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## **ISDA SwapsInfo 2014 Year in Review: IRD Average Daily Trade Counts Increase, Notional Volumes Decrease**

**NEW YORK, March 16, 2015** – Derivatives users are trading interest rate derivatives (IRD) more frequently but in smaller sizes, according to a review of 2014 trading volumes published today by the International Swaps and Derivatives Association, Inc. (ISDA).

The *ISDA SwapsInfo 2014 Year in Review* shows a decrease in IRD average daily notional volume in 2014, falling from \$588 billion in the first quarter of the year to \$484.4 billion in the fourth quarter. Average daily trade counts increased from 3,622 to 3,800 over the same period. This translates into a drop in the average size per trade from \$162.3 million in the first quarter to \$127.5 million in the last three months of the year. This trend emerged in both off-venue and swap execution facility (SEF) trading.

However, IRD trading volumes over the whole of 2014 were significantly higher than the year before. Average daily notional volume more than doubled over the period, from \$237.6 billion in 2013 to \$519.4 billion last year. Trade counts also increased by 44.6%, from an average of 2,447 trades per day in 2013 to 3,539 in 2014.

The proportion of cleared trades continued to grow over the course of last year, reaching 76.5% of average daily IRD notional in 2014 versus 71.7% in 2013. SEF trading has also grown, accounting for 52.4% of average daily notional volume versus 19% in 2013.

“Our research shows the impact of regulatory reforms on derivatives trading volumes. More than three quarters of interest rate derivatives average daily notional is now cleared. The number of trades conducted each day increased over the course of 2014, while trade sizes decreased,” said Scott O’Malia, ISDA Chief Executive Officer.

The ISDA research analyzes IRD and credit default swap (CDS) index trading volumes, using notional volumes and trade counts from the ISDA SwapsInfo site ([www.swapsinfo.org](http://www.swapsinfo.org)). The site uses publicly reported data from the Depository Trust & Clearing Corporation (DTCC) and Bloomberg US swap data repositories.

Highlights from the CDS index analysis include:

- CDS index total average daily trade counts and notional volume increased during 2014. SEF volumes increased during the year, while off-venue volumes decreased.

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- On a year-on-year basis, total average daily volume increased. Average daily trade counts grew by 12.2%, from 754 trades per day during 2013 to 846 trades during 2014. Average daily notional volume also increased, growing from \$28.5 billion in 2013 to \$30.5 billion in 2014. The daily average size of a CDS index transaction decreased slightly from \$37.8 million in 2013 to \$36.1 million in 2014.
- Cleared CDS index transactions continued to grow as a percentage of total volume during 2014. Average daily cleared trade counts and cleared notional volume accounted for 76.2% and 74.7% of the total volume in 2014, versus 35.5% and 37.7% in 2013.
- Average daily SEF trade counts accounted for 67.8% of total CDS index trading in 2014, while SEF average daily notional volume comprised 62.4% of the total.

The *ISDA SwapsInfo 2014 Year in Review* is available on 'Research' section of the ISDA website, under 'Research Notes' (<http://www2.isda.org/functional-areas/research/research-notes/>).

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**About ISDA SwapsInfo**

ISDA SwapsInfo.com was developed by ISDA in order to provide greater transparency on the derivatives markets. The site displays price and transaction data on IRD and CDS indices. It uses publicly reported data from the [DTCC's swap data repository service operated by DTCC Data Repository \(US\) LLC](#) and the [Bloomberg Swap Data Repository](#). The site also displays market risk activity (notional and trade counts) and notional outstanding (gross/net notional and trade counts) on CDS indices from the [Trade Information Warehouse service operated by DTCC Derivatives Repository \(UK\) Limited](#), and IRD notional outstanding from the [OTC Derivatives Regulators' Forum reporting service operated by DTCC Derivatives Repository \(UK\) Limited](#).

**About ISDA**

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 800 member institutions from 67 countries. These members include 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 including exchanges, clearinghouses 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 web site: [www.isda.org](http://www.isda.org).

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