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Research Note

Reshaping the Global IRD Landscape: Key Findings from the 2025 BIS Triennial Survey

This paper highlights changes in over-the-counter (OTC) interest rate derivatives (IRD) markets between April 2022 and April 2025, based on data from the Bank for International Settlements (BIS) Triennial Central Bank Survey. The survey provides a comprehensive view of global IRD trading activity across currencies and trading locations.

Global IRD average daily turnover rose by nearly 60% to $7.9 trillion in April 2025 from $5.0 trillion in April 2022. The increase was driven by strong growth in euro-denominated IRD trading, which surpassed US dollar-denominated instruments to account for the largest share of global turnover.

The UK strengthened its position as the leading global center for IRD trading, while EU-based sales desks recorded a marked increase as more euro-denominated transactions migrated to continental Europe. US-based turnover also grew but at a slower pace, resulting in a smaller global share in April 2025 than in April 2022.

EXECUTIVE SUMMARY

The latest BIS Triennial Survey, covering OTC IRD activity in April 2025, shows strong growth compared to April 2022. Global average daily turnover reached $7.9 trillion, an increase of 58.6% from $5.0 trillion three years earlier[1]. Growth was driven primarily by euro-denominated instruments, which overtook US-dollar-denominated transactions in global trading activity. Euro-denominated turnover rose by 91.5% to $3.0 trillion, lifting the euro's global share to 38.5%, while US dollar activity increased by only 7.2% to $2.4 trillion, reducing its share to 31.0%.

KEY HIGHLIGHTS BY REGION

UK

Turnover reported by sales desks located in the UK rose by 64.5% to $4.3 trillion in April 2025 from $2.6 trillion in April 2022, increasing the UK's global share to 49.8% from 45.5%. The UK remained the world's largest IRD trading center, supported by robust euro- and sterling-denominated activity. While US-dollar-denominated trading declined, domestic and European flows continued to underpin London's position as the primary hub for multi-currency derivatives trading.

US

The US remained the second largest IRD trading center, with turnover reported by US-based sales desks increasing by 22.6% to $2.1 trillion in April 2025 from $1.7 trillion in April 2022. Its global share fell to 23.9% from 29.3%, reflecting faster growth in European markets. Trading activity was dominated by US-dollar-denominated contracts, which accounted for more than 90% of turnover, while euro-denominated trading remained limited.

EU

Turnover reported by EU-based sales desks doubled to $1.2 trillion in April 2025 from $602 billion in April 2022, lifting the EU's global share to 13.9% from 10.4%. Growth was driven by euro-denominated trading, with activity concentrated in Germany and France, which together represented more than 80% of EU turnover.

Asia Pacific (ex-Japan)

Regional turnover declined by 4.4% to $606 billion in April 2025 from $634.0 billion in April 2022, reducing the region's global share to 7.0% from 11.0%. Within the region, Australia and Singapore expanded their shares, while Hong Kong reported a sharp drop, likely reflecting changes in the BIS methodology to exclude intra-dealer turnover. Trading in Australian- and US-dollar-denominated instruments accounted for the bulk of regional activity.

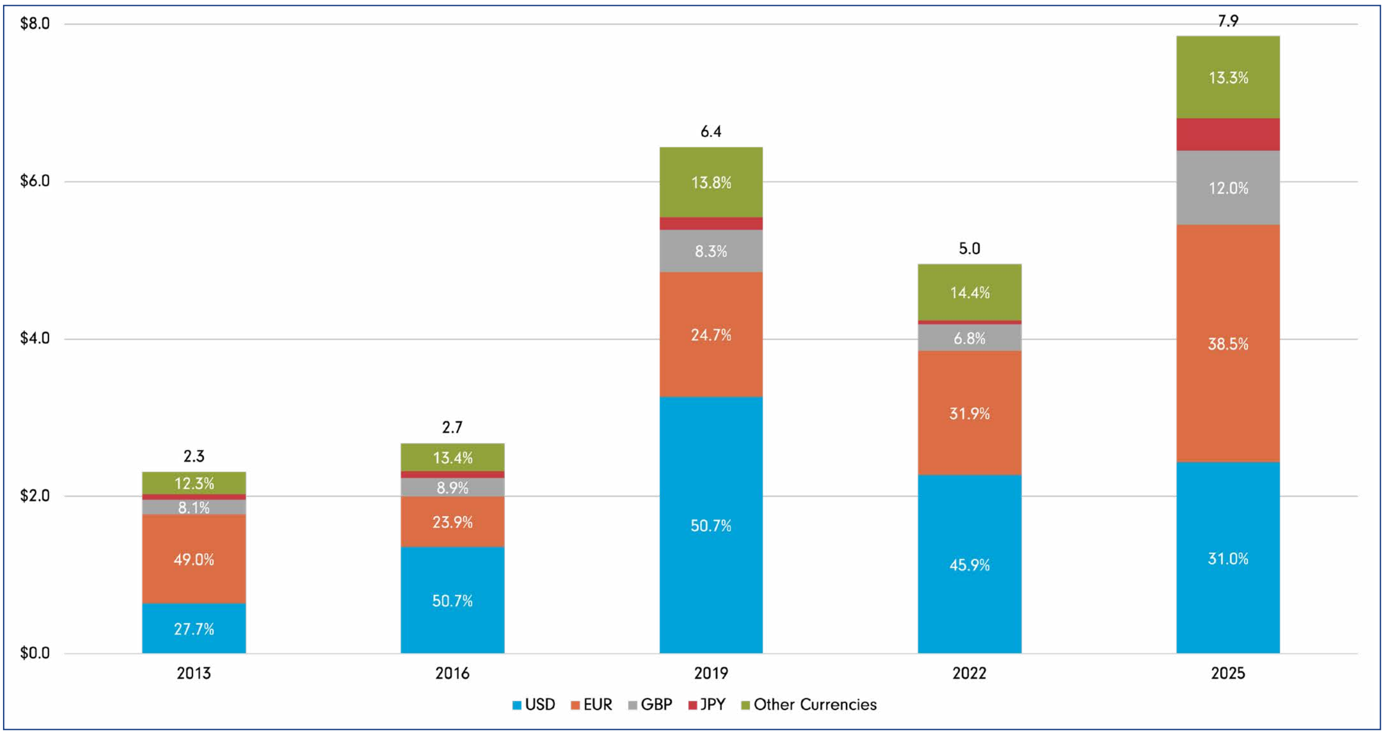
[1] Triennial Central Bank Survey of OTC Interest Rate Derivatives Turnover in April 2025, Bank for International Settlements (BIS), www.bis.org/statistics/rpfx25_ir_annex.pdf

Global IRD turnover

Global average daily turnover of OTC IRD rose by 58.6% to $7.9 trillion in April 2025 from $5.0 trillion in April 2022[2,3]. The increase was mainly driven by strong growth in euro-denominated contracts, which surpassed US-dollar-denominated instruments (see Chart 1).

Average daily turnover of euro-denominated IRD surged by 91.5% to $3.0 trillion in April 2025 compared to $1.6 trillion in April 2022, lifting the share of euro-denominated trading to 38.5% from 31.9%. By contrast, US-dollar-denominated IRD turnover rose by only 7.2% to $2.4 trillion from $2.3 trillion. Despite this modest increase, the share of US-dollar-denominated IRD in global trading fell sharply to 31.0% in April 2025 from 45.9% in April 2022, making it the second most actively traded currency.

