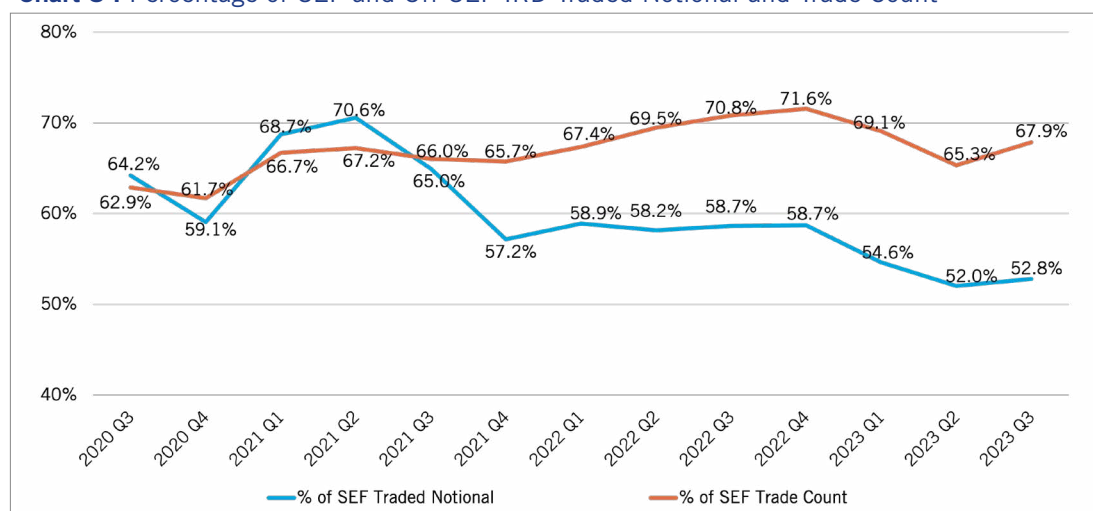


Source: DTCC SDR

IRD Trading Venue

SEF-traded IRD made up 52.8% of total IRD traded notional and 67.9% of trade count in the third quarter of 2023 (see Chart 8). Total IRD traded notional executed on SEFs was \$38.7 trillion and \$34.6 trillion occurred off-SEF. In terms of trade count, 400.8 thousand transactions were executed on SEFs and 189.6 thousand took place off-SEF.

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

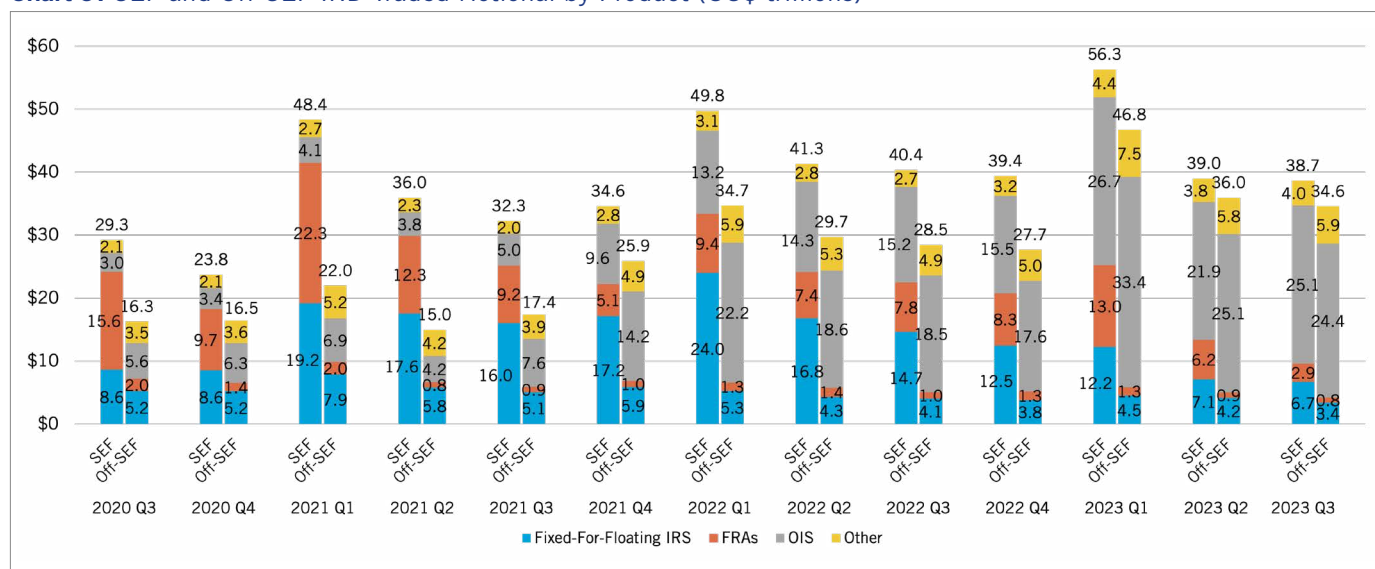


Source: DTCC SDR

In the third quarter of 2023, \$6.7 trillion (66.1%) of fixed-for-floating IRS traded notional took place on SEFs and \$3.4 trillion was executed off-SEF. \$2.9 trillion (78.9%) of FRA traded notional occurred on SEFs and \$781.5 billion was traded off-SEF. \$25.1 trillion (50.6%) of OIS traded notional was executed on SEFs and \$24.4 trillion took place off-SEF (see Chart 9).

In the nine months to September 30, 2023, \$26.1 trillion (68.3%) of fixed-for-floating IRS traded notional was executed on SEFs and \$12.1 trillion occurred off-SEF. \$22.1 trillion (88.1%) of FRA traded notional took place on SEFs and \$3.0 trillion was executed off-SEF. \$73.7 trillion (47.0%) of OIS traded notional occurred on SEFs and \$83.0 trillion was traded off-SEF.

Chart 9: SEF and Off-SEF IRD Traded Notional by Product (US\$ trillions)

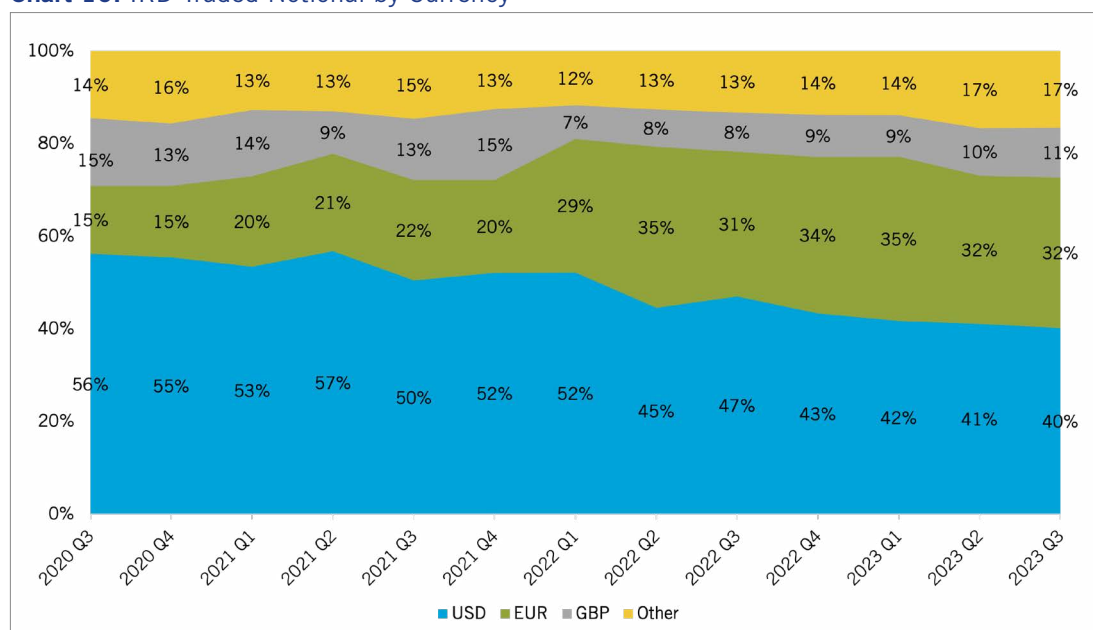


Source: DTCC SDR

IRD by Currency

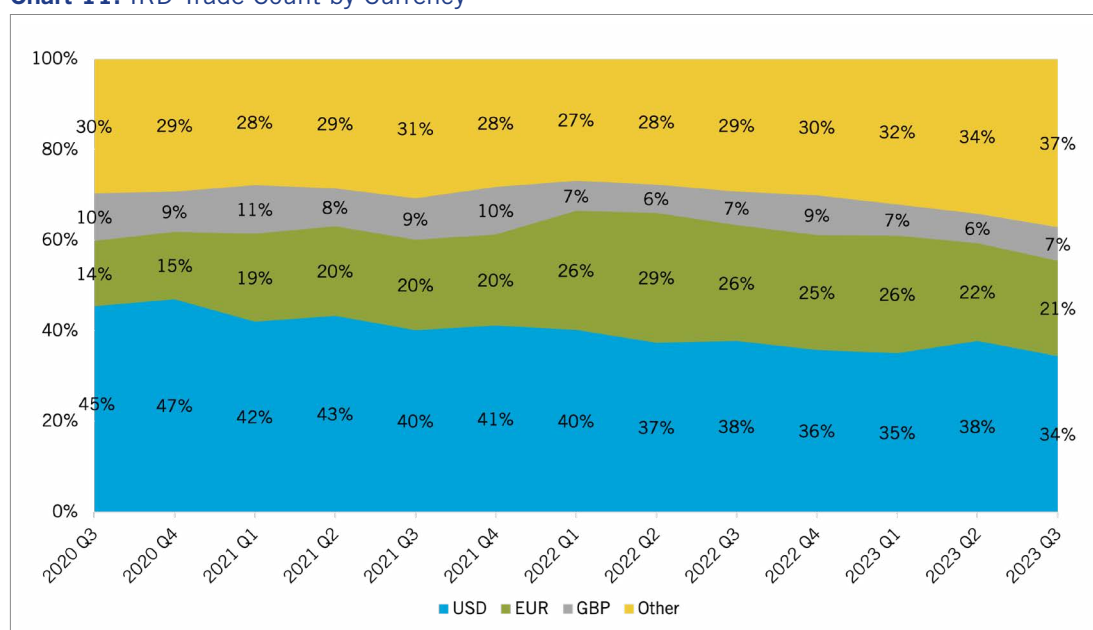
US-dollar-denominated IRD transactions comprised 40.2% of total IRD traded notional and 34.4% of trade count in the third quarter of 2023. Euro-denominated IRD accounted for 32.4% of IRD traded notional and 21.1% of trade count. Sterling-denominated transactions made up 10.8% and 7.4% of IRD traded notional and trade count, respectively. Other currencies accounted for 16.5% of IRD traded notional and 37.1% of trade count⁶ (see Chart 10 and Chart 11).