Chart 1: Global IRD Average Daily Turnover by Currency on a Net-net Basis (US$ trillions)



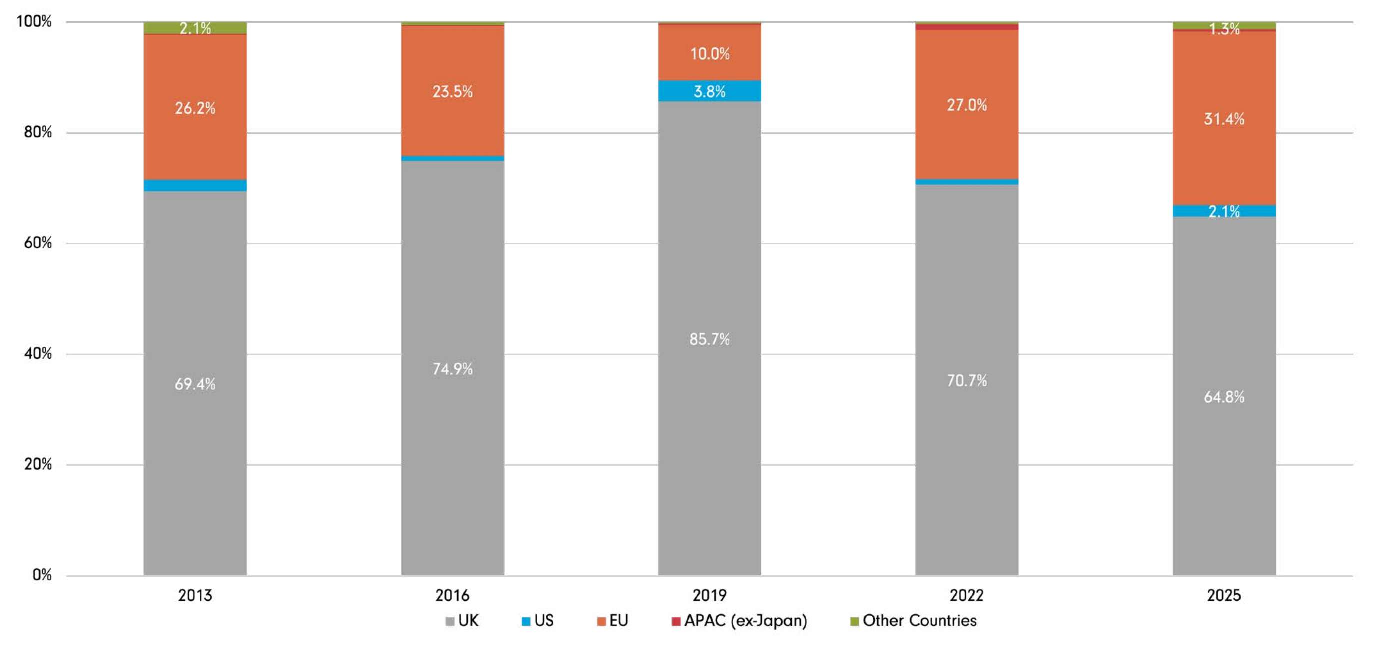
Source: BIS Triennial Survey

Sales desks located in the EU reported a notable increase in their share of euro-denominated IRD turnover in April 2025 versus April 2022. The UK share declined over the same period, continuing the downward trend observed since 2019 as more trading migrated to EU-based entities, particularly in France and Germany. Meanwhile, US sales desks retained a marginal presence in euro-denominated IRD trading (see Chart 2).

[2] The BIS Triennial Central Bank Survey provides turnover data, which measures market activity. Turnover is defined as the gross value of all new deals entered during April 2025. The survey is conducted on a triennial basis and covers transactions concluded and booked by reporting dealers' sales desks during that period. The survey is based on turnover data reported by the sales desks of reporting dealers, regardless of where a trade is executed

[3] Data is collected on an unconsolidated basis, meaning transactions between related entities within the same group are included. However, trades between trading desks of the same reporting dealer (intra-dealer trades) are excluded from reportable turnover. The BIS adjusts the aggregated data to eliminate double counting of inter-dealer transactions, both locally (net-gross basis) and cross-border (net-net basis). See www.bis.org/statistics/triennialrep/2025survey_guidelinesturnover.pdf

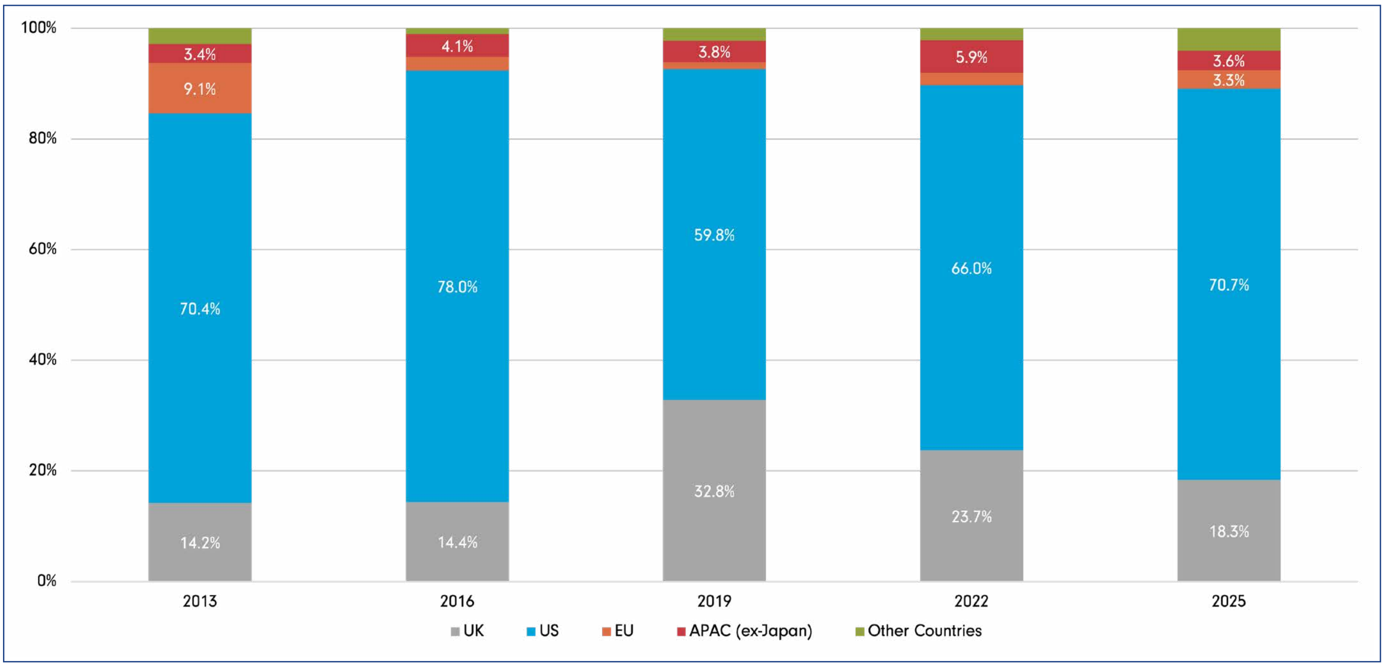
Chart 2: Share of Global Euro-denominated IRD Average Daily Turnover by Location of Sales Desks on a Net-gross Basis



Source: BIS Triennial Survey

US sales desks continued to dominate global activity in US-dollar-denominated IRD, accounting for more than 70% of total turnover in April 2025. This share has increased steadily since 2019, while the UK's share has declined – to 18.3% in April 2025 from 32.8% in April 2019. EU and Asia-Pacific desks maintained relatively small but stable shares (see Chart 3).