Chart 10: IRD Traded Notional by Currency



Source: DTCC SDR

Chart 11: IRD Trade Count by Currency



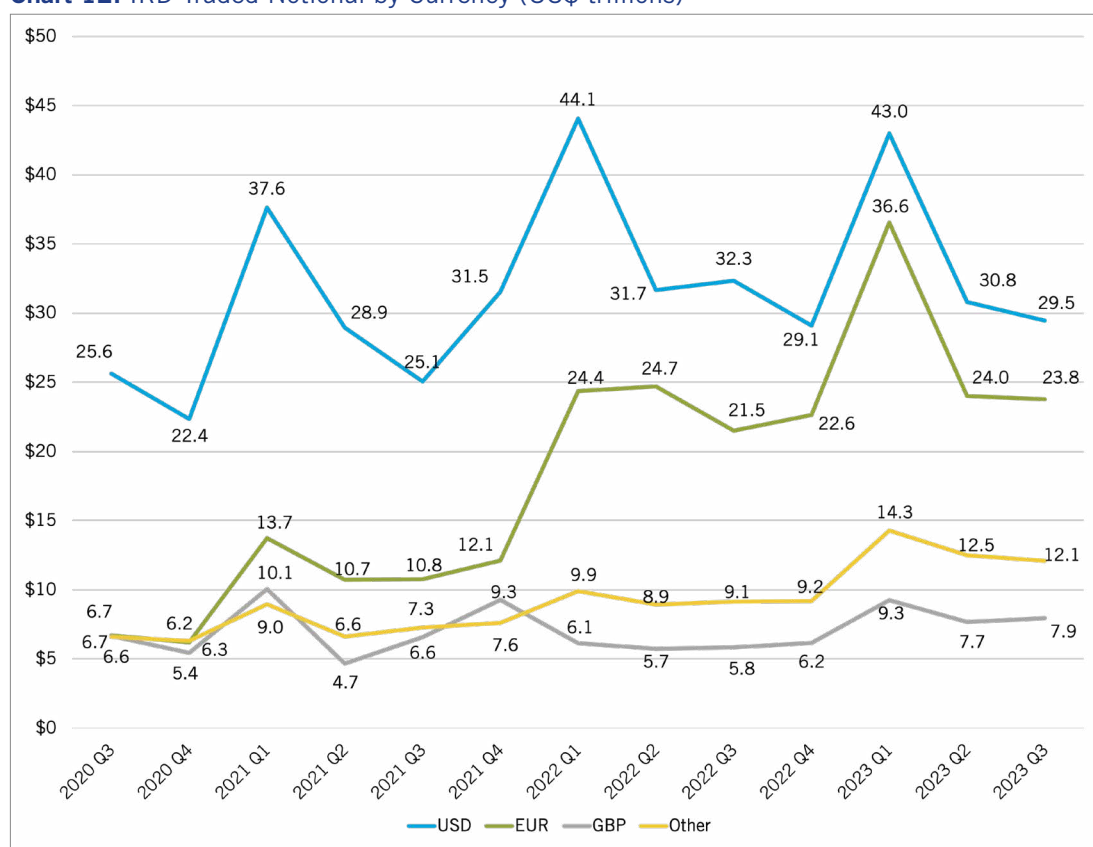
Source: DTCC SDR

⁶ Other currencies include Japanese yen, Australian dollar, Canadian dollar, Mexican peso, New Zealand dollar, South Korean won and 'other'. Cross-currency swaps are also included in other currencies

US-dollar-denominated IRD traded notional declined by 8.9% to \$29.5 trillion in the third quarter of 2023 compared to \$32.3 trillion in the third quarter of 2022. Euro-denominated traded notional rose by 10.5% to \$23.8 trillion from \$21.5 trillion over the same interval. Sterling-denominated traded notional grew by 36.2% to \$7.9 trillion in the third quarter of 2023 from \$5.8 trillion in the third quarter of 2022 (see Chart 12).

In the nine months to September 30, 2023, US-dollar-denominated IRD traded notional fell by 4.4% to \$103.3 trillion from \$108.1 trillion in the nine months to September 30, 2022. Euro-denominated traded notional rose by 19.5% to \$84.3 trillion from \$70.6 trillion. Sterling-denominated traded notional increased by 40.5% to \$24.9 trillion and IRD traded notional in other currencies grew by 38.9% to \$38.9 trillion.

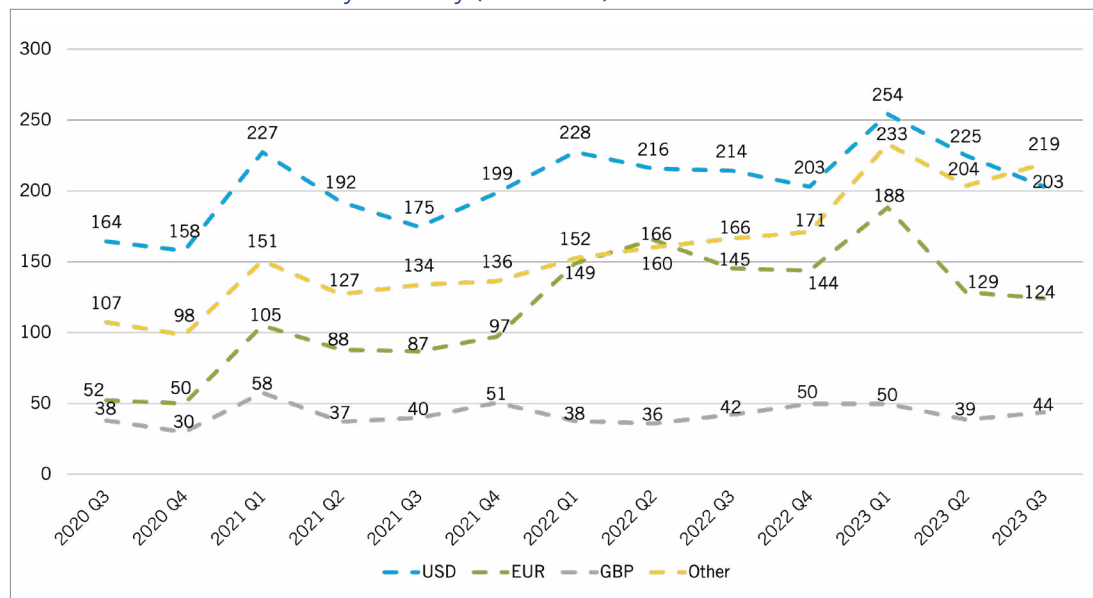
Chart 12: IRD Traded Notional by Currency (US\$ trillions)



Source: DTCC SDR

US-dollar-denominated IRD trade count dropped by 5.2% to 203.1 thousand, while euro-denominated transactions fell by 14.5% to 124.3 thousand in the third quarter of 2023 versus the third quarter of 2022. Sterling-denominated IRD trade count rose by 3.9% to 43.7 thousand (see Chart 13).

Trade count of US-dollar-denominated IRD increased by 3.8% to 682.3 thousand in the nine months to September 30, 2023 versus 657.6 thousand in the same period of 2022. Euro-denominated transactions fell by 4.1% to 441.0 thousand from 459.8 thousand, while sterling-denominated trade count increased by 14.2%.