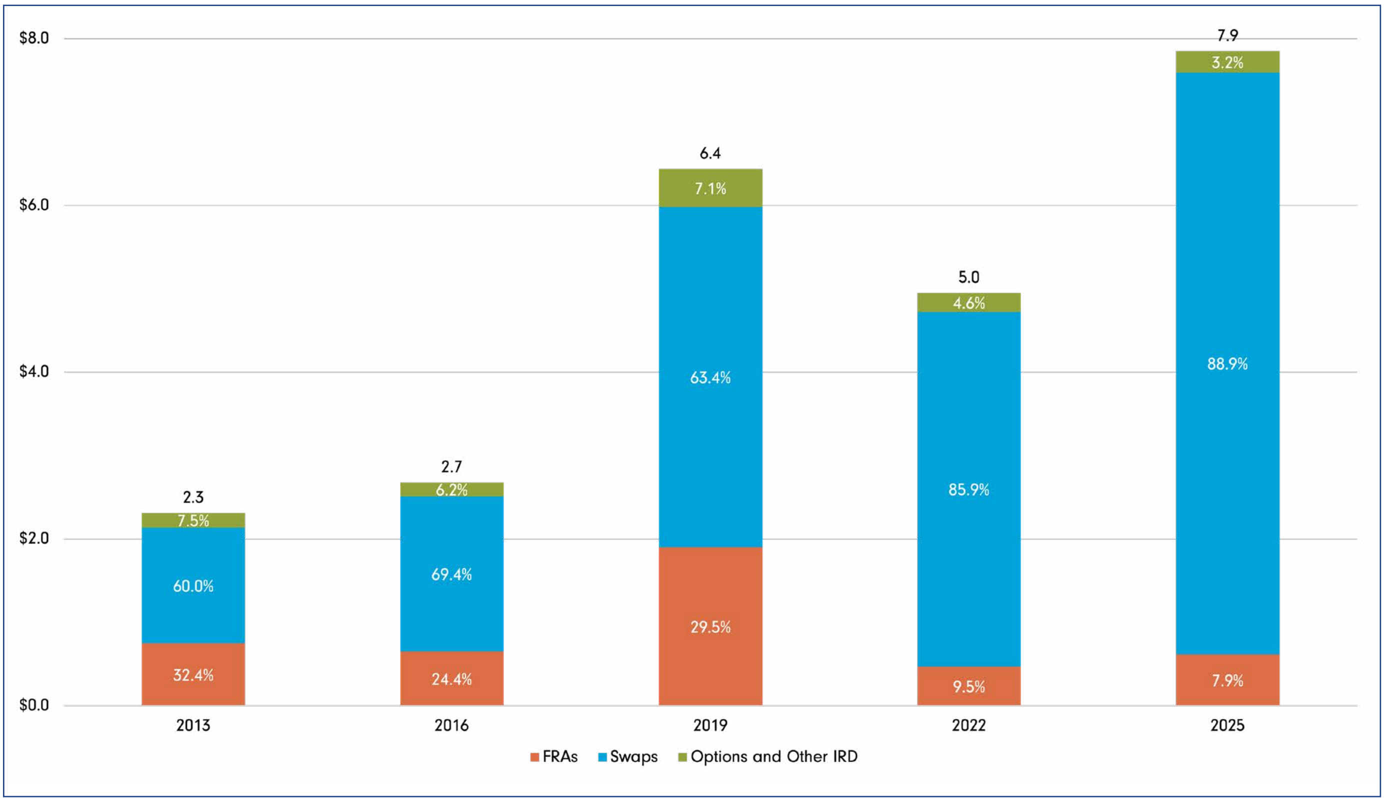
Chart 3: Share of Global US-dollar-denominated IRD Average Daily Turnover by Location of Sales Desks on a Net-gross Basis



Source: BIS Triennial Survey

Swap turnover (including overnight index swaps (OIS)) increased by 64.0% to $7.0 trillion in April 2025 from $4.3 trillion in April 2022, while forward rate agreement (FRA) turnover grew by 31.2% to $617.0 billion over the same period. Swaps accounted for 88.9% of turnover in April 2025 compared to 85.9% in April 2022. The share of FRAs dropped to 7.9% from 9.5% over the same period[4] (see Chart 4).

Chart 4: Global IRD Average Daily Turnover by Product[5] on a Net-net Basis (US$ trillions)



Source: BIS Triennial Survey

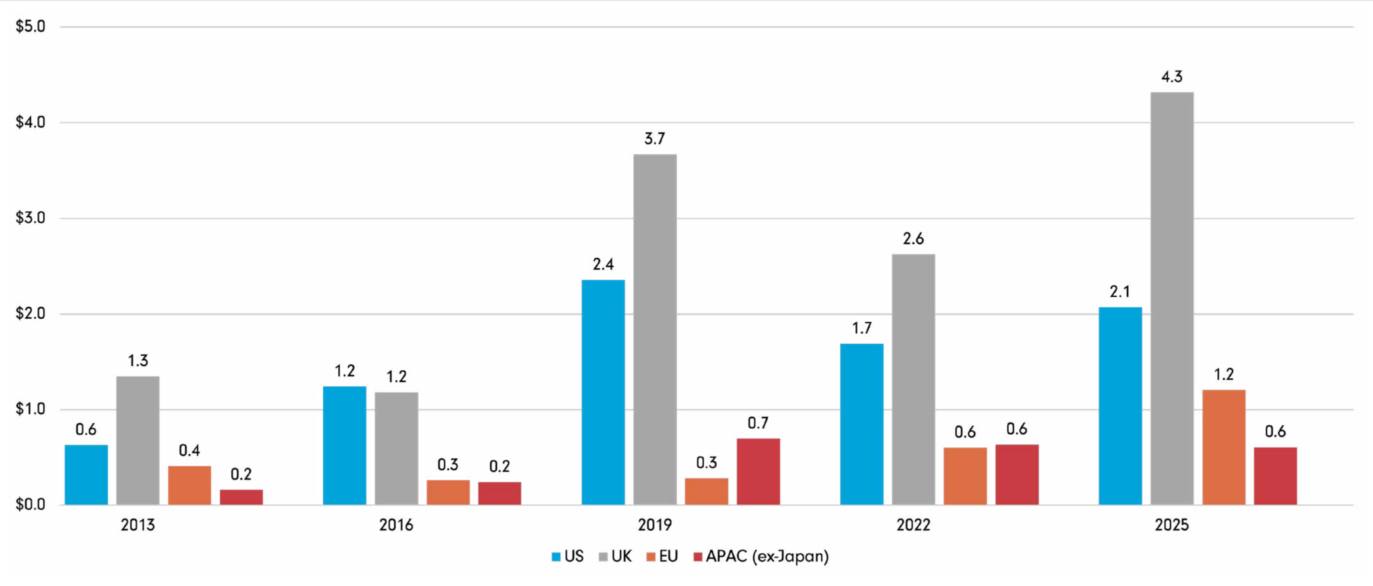
4 The transition from LIBOR to risk-free rates (RFRs) significantly reduced the need for forward rate agreements (FRAs), leading to a sharp decline in FRA trading from the first half of 2021. Market participants typically used FRAs to hedge fixing risk on three- or six-month LIBOR-based swaps, but RFR-linked swaps use daily compounded rates, largely eliminating that risk. FRA activity has since been concentrated in euro-denominated contracts, where market participants continue to hedge EURIBOR exposures

5 Other IRD includes highly leveraged transactions and/or trades where the notional amount is variable and where a decomposition into individual plain vanilla components was impractical or impossible