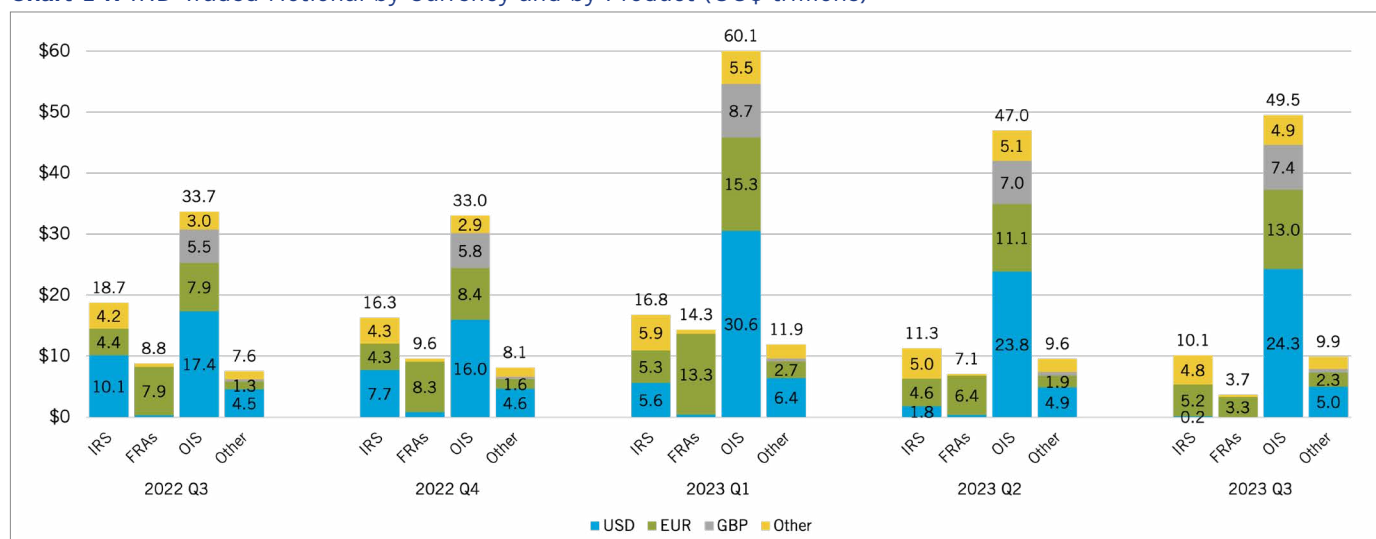
Chart 13: IRD Trade Count by Currency (thousands)


Source: DTCC SDR

US-dollar-denominated OIS traded notional increased by 39.8% to \$24.3 trillion in the third quarter of 2023 from \$17.4 trillion in the third quarter of 2022. Euro-denominated OIS traded notional rose by 64.0% to \$13.0 trillion from \$7.9 trillion and sterling-denominated OIS traded notional grew by 34.7% to \$7.4 trillion from \$5.5 trillion (see Chart 14).

US-dollar-denominated fixed-for-floating IRS traded notional fell by 98.4% to \$161.1 billion in the third quarter of 2023 versus \$10.1 trillion in the third quarter of 2022. Euro-denominated fixed-for-floating IRS traded notional rose by 18.0% to \$5.2 trillion from \$4.4 trillion and sterling-denominated IRS traded notional declined by 45.3% to \$1.4 billion from \$2.5 billion over the same period.

US-dollar-denominated FRA traded notional dropped by 99.6% to \$1.2 billion in the third quarter of 2023 from \$296.0 billion in the third quarter of 2022, while euro-denominated FRA traded notional fell by 58.2% to \$3.3 trillion from \$7.9 trillion. There were no sterling-denominated FRAs in the third quarter of 2023.

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


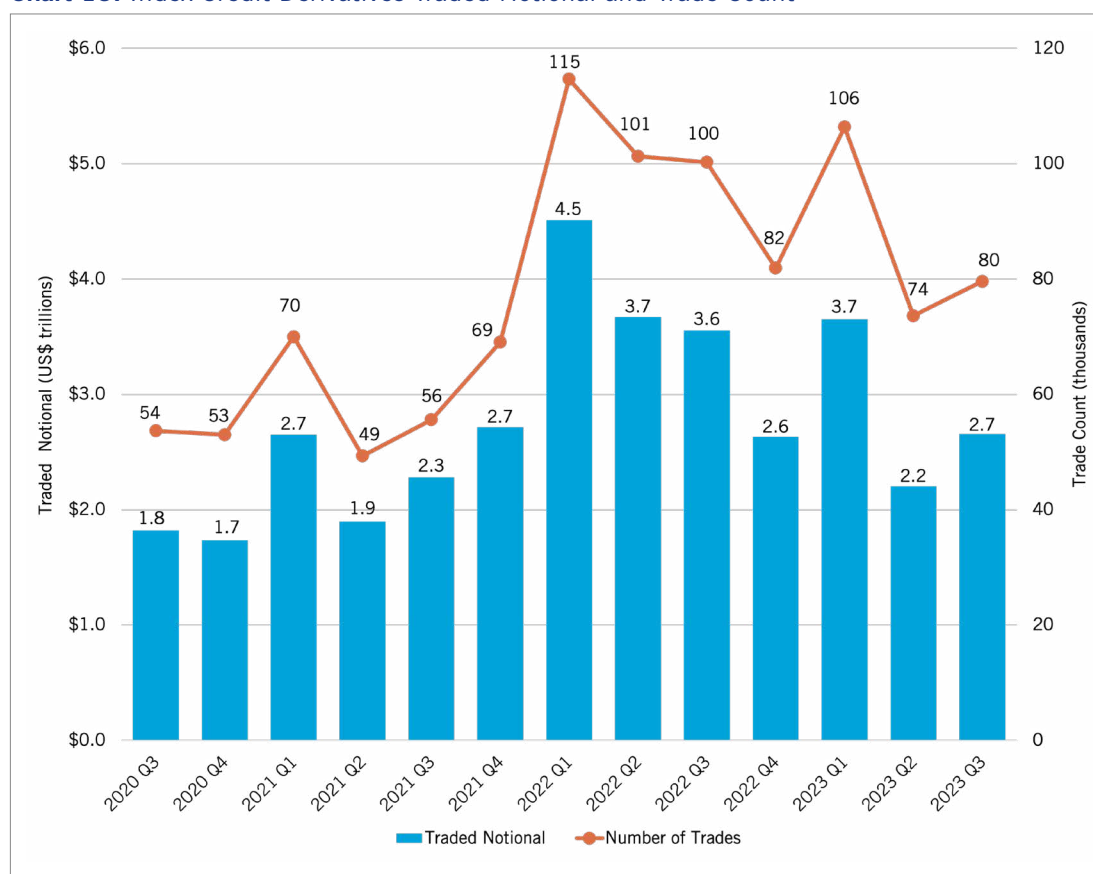
Source: DTCC SDR

INDEX CREDIT DERIVATIVES REPORTED UNDER CFTC REGULATIONS

Index credit derivatives traded notional fell by 25.2% to \$2.7 trillion in the third quarter of 2023 from \$3.6 trillion in the third quarter of 2022⁷. The number of trades dropped by 20.4% to 79.8 thousand from 100.3 thousand over the same period (see Chart 15).

In the nine months to September 30, 2023, index credit derivatives traded notional declined by 27.4% to \$8.5 trillion from \$11.7 trillion in the nine months to September 30, 2022. Trade count fell by 17.7% to 260.4 thousand from 316.3 thousand over the same period.

Chart 15: Index Credit Derivatives Traded Notional and Trade Count



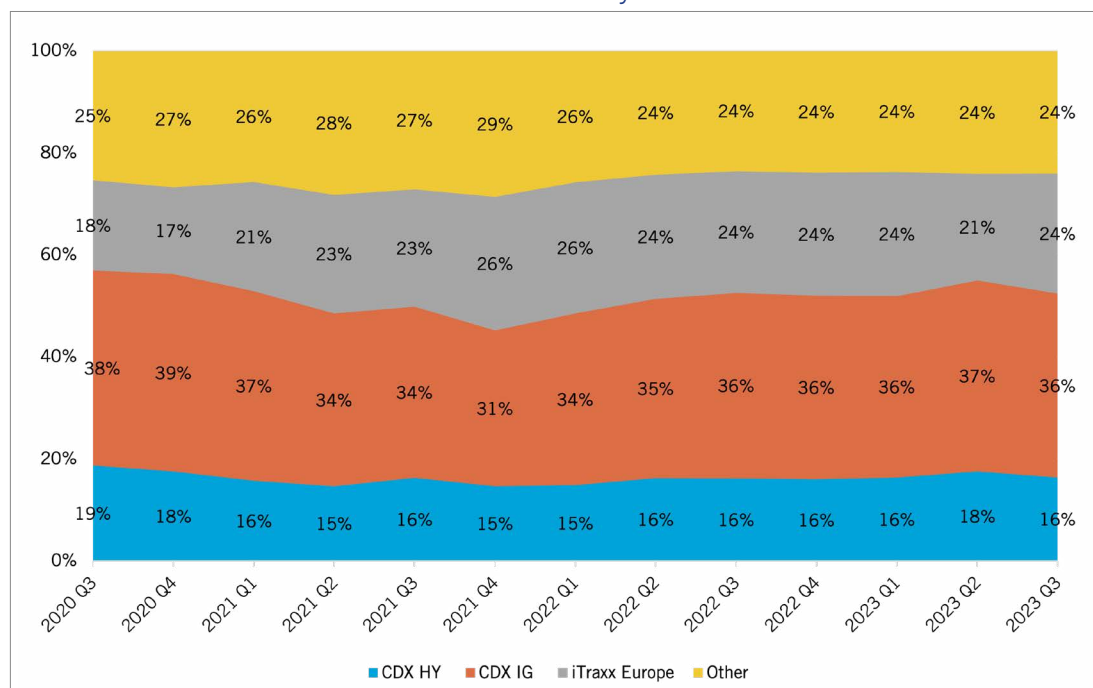
Source: DTCC SDR

⁷ Index 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. This data only includes transactions reported to DTCC SDR under CFTC regulations. Credit derivatives reported to the DTCC SBSDR under SEC regulations are not included in this data