UK IRD TURNOVER

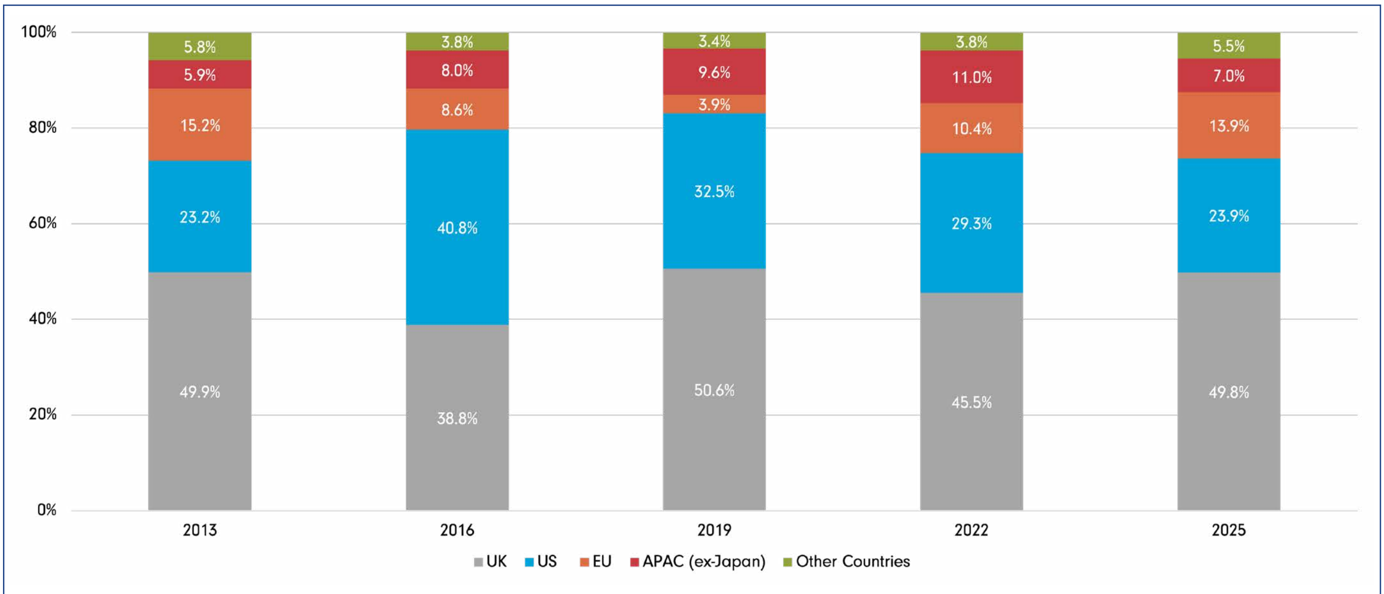
The UK remained the largest global center for IRD trading, with turnover reported by UK-based sales desks increasing by 64.5% to $4.3 trillion in April 2025 from $2.6 trillion in April 2022. The UK's share of global turnover also rose to 49.8% from 45.5% over the same period (see Charts 5 and 6).

Chart 5: Global IRD Average Daily Turnover by Location of Sales Desks on a Net-gross Basis (US$ trillions)



Source: BIS Triennial Survey

Chart 6: Share of Global IRD Average Daily Turnover by Location of Sales Desks on a Net-gross Basis

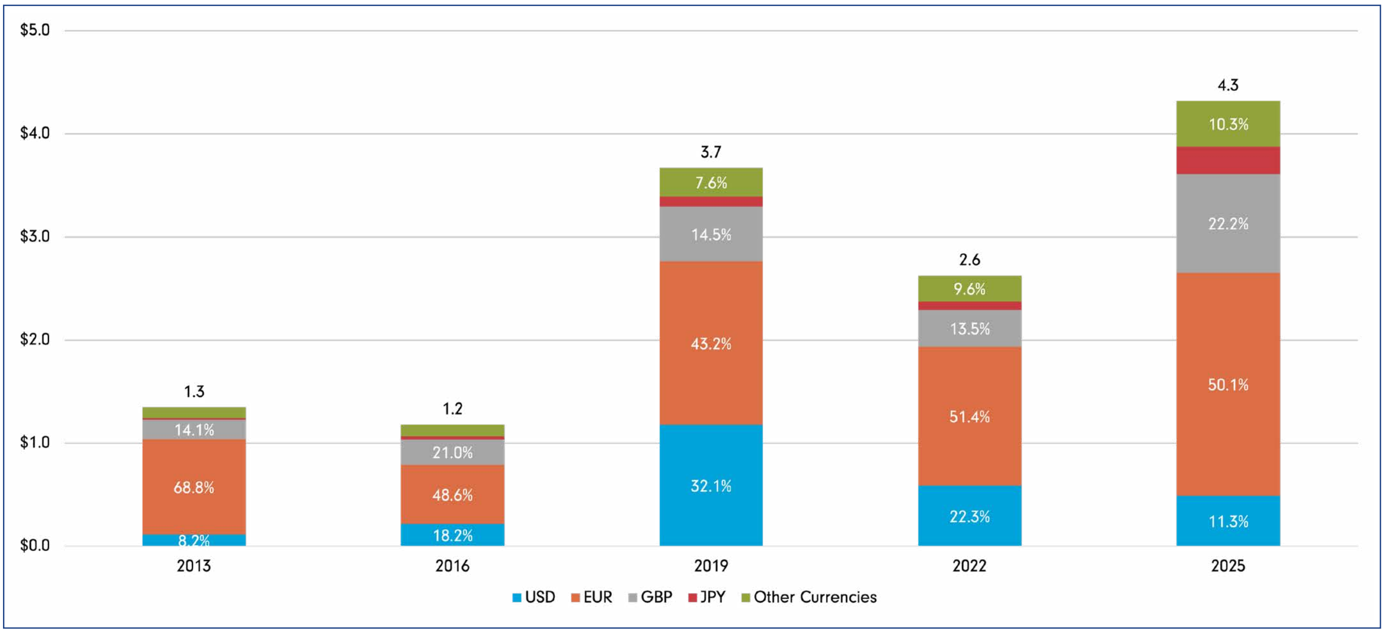


Source: BIS Triennial Survey

Sales desks in the UK accounted for 64.8% of global euro-denominated IRD turnover in April 2025, down from 70.7% in 2022. The share of US-dollar-denominated turnover also declined to 18.3% in April 2025 from 23.7% in April 2022 (see Charts 2 and 3).

Looking at overall UK IRD activity, euro-denominated contracts accounted for 50.1% of average daily turnover in April 2025, down slightly from 51.4% in April 2022. The share of US-dollar-denominated trading declined more sharply to 11.3% from 22.3% over the same period. By contrast, sterling-denominated turnover more than doubled to $958.2 billion in April 2025 from $355.4 billion in April 2022, increasing its share of UK IRD average daily turnover to 22.2% from 13.5% (see Chart 7).

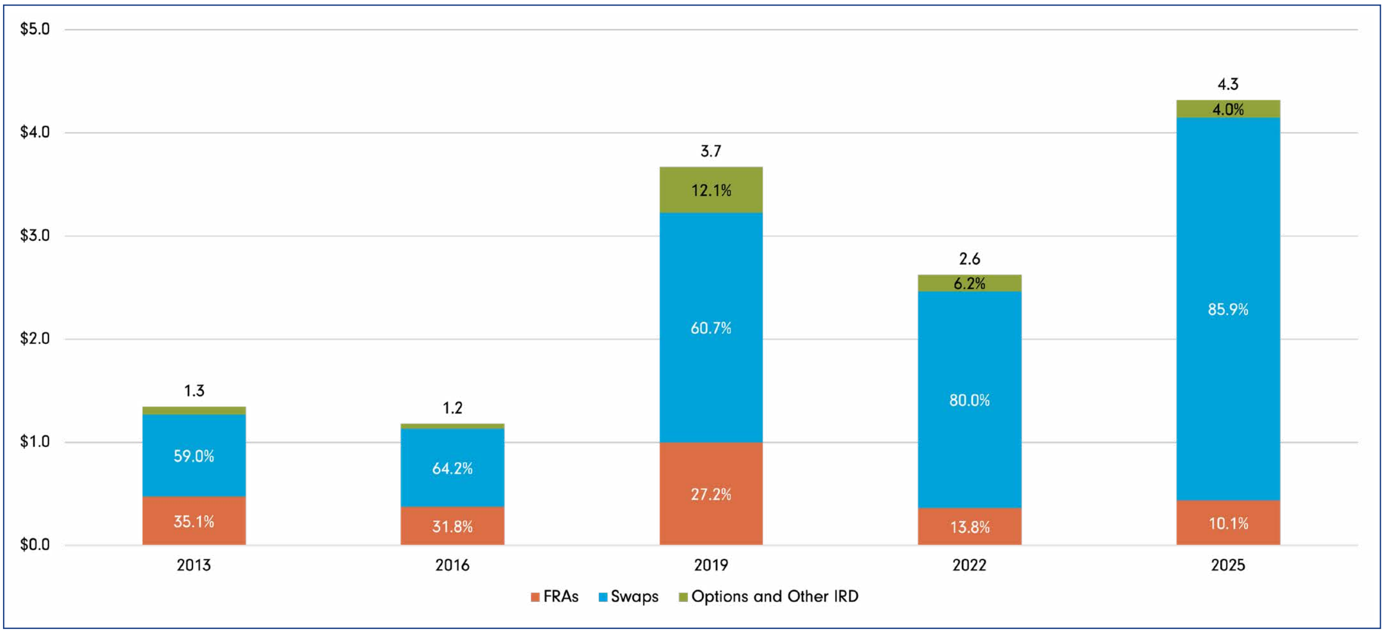
Chart 7: UK IRD Average Daily Turnover by Currency on a Net-gross Basis (US$ trillions)



Source: BIS Triennial Survey

By instrument, swap (including OIS) turnover rose by 76.5% to $3.7 trillion in April 2025 from $2.1 trillion in April 2022. FRA turnover increased by 21.1% to $438.0 billion from $361.6 billion over the same period. Swaps accounted for 85.9% of UK turnover in April 2025 compared to 80.0% in April 2022, while the share of FRAs declined to 10.1% from 13.8% (see Chart 8).

Chart 8: UK IRD Average Daily Turnover by Product on a Net-gross Basis (US$ trillions)



Source: BIS Triennial Survey

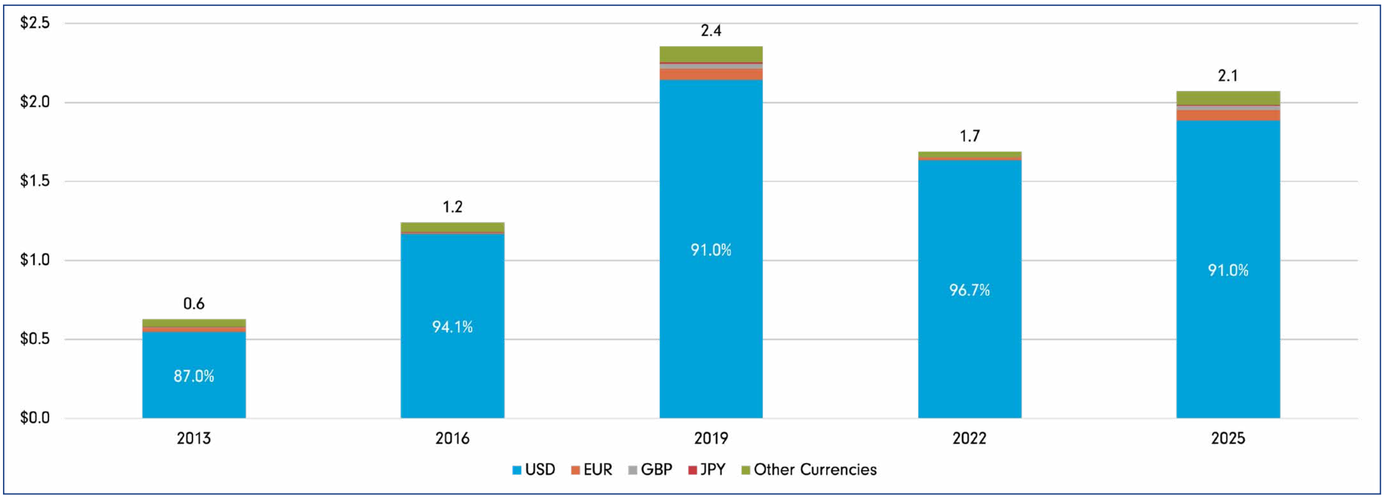
US IRD TURNOVER

The US remained the second largest IRD trading location in April 2025. Average daily turnover rose by 22.6% to $2.1 trillion from $1.7 trillion in April 2022. However, the US share of global turnover declined to 23.9% from 29.3% over the same period, reflecting faster growth in trading activity in other major centers, particularly the UK and euro area markets (see Charts 5 and 6).

The share of US dollar turnover reported by US sales desks increased to 70.7% in April 2025 from 66.0% in April 2022, while the US share of euro-denominated turnover remained limited at 2.1% (see Charts 2 and 3).

US-dollar-denominated IRD accounted for 91.0% of IRD turnover reported by US sales desks in April 2025 versus 96.7% in April 2022. Euro-denominated contracts represented only 3.3% of activity (see Chart 9).

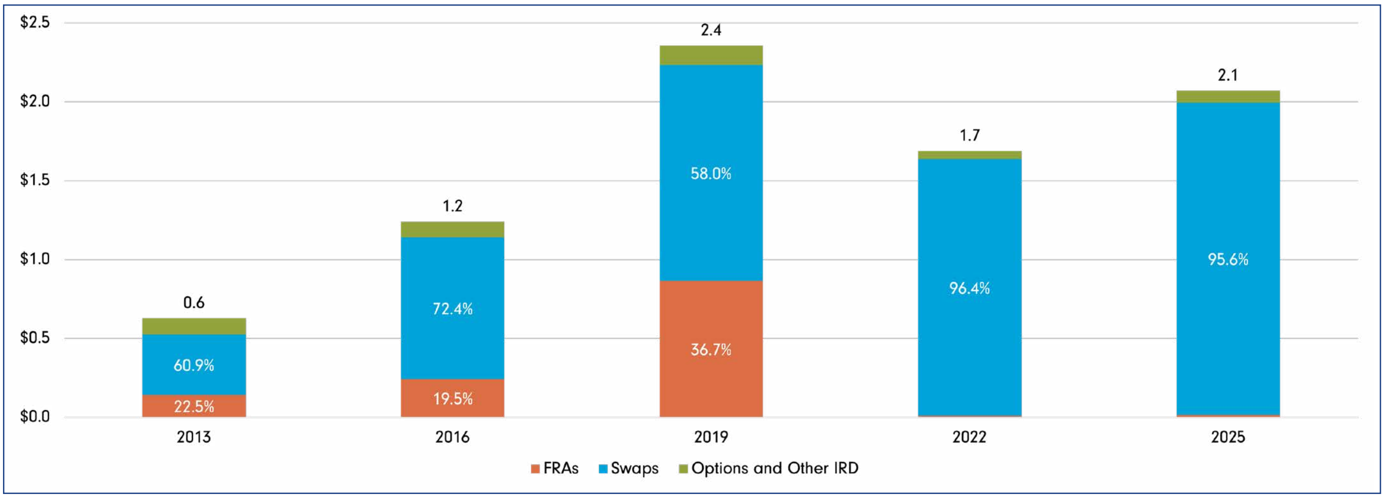
Chart 9: US IRD Average Daily Turnover by Currency on a Net-gross Basis (US$ trillions)



Source: BIS Triennial Survey

Swap turnover (including OIS) grew by 21.5%, rising to $2.0 trillion in April 2025 from $1.6 trillion in April 2022. Swaps accounted for 95.6% of total turnover in April 2025 versus 96.4% in 2022. FRA activity remained minimal, representing 0.8% of total turnover (see Chart 10).