Index Credit Derivatives Product Taxonomy

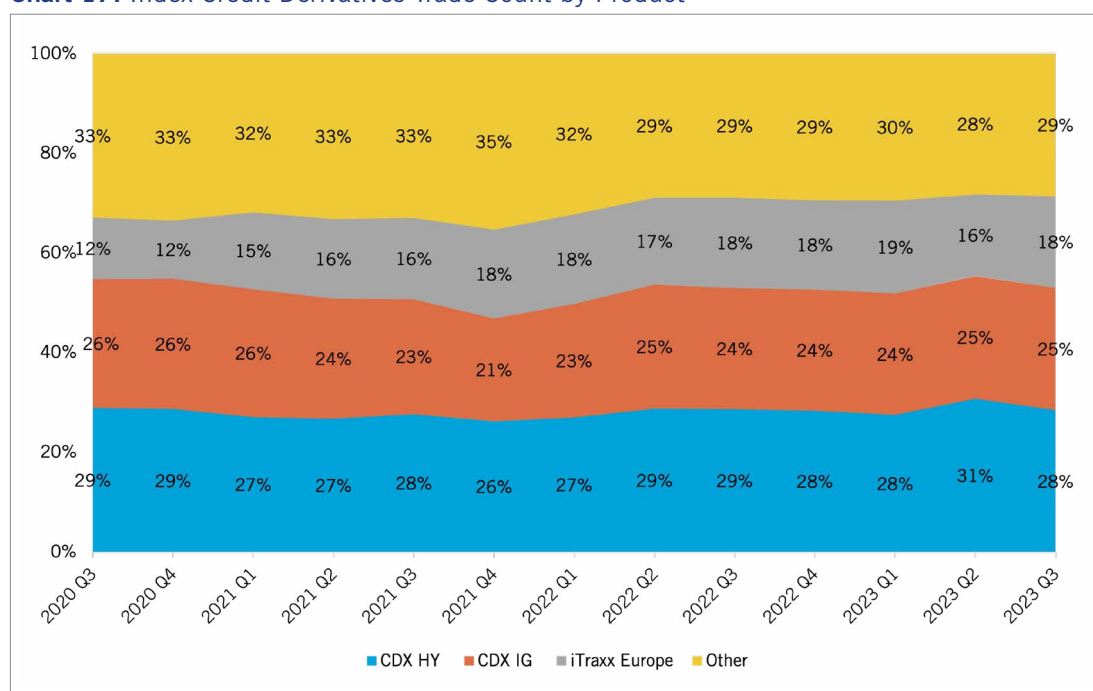
CDX HY and CDX IG represented 16.3% and 36.1% of total index credit derivatives traded notional and 28.4% and 24.6% of total trade count in the third quarter of 2023. iTraxx Europe accounted for 23.5% of traded notional and 18.4% of trade count (see Chart 16 and Chart 17).

Chart 16: Index Credit Derivatives Traded Notional by Product



Source: DTCC SDR

Chart 17: Index Credit Derivatives Trade Count by Product



Source: DTCC SDR

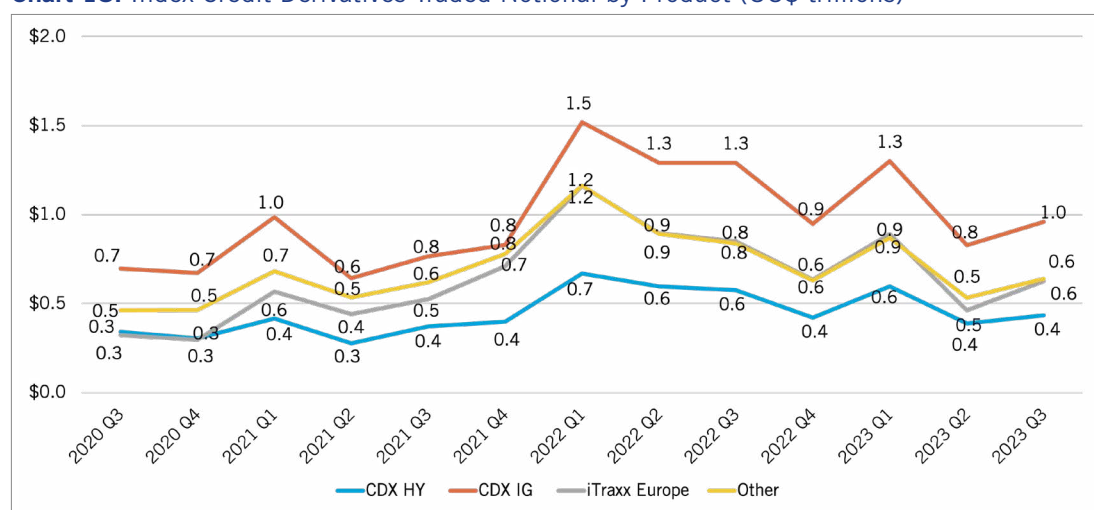
CDX HY and CDX IG traded notional fell by 24.4% and 25.8%, respectively, in the third quarter of 2023 compared to the third quarter of 2022. CDX HY traded notional dropped to \$434.7 billion from \$575.4 billion and CDX IG traded notional declined to \$958.9 billion from \$1.3 trillion. CDX HY trade count dropped by 20.9% to 22.7 thousand from 28.7 thousand and CDX IG trade count fell by 19.4% to 19.6 thousand from 24.4 thousand over the same period (see Chart 18 and Chart 19).

iTraxx Europe traded notional fell by 26.3% to \$625.9 billion in the third quarter of 2023 from \$849.5 billion in the third quarter of 2022. Trade count dropped by 19.5% to 14.7 thousand from 18.2 thousand over the same period.

In the nine months to September 30, 2023, CDX HY traded notional declined by 22.9% to \$1.4 trillion from \$1.8 trillion in the nine months to September 30, 2022. CDX IG traded notional fell by 24.7% to \$3.1 trillion from \$4.1 trillion over the same period. Trade count for CDX HY and CDX IG fell by 15.8% to 74.8 thousand and by 15.7% to 63.8 thousand, respectively.

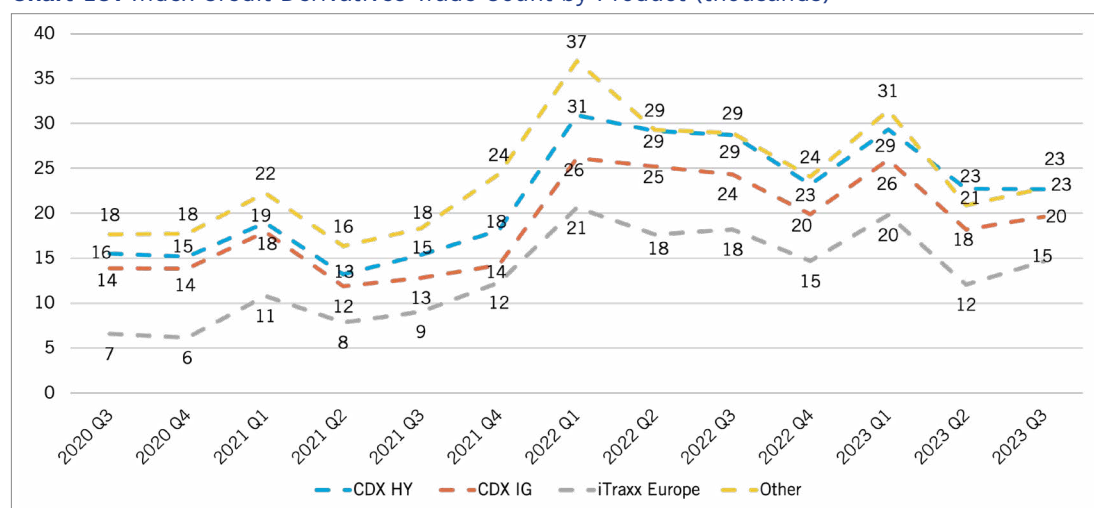
iTraxx Europe traded notional decreased by 31.9% to \$2.0 trillion in the nine months to September 30, 2023 compared to \$2.9 trillion in the same period of 2022. Trade count fell by 17.6% to 46.6 thousand.

Chart 18: Index Credit Derivatives Traded Notional by Product (US\$ trillions)



Source: DTCC SDR

Chart 19: Index Credit Derivatives Trade Count by Product (thousands)



Source: DTCC SDR

Index Credit Derivatives Average Daily Traded Notional, Trade Count and Trade Size

Average daily traded notional of CDX HY and CDX IG fell to \$6.9 billion and \$15.2 billion in the third quarter of 2023, a decline of 23.3% and 24.6%, respectively, versus the third quarter of 2022. Average daily trade count of CDX HY dropped by 19.7% to 360 and CDX IG fell by 18.1% to 312. Average trade size of CDX HY and CDX IG decreased to \$17.0 million and \$46.4 million, respectively (see Table 2).

iTraxx Europe average daily traded notional fell by 26.3% to \$9.8 billion, while average daily trade count decreased by 19.5% to 229. iTraxx Europe average trade size declined by 10.8% to \$40.3 million in the third quarter of 2023 compared to \$45.2 million in the third quarter of 2022.

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

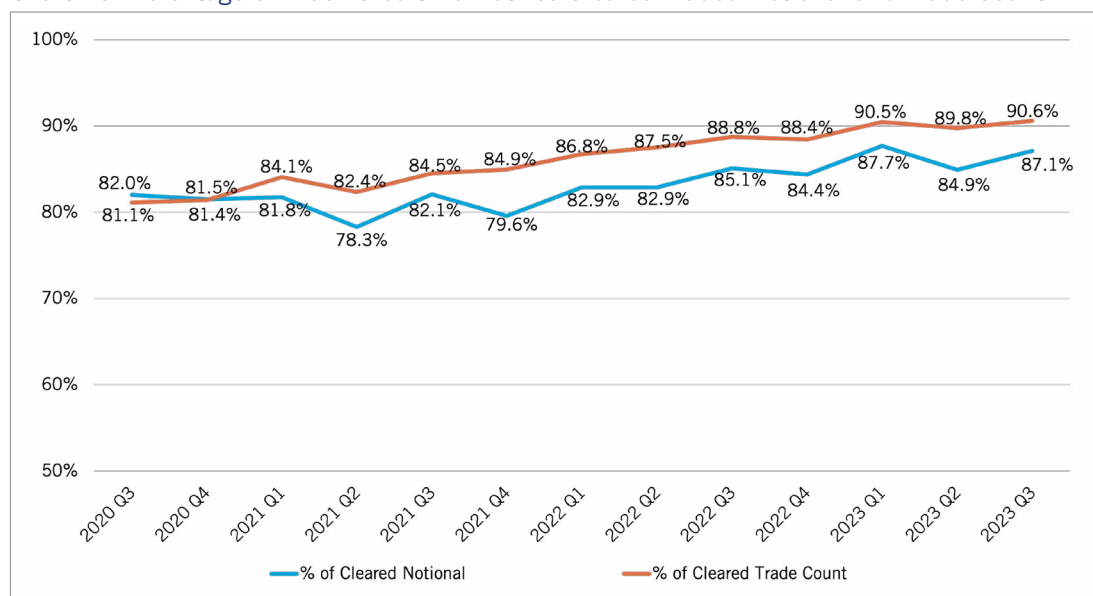
	Average Daily Traded Notional (US\$ billions)			Average Daily Trade Count			Average Trade Size (US\$ millions)		
	CDX HY	CDX IG	iTraxx Europe	CDX HY	CDX IG	iTraxx Europe	CDX HY	CDX IG	iTraxx Europe
2023 Q3	6.9	15.2	9.8	360	312	229	17.0	46.4	40.3
2022 Q3	9.0	20.2	13.3	449	381	285	18.7	51.3	45.2
2023 Q3 vs. 2022 Q3	-23.2%	-24.6%	-26.3%	-19.7%	-18.1%	-19.5%	-9.0%	-9.6%	-10.8%
YTD Q3 2023	7.6	16.4	10.5	398	340	247	17.7	46.6	40.5
YTD Q3 2022	9.8	21.8	15.5	473	403	302	19.9	53.1	50.4
YTD Q3 2023 vs. YTD Q3 2022	-22.9%	-24.7%	-32.7%	-15.8%	-15.7%	-18.3%	-11.2%	-12.2%	-19.5%

Source: DTCC SDR

Index Credit Derivatives Central Clearing

Cleared index credit derivatives transactions represented 87.1% of total index credit derivatives traded notional and 90.6% of trade count in the third quarter of 2023 (see Chart 20), totaling \$2.3 trillion and 72.1 thousand, respectively.

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



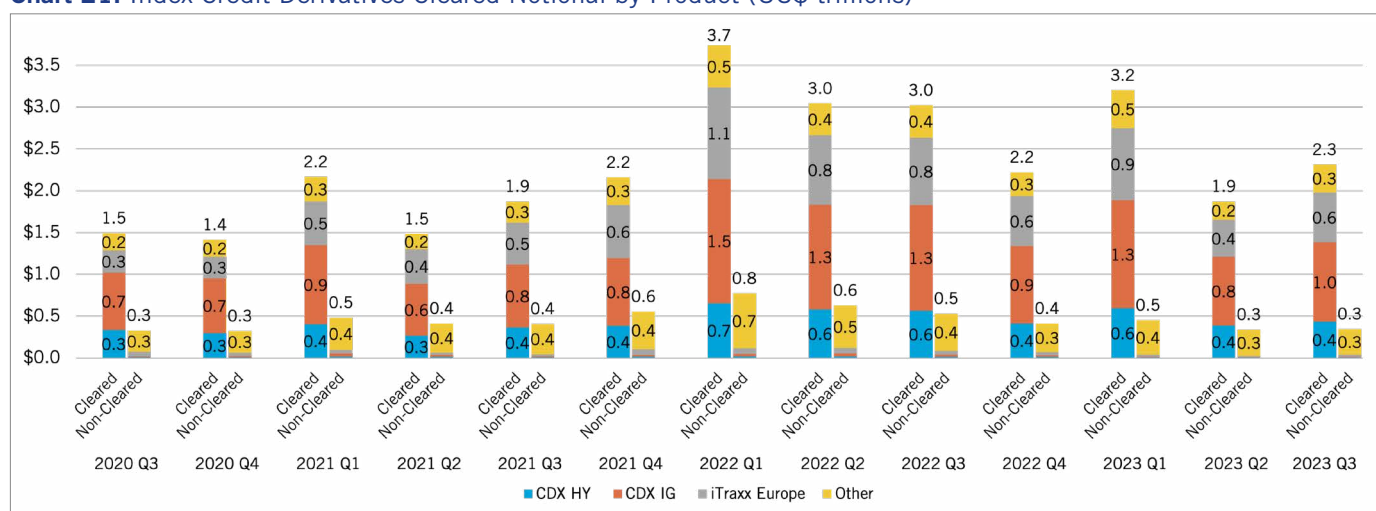
Source: DTCC SDR

In the third quarter of 2023, \$431.3 billion (99.2%) of CDX HY and \$951.4 billion (99.2%) of CDX IG traded notional was cleared, while \$3.4 billion and \$7.4 billion was non-cleared, respectively (see Chart 21).

iTraxx Europe cleared traded notional was \$597.8 billion (95.5%) in the third quarter of 2023, while non-cleared traded notional was \$28.1 billion. \$332.6 billion (52.0%) of other index credit derivatives traded notional was cleared and \$307.0 billion was non-cleared.

In the nine months to September 30, 2023, \$1.4 trillion (99.3%) of CDX HY, \$3.1 trillion (99.4%) of CDX IG and \$1.9 trillion (96.4%) of iTraxx Europe traded notional was cleared. \$1.0 trillion (49.3%) of other index credit derivatives traded notional was cleared and \$1.0 trillion was non-cleared.

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

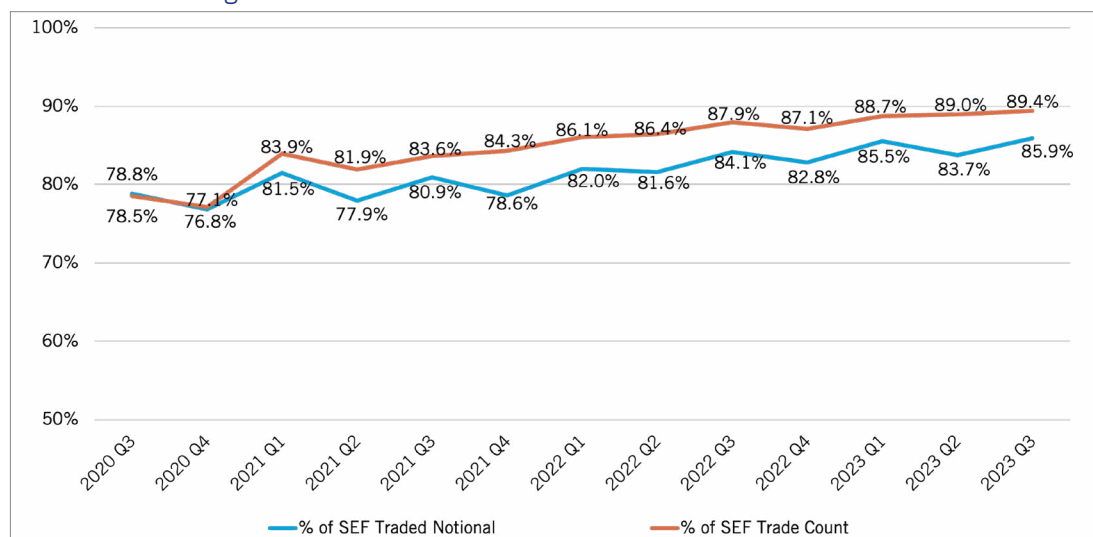


Source: DTCC SDR

Index Credit Derivatives Trading Venue

SEF-traded index credit derivatives made up 85.9% of total index credit derivatives traded notional and 89.4% of trade count in the third quarter of 2023 (see Chart 22). Total credit derivatives traded notional executed on SEFs was \$2.3 trillion and \$378.2 billion occurred off-SEF. 71.2 thousand transactions took place on SEFs and 8.6 thousand transactions were traded off-SEF.