Chart 10: US IRD Average Daily Turnover by Product on a Net-gross Basis (US$ trillions)



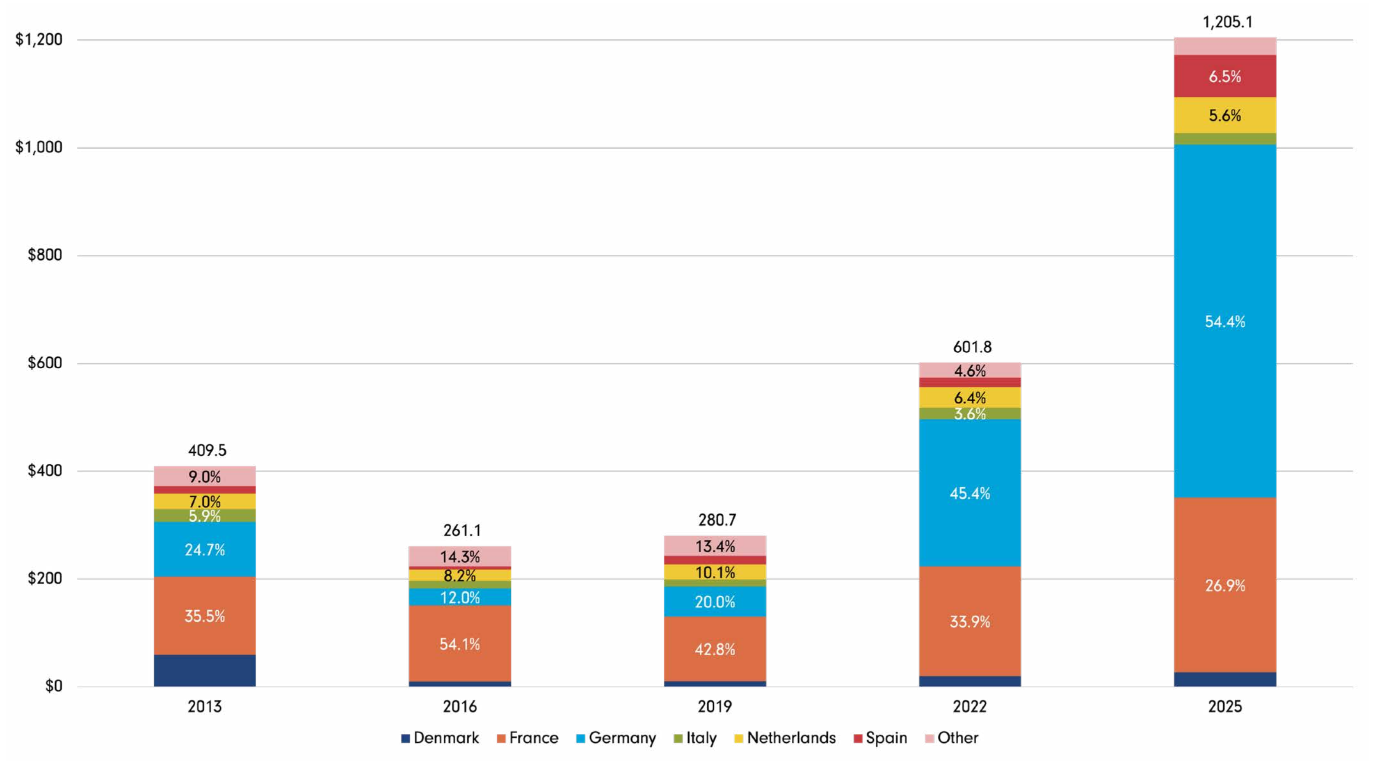
Source: BIS Triennial Survey

EU IRD TURNOVER

Turnover reported by sales desks located in the EU more than doubled to $1.2 trillion in April 2025 compared to $601.8 billion in April 2022[6]. The EU's share of global IRD turnover rose to 13.9% in April 2025 from 10.4% in 2022 (see Charts 5 and 6).

Germany and France accounted for the majority of IRD activity in the EU. Turnover reported by German sales desks increased to $655.4 billion in April 2025 from $273.0 billion in April 2022, while turnover reported by French sales desks rose to $324.2 billion from $203.9 billion. Within the EU, German and French sales desks represented 54.4% and 26.9% of average daily turnover, respectively, in April 2025 (see Chart 11).

Chart 11: EU IRD Average Daily Turnover by Location of Sales Desks on a Net-gross Basis (US$ billions)



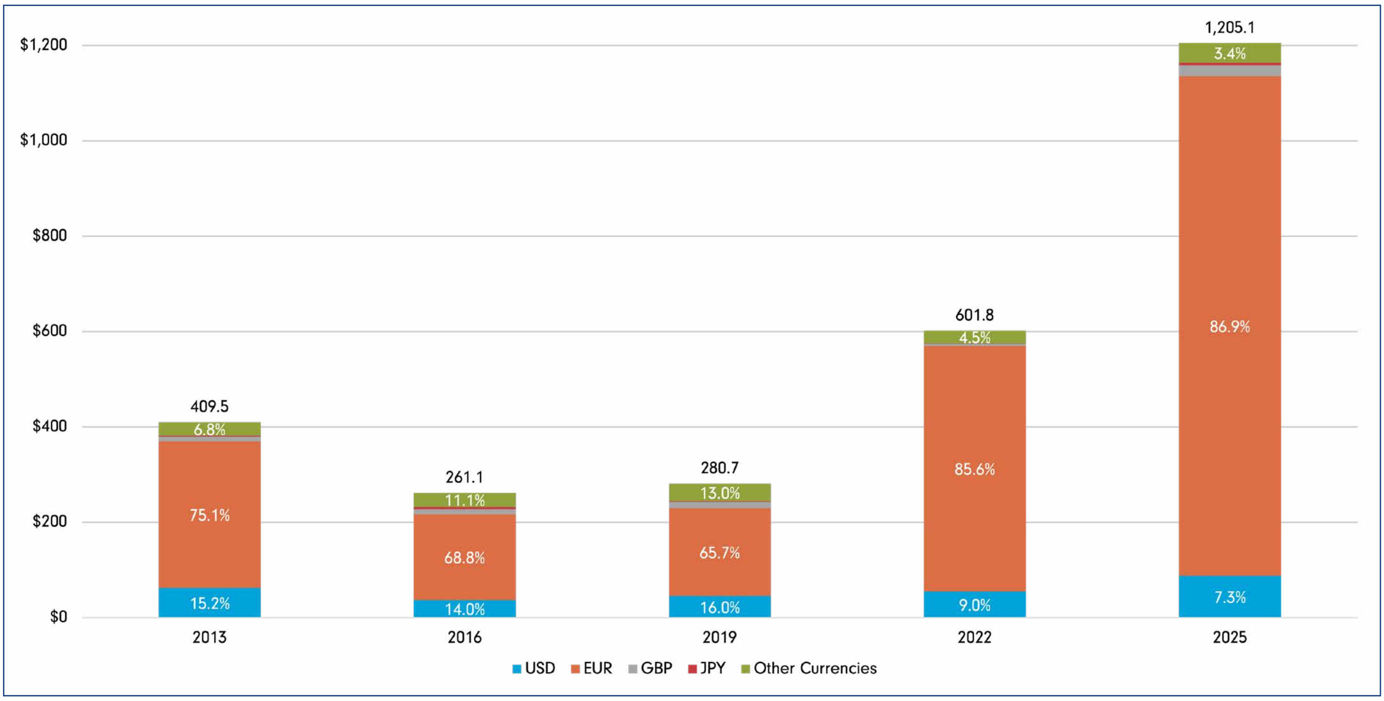
Source: BIS Triennial Survey

EU-based sales desks accounted for 31.4% of global euro-denominated IRD turnover in April 2025 compared to 27.0% in April 2022. The EU share of US-dollar-denominated turnover increased to 3.3% from 2.2% (see Charts 2 and 3).

Euro-denominated IRD continued to dominate activity reported by EU sales desks, representing 86.9% of total turnover in April 2025 versus 85.6% in April 2022. The share of US-dollar-denominated contracts declined to 7.3% from 9.0% over the same period (see Chart 12).