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



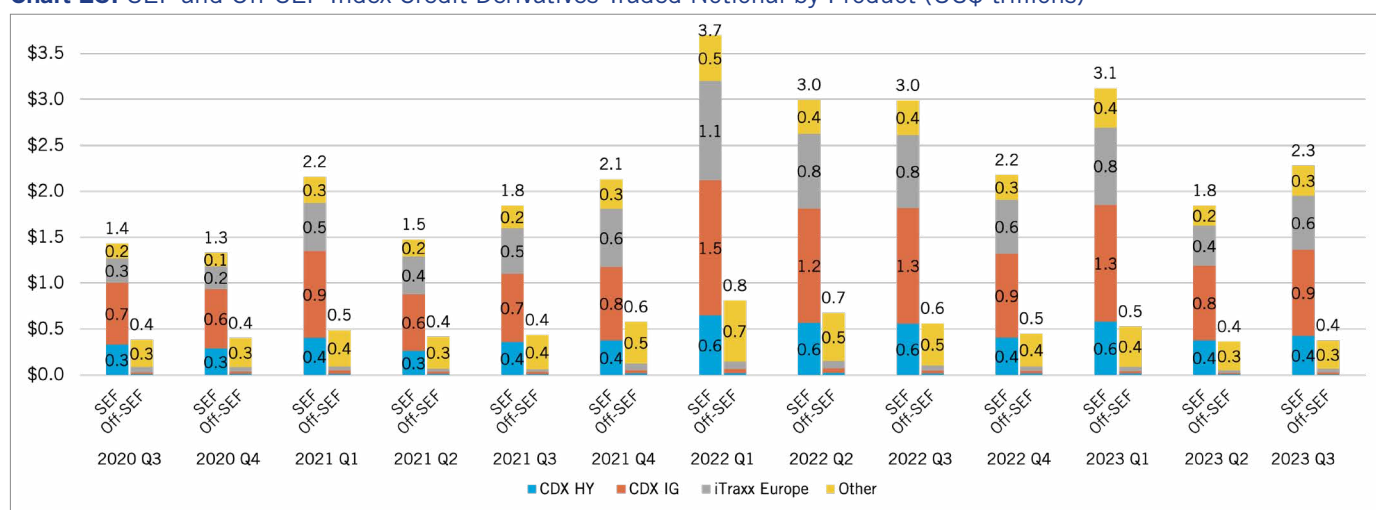
Source: DTCC SDR

In the third quarter of 2023, \$426.5 billion (98.1%) of CDX HY and \$939.2 billion (98.0%) of CDX IG traded notional occurred on SEFs and \$8.2 billion and \$19.6 billion, respectively, was executed off-SEF.

\$585.0 billion (93.5%) of iTraxx Europe traded notional took place on SEFs and \$40.9 billion occurred off-SEF. Only \$330.1 billion (51.6%) of traded notional for other index credit derivatives was executed on SEFs and \$309.4 billion was traded off-SEF (see Chart 23).

In the nine months to September 30, 2023, \$1.4 trillion (97.6%) of CDX HY, \$3.0 trillion (98.0%) of CDX IG and \$1.9 trillion (94.3%) of iTraxx Europe traded notional occurred on SEFs. \$977.1 billion (47.9%) of other index credit derivatives traded notional was executed on SEFs and \$1.1 trillion took place off-SEF.

Chart 23: SEF and Off-SEF Index Credit Derivatives Traded Notional by Product (US\$ trillions)

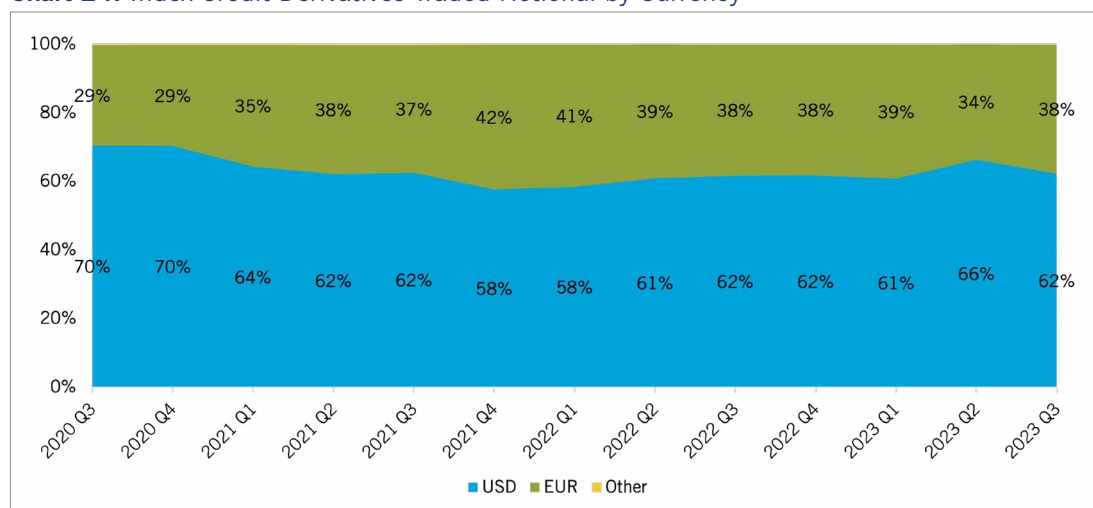


Source: DTCC SDR

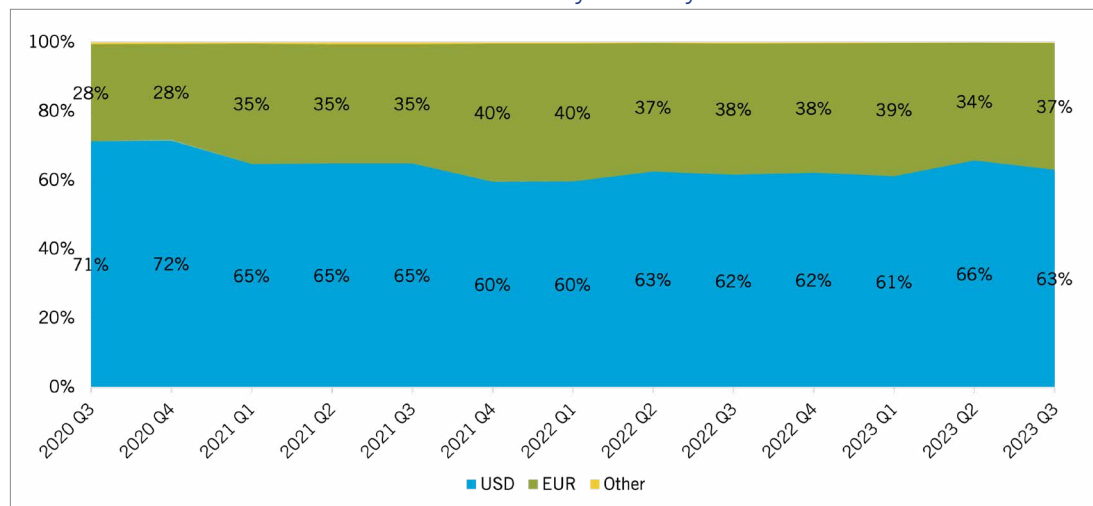
Index Credit Derivatives by Currency

Index credit derivatives contracts denominated in US dollars comprised 62.2% and 63.1% of traded notional and trade count, respectively, in the third quarter of 2023. Euro-denominated transactions accounted for 37.7% and 36.7% of traded notional and trade count, respectively (see Chart 24 and Chart 25).

Chart 24: Index Credit Derivatives Traded Notional by Currency



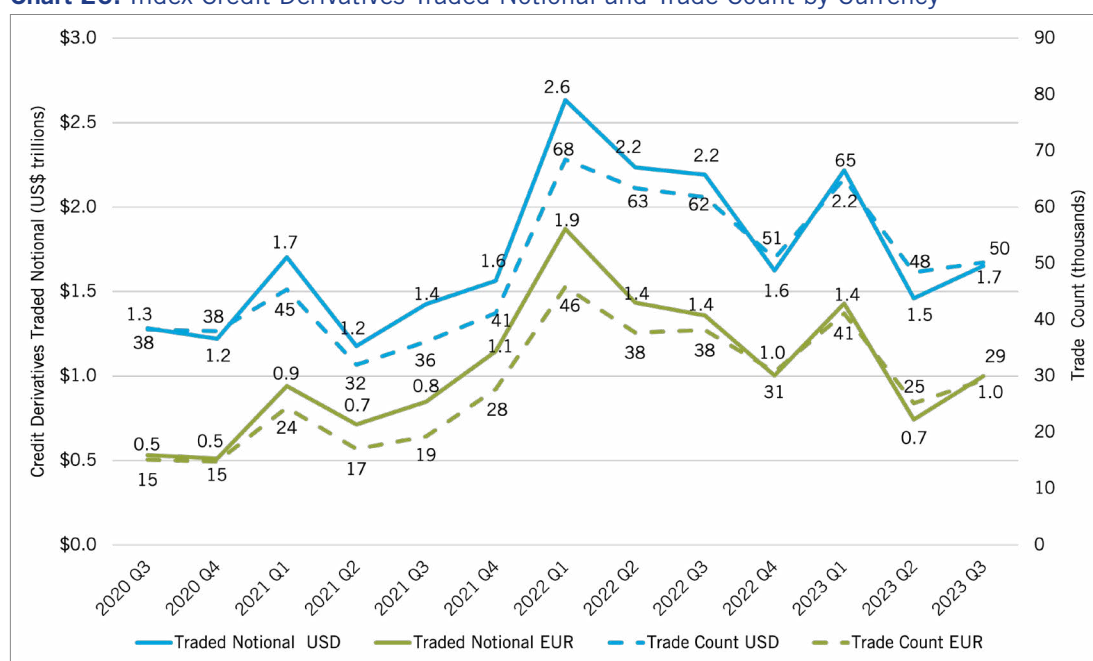
Source: DTCC SDR

Chart 25: Index Credit Derivatives Trade Count by Currency


Source: DTCC SDR

US-dollar-denominated index credit derivatives traded notional dropped by 24.5% to \$1.7 trillion in the third quarter of 2023 compared to \$2.2 trillion in the third quarter of 2022. Euro-denominated traded notional fell by 26.3% to \$1.0 trillion in the third quarter of 2023 compared to \$1.4 trillion in the third quarter of 2022. US-dollar- and euro-denominated index credit derivatives trade count declined by 18.5% and 23.1%, respectively (see Chart 26).

In the nine months to September 30, 2023, US-dollar-denominated index credit derivatives traded notional fell by 24.3% to \$5.3 trillion from \$7.1 trillion in the nine months to September 30, 2022. Euro-denominated traded notional declined by 32.0% to \$3.2 trillion over the same period. US-dollar- and euro-denominated trade count dropped by 15.1% and 21.4% to 164.3 thousand and 95.6 thousand, respectively.

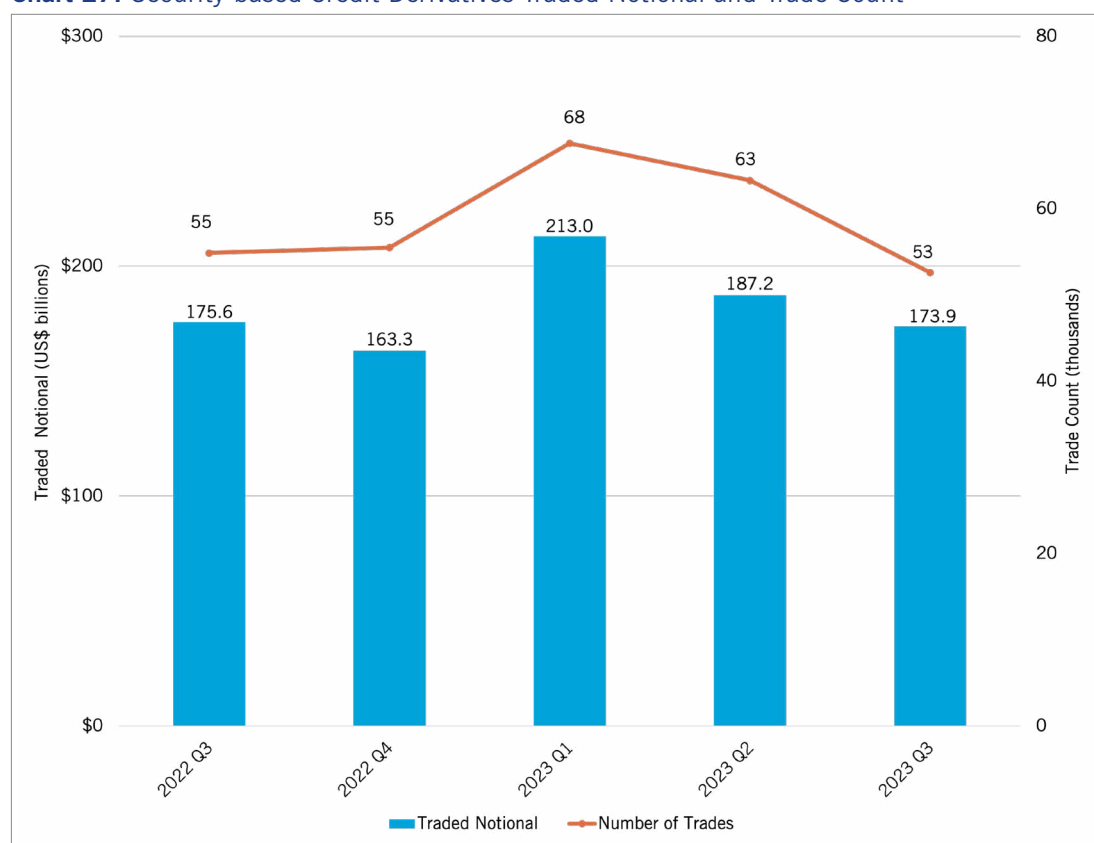
Chart 26: Index Credit Derivatives Traded Notional and Trade Count by Currency


Source: DTCC SDR

SECURITY-BASED CREDIT DERIVATIVES REPORTED UNDER SEC REGULATIONS

Security-based credit derivatives traded notional fell by 1.0% to \$173.9 billion in the third quarter of 2023 from \$175.6 billion in the third quarter of 2022. Trade count dropped by 4.1% to 52.6 thousand from 54.9 thousand over the same period^{8,9} (see Chart 27).

Chart 27: Security-based Credit Derivatives Traded Notional and Trade Count¹⁰



Source: DTCC and ICE Trade Vault SBSDRs

⁸ Security-based credit derivatives mostly comprise single-name CDS, but also include total return swaps, index, exotic, index tranche, swaptions and other single-name swaps (eg, asset-backed, loan and municipal security-based swaps)

⁹ This data includes security-based credit derivatives transactions reported to the DTCC SBSDR and ICE Trade Vault from February 2022 under SEC regulations. It does not include any transactions that are required to be reported to the DTCC SDR under CFTC regulations

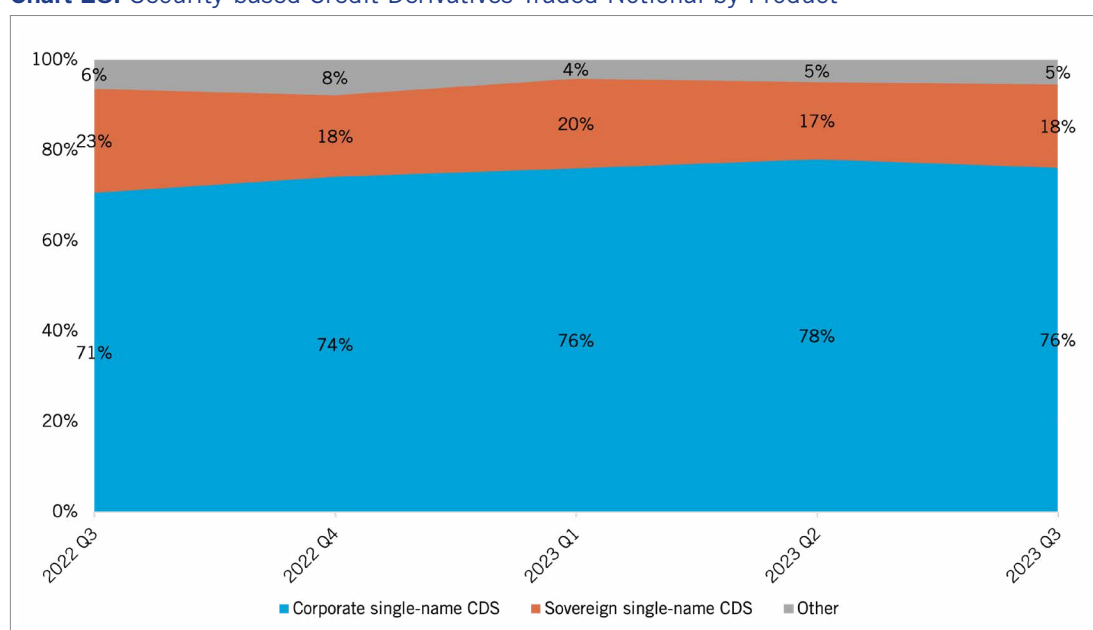
¹⁰ Historical data has been updated to include ICE Trade Vault data. Previously published reports only included data reported to the DTCC SBSDR

Security-based Credit Derivatives Product Taxonomy

Corporate single-name CDS traded notional accounted for 76.1% of total security-based credit derivatives traded notional, while sovereign single-name CDS represented 18.4%. Corporate and sovereign single-name CDS made up 77.1% and 14.7% of total trade count, respectively, in the third quarter of 2023 (see Chart 28 and Chart 29).

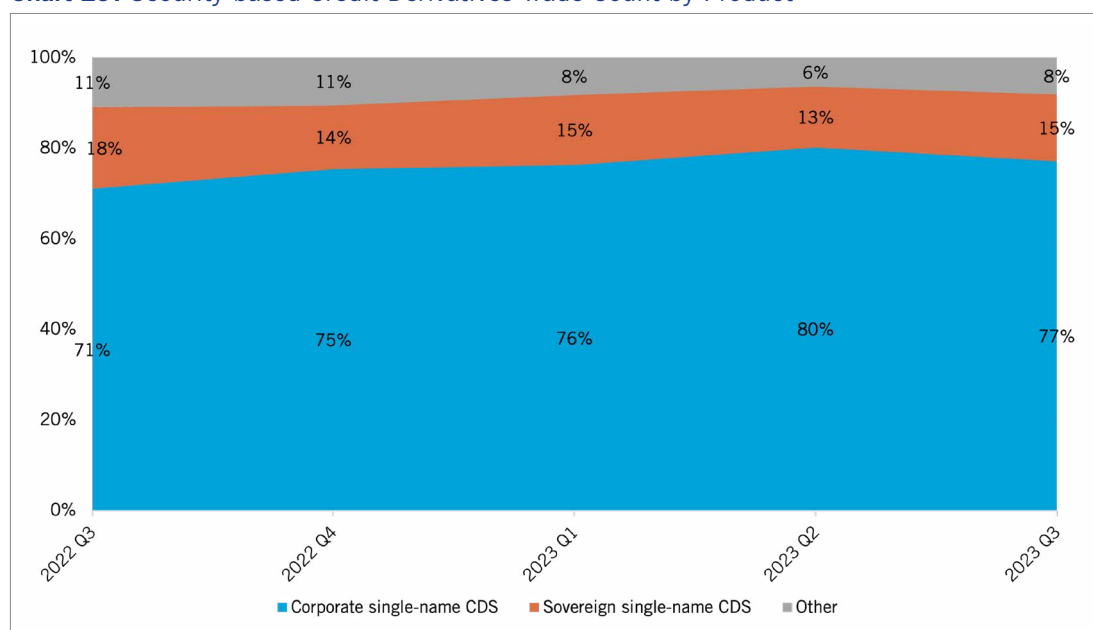
Other security-based credit derivatives, including total return swaps, index, exotic, index tranche, swaptions and other single-name swaps (eg, asset-backed, loan and municipal security-based swaps) totaled 5.5% of total security-based credit derivatives traded notional and 8.2% of total trade count in the third quarter of 2023.