[6] EU turnover is calculated as the sum of data for Austria, Belgium, Bulgaria, Czechia, Denmark, Hungary, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden. There is no data available for Croatia, Cyprus and Malta

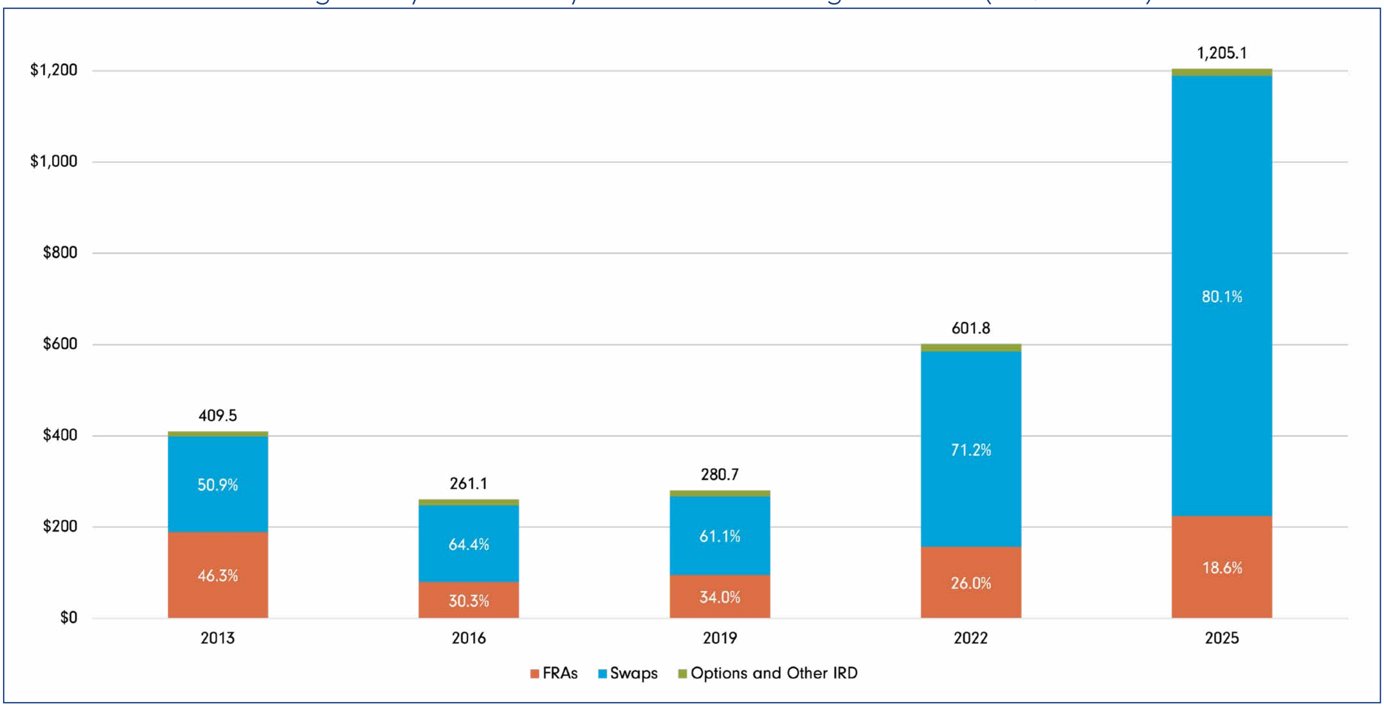
Chart 12: EU IRD Average Daily Turnover by Currency on a Net-gross Basis (US$ billions)



Source: BIS Triennial Survey

Swap turnover (including OIS) rose to $964.8 billion in April 2025 from $428.4 billion in April 2022, while FRA turnover grew by 43.4% to $224.3 billion. Swaps accounted for 80.1% of turnover in April 2025 versus 71.2% in April 2022. The share of FRAs fell to 18.6% from 26.0% over the same period (see Chart 13).

Chart 13: EU IRD Average Daily Turnover by Product on a Net-gross Basis (US$ billions)



Source: BIS Triennial Survey

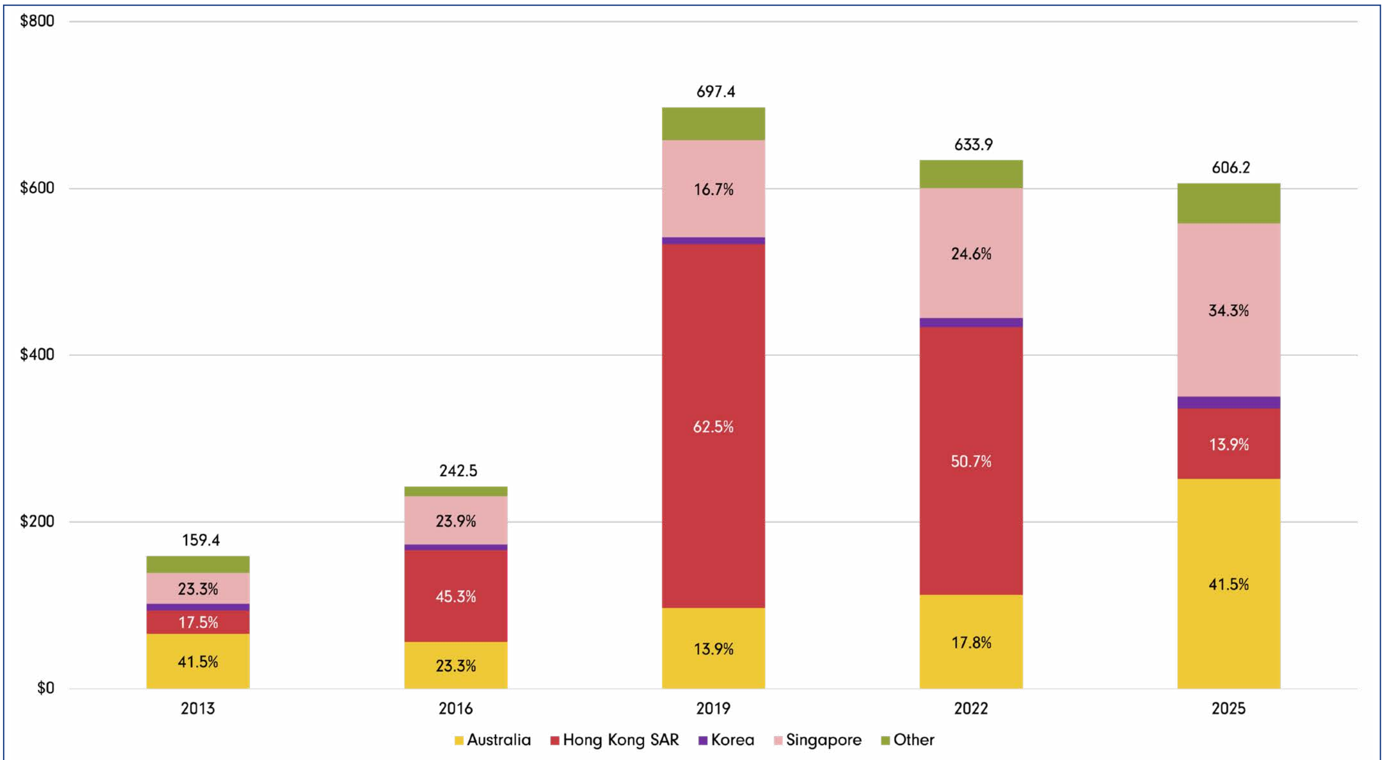
ASIA PACIFIC (EX-JAPAN) IRD TURNOVER

Turnover reported by sales desks in Asia Pacific (excluding Japan) fell by 4.4% to $606.2 billion in April 2025 from $633.9 billion in April 2022. The region's share of global IRD turnover dropped to 7.0% from 11.0% (see Charts 5 and 6).

Sales desks located in Australia and Singapore accounted for most Asia-Pacific activity. Australia's share of regional turnover rose to 41.5% in April 2025 from 17.8% in April 2022, while Singapore's share increased to 34.3% from 24.6% (see Chart 14).

Average daily turnover reported by sales desks located in Hong Kong fell sharply to $84.1 billion in April 2025 from $321.1 billion in April 2022, with Hong Kong's share of Asia-Pacific activity declining to 13.9% from 50.7%. This drop likely reflects methodological changes in the BIS survey, which now explicitly excludes intra-dealer turnover from the reported figures[7].