Chart 28: Security-based Credit Derivatives Traded Notional by Product



Source: DTCC and ICE Trade Vault SBSDRs

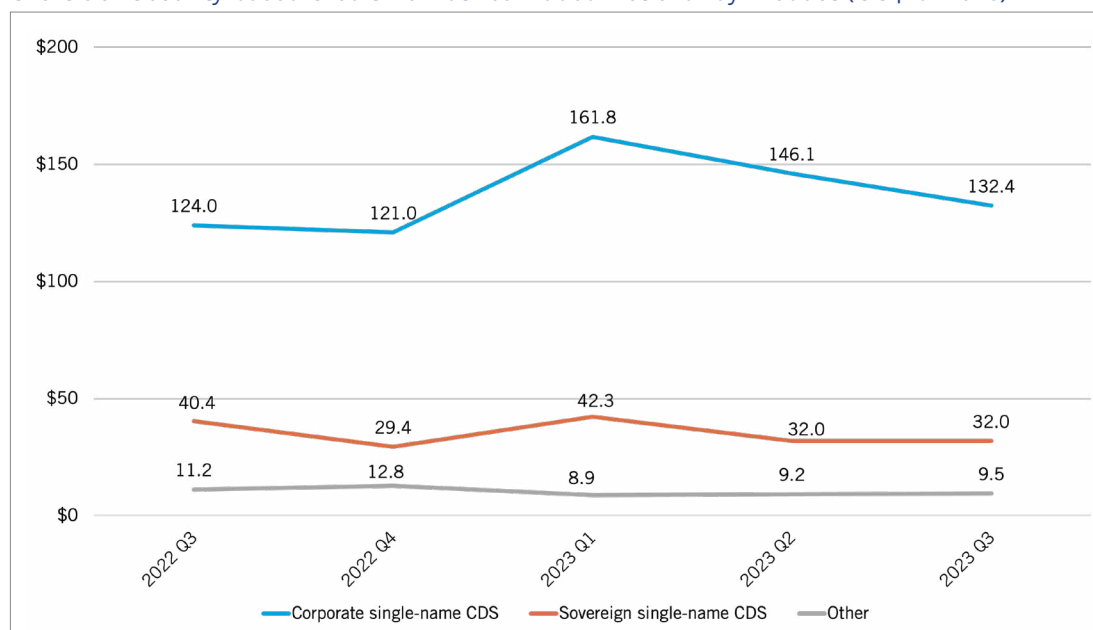
Chart 29: Security-based Credit Derivatives Trade Count by Product



Source: DTCC and ICE Trade Vault SBSDRs

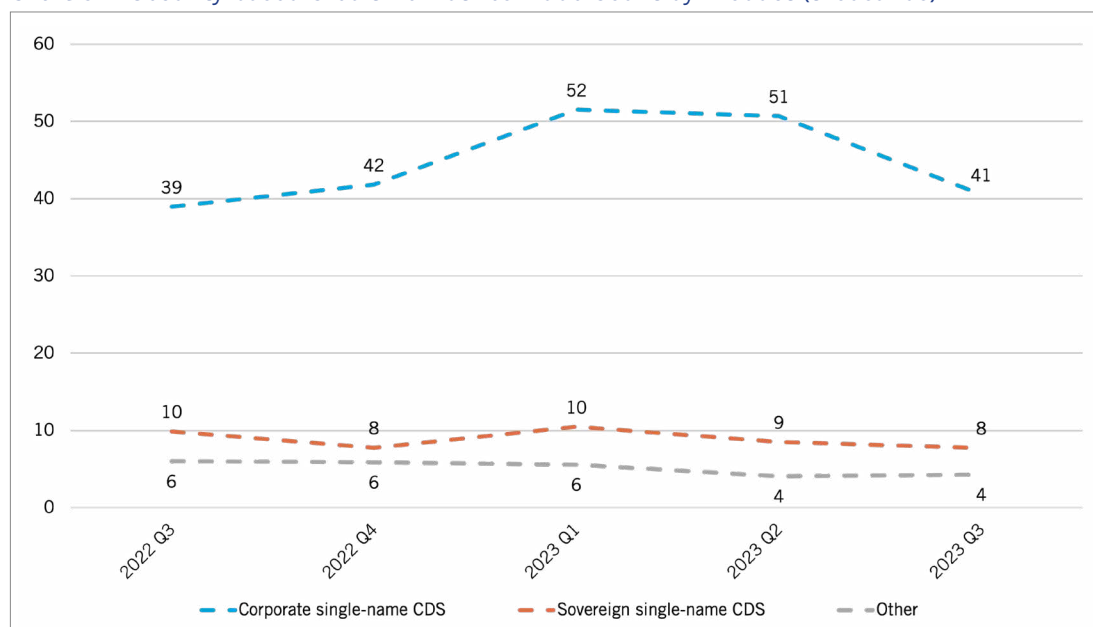
Corporate single-name CDS traded notional increased by 6.8% to \$132.4 billion in the third quarter of 2023 from \$124.0 billion in the third quarter of 2022, while trade count grew by 4.1% to 40.5 thousand from 39.0 thousand. Sovereign single-name CDS traded notional fell by 20.9% to \$32.0 billion from \$40.4 billion and trade count dropped by 21.6% to 7.8 thousand from 9.9 thousand (see Charts 30 and 31).

Chart 30: Security-based Credit Derivatives Traded Notional by Product (US\$ billions)



Source: DTCC and ICE Trade Vault SBSDRs

Chart 31: Security-based Credit Derivatives Trade Count by Product (thousands)

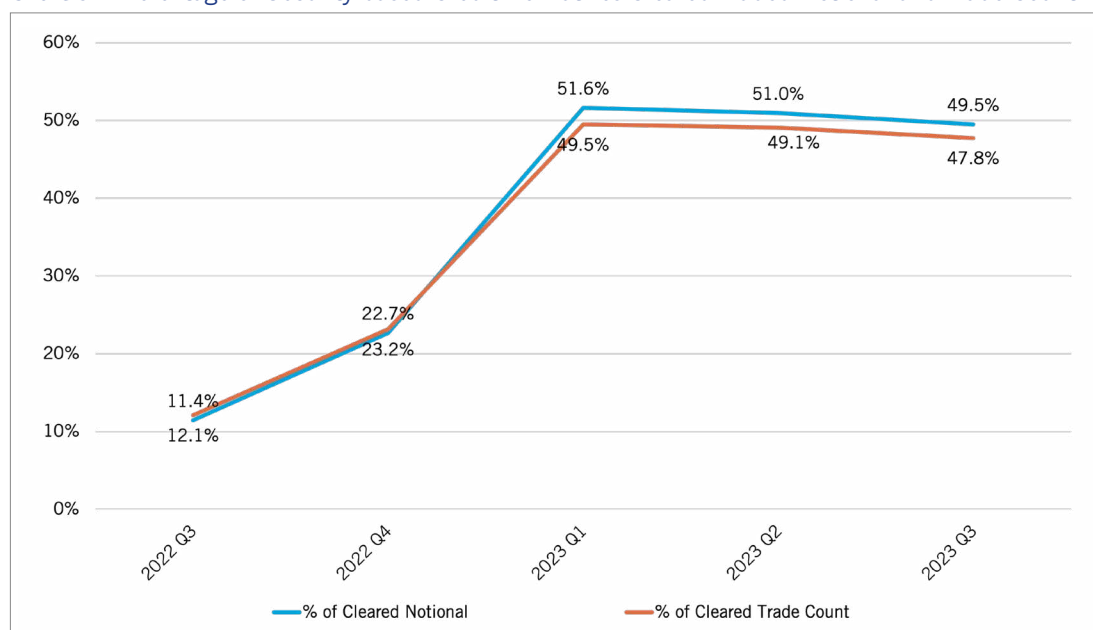


Source: DTCC and ICE Trade Vault SBSDRs

Security-based Credit Derivatives Central Clearing

Cleared security-based credit derivatives transactions accounted for 49.5% of total security-based credit derivatives traded notional and 47.8% of total trade count in the third quarter of 2023 (see Chart 32). 53.3% of corporate single-name CDS and 48.0% of sovereign single-name CDS traded notional was cleared¹¹.

Chart 32: Percentage of Security-based Credit Derivatives Cleared Traded Notional and Trade Count¹²



Source: DTCC and ICE Trade Vault SBSDRs

¹¹ Cleared includes transactions that have been cleared or are planned to be submitted to clearing

¹² The percentage of cleared transactions increased significantly in the first quarter of 2023 due to the change in reporting logic. Prior to December 2022, only 'Yes' or 'No' was expected to be reported for the cleared status. Following the change, 'Intent to clear' is also expected to be reported for transactions that are planned to be submitted to clearing



ISDA has published other recent research papers:

- ***Overview of the Canadian Derivatives Markets***

www.isda.org/a/J97gE/Overview-of-the-Canadian-Derivatives-Market.pdf

- ***ISDA-Clarus RFR Adoption Indicator: September 2023***

www.isda.org/a/pb7gE/ISDA-Clarus-RFR-Adoption-Indicator-September-2023.pdf

- ***Examining IRD Trading Activity in Response to Rising Interest Rates and RFR Transition***

www.isda.org/a/OV7gE/Examining-IRD-Trading-Activity-in-Response-to-Rising-Interest-Rates-and-RFR-Transition.pdf

ISDA has launched a new SwapsInfo page that shows weekly traded notional and trade count for credit derivatives reported under the SEC regulations. This data includes security-based credit derivatives transactions reported to the DTCC SBSDR and ICE Trade Vault from February 2022. It does not include any transactions that are required to be disclosed under CFTC regulations. The expanded SwapsInfo website is available here: www.swapsinfo.org/swaps-transaction-dtcc-sec-data/

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

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