Chart 14: Asia Pacific (ex-Japan) IRD Average Daily Turnover by Location of Sales Desks on a Net-gross Basis (US$ billions)



Source: BIS Triennial Survey

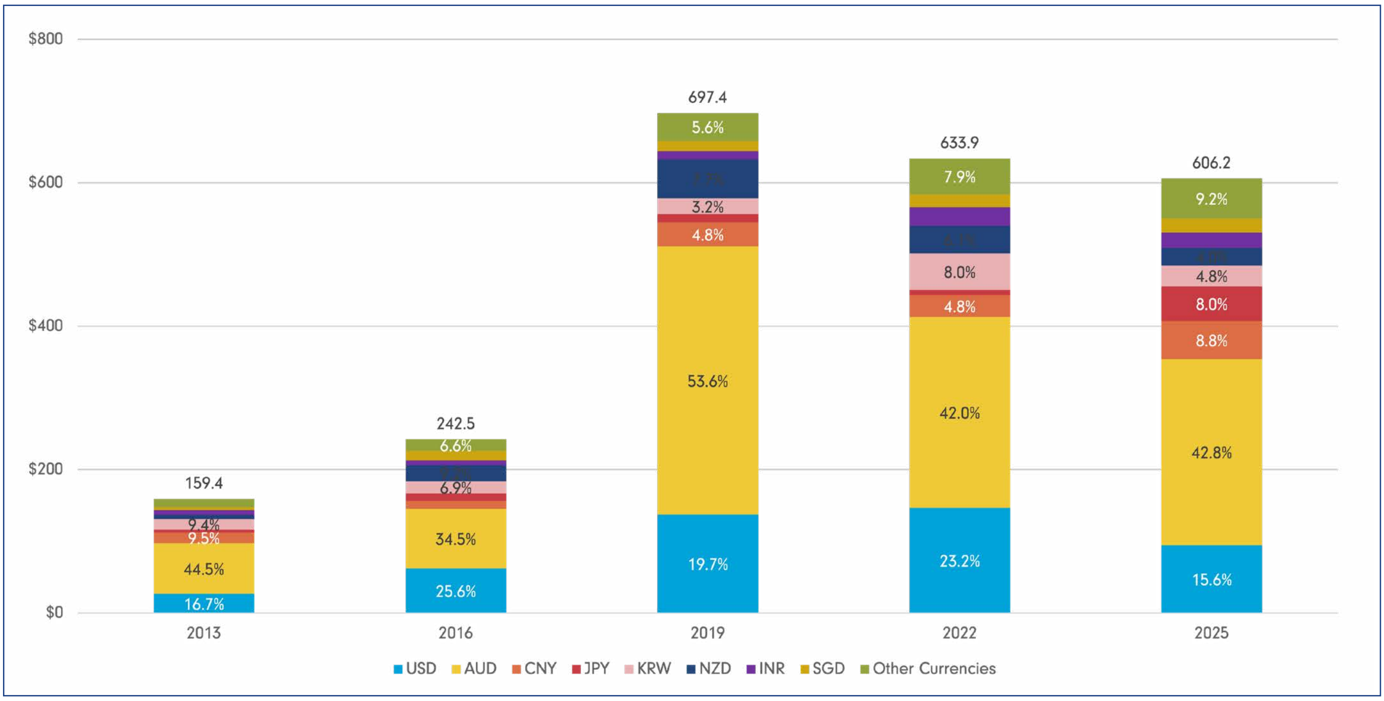
Sales desks located in Asia-Pacific accounted for 3.6% of US-dollar-denominated turnover in April 2025, down from 5.9% in April 2022 (see Chart 3).

Australian-dollar-denominated IRD accounted for 42.8% of turnover reported by Asia-Pacific sales desks in April 2025, up from 42.0% in April 2022. The share of US-dollar-denominated IRD contracts declined to 15.6% from 23.2% over the same period.

Renminbi-denominated IRD turnover increased by 73.1% to $53.1 billion in April 2025 from $30.7 billion in April 2022, raising its share of Asia-Pacific turnover to 8.8% from 4.8%. Japanese-yen-denominated turnover also rose to $48.5 billion from $7.3 billion, lifting its share to 8.0% from 1.1% (see Chart 15).

[7] BIS Reporting Guidelines for Turnover in April 2025, www.bis.org/statistics/triennialrep/2025survey_guidelinesturnover.pdf

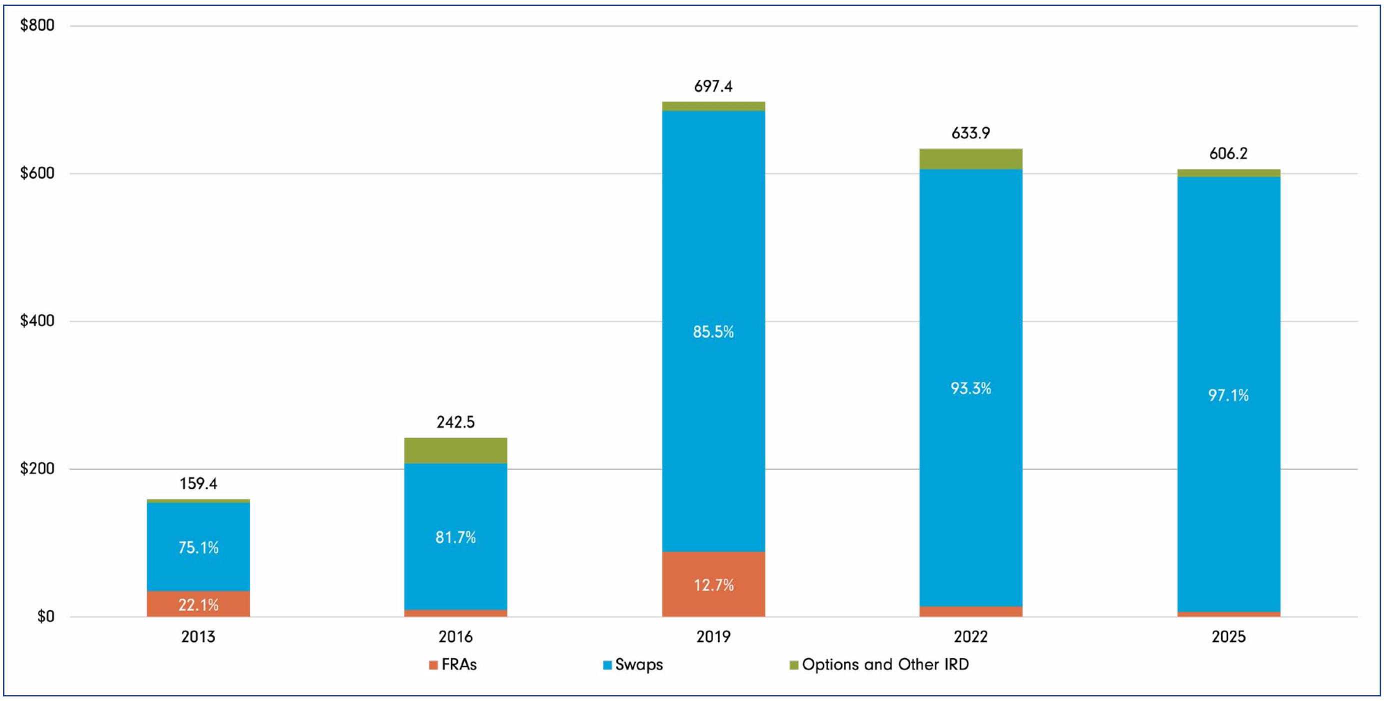
Chart 15: Asia Pacific (ex-Japan) IRD Average Daily Turnover by Currency on a Net-gross Basis (US$ billions)



Source: BIS Triennial Survey

Swaps turnover (including OIS) declined by 0.5% to $588.5 billion in April 2025 from $591.6 billion in April 2022, while FRA turnover dropped by 52.1% to $7.0 billion from $14.6 billion. Swaps accounted for 97.1% of Asia-Pacific turnover in April 2025 compared to 93.3% in April 2022. FRAs represented 1.2% of turnover compared to 2.3% in the previous survey (see Chart 16).

Chart 16: Asia Pacific (ex-Japan) IRD Average Daily Turnover by Product on a Net-gross Basis (US$ billions)



Source: BIS Triennial Survey

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