

SwapsInfo First Quarter of 2023 Review: Summary

The ISDA SwapsInfo Quarterly Review provides analysis of interest rate derivatives (IRD) and credit derivatives trading. The report provides a 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 trading in IRD and credit derivatives is obtained from the Depository Trust & Clearing Corporation (DTCC) swap data repository (SDR). It is available on the ISDA SwapsInfo website (swapsinfo.org).

This report covers IRD and index credit derivatives transactions required to be disclosed under US Commodity Futures Trading Commission (CFTC) regulations. Single-name credit default swap (CDS) analysis includes only security-based swap transactions reported to the DTCC security-based SDR under US Securities and Exchange Commission (SEC) regulations. The report does not cover security-based swap transactions reported to ICE Trade Vault.

KEY HIGHLIGHTS FOR THE FIRST QUARTER OF 2023

Interest Rate Derivatives

IRD traded notional and trade count grew by 23.5% and 30.1% in the first quarter of 2023 versus the first quarter of 2022. Overnight index swaps (OIS) and forward rate agreement (FRA) traded notional increased by 73.7% and 33.5%, respectively, while fixed-for-floating interest rate swaps (IRS) traded notional fell by 38.7%. OIS trade count rose by 70.2%, FRA trade count increased by 42.0% and fixed-for-floating IRS trade count grew by 6.1%.

In the first quarter of 2023:

- IRD traded notional rose by 23.5% to \$106.1 trillion in the first quarter of 2023 from \$86.0 trillion in the first quarter of 2022. Trade count increased by 30.1% to 750.2 thousand from 576.7 thousand over the same period.
- OIS traded notional grew by 73.7% to \$61.5 trillion in the first quarter of 2023 from \$35.4 trillion in the first quarter of 2022. FRA traded notional increased by 33.5% to \$14.4 trillion from \$10.7 trillion. Single currency fixed-for-floating IRS traded notional fell by 38.7% to \$17.9 trillion from \$29.3 trillion.
- Single currency fixed-for-floating IRS accounted for 16.9% of total IRD traded notional and 37.1% of total IRD trade count. OIS and FRAs represented 57.9% and 13.5% of total IRD traded notional and 42.5% and 7.8% of total trade count, respectively.
- Cleared IRD transactions comprised 78.4% of total IRD traded notional and 78.1% of total trade count. 83.9% of fixed-for-floating IRS, 98.3% of FRA, 85.2% of OIS and 13.9% of other IRD traded notional was cleared.
- IRD transactions executed on SEFs accounted for 53.1% of total IRD traded notional and 66.7% of trade count. 68.3% of fixed-for-floating IRS, 90.5% of FRA, 43.3% of OIS and 35.9% of other IRD traded notional was traded on SEFs.

- IRD contracts denominated in US dollars represented 43.2% of total IRD traded notional and 36.2% of total trade count. Euro-denominated transactions accounted for 34.6% of total traded notional and 25.4% of trade count. Sterling-denominated transactions comprised 8.7% and 7.0% of total IRD traded notional and trade count, respectively.
- OIS and FRAs contracts denominated in US dollars increased by 60.6% and 11.2%, respectively, while US dollar-denominated fixed-for-floating IRS declined by 65.1%. Euro-denominated IRS fell by 2.1%, while euro-denominated FRA and OIS traded notional rose by 34.9% and 123.3%, respectively. Sterling-denominated OIS traded notional rose by 53.8%.

Index Credit Derivatives Reported under CFTC Regulations

Index credit derivatives traded notional and trade count fell by 18.8% and 7.2%, respectively, in the first quarter of 2023 versus the first quarter of 2022¹. There was less trading activity across CDX HY, CDX IG and iTraxx Europe.

In the first quarter of 2023:

- Index credit derivatives traded notional dropped by 18.8% to \$3.7 trillion in the first quarter of 2023 from \$4.5 trillion in the first quarter of 2022. Trade count declined by 7.2% to 106.4 thousand from 114.6 thousand over the same period.
- CDX HY traded notional fell by 11.0% to \$595.2 billion in the first quarter of 2023 from \$668.8 billion in the first quarter of 2022. CDX IG traded notional decreased by 14.3% to \$1.3 trillion from \$1.5 trillion and iTraxx Europe traded notional dropped by 23.3% to \$890.4 billion from \$1.2 trillion.
- CDX HY and CDX IG represented 16.2% and 35.5% of total credit derivatives traded notional and 27.5% and 24.4% of total trade count, respectively. iTraxx Europe accounted for 24.3% of total credit derivatives traded notional and 18.6% of total trade count.

¹ Index credit derivatives mostly comprise credit default swap (CDS) indices, but also include CDS index tranches, credit swaptions, exotic products, total return swaps and insignificant amount of single-name CDS. This data includes only transactions reported to the Depository Trust & Clearing Corporation's (DTCC) swap data repository (SDR) under US Commodity Futures Trading Commission (CFTC) regulations. Credit derivatives reported to the DTCC SDR under US Securities and Exchange Commission (SEC) regulations are not included in this data

- Cleared index credit derivatives transactions accounted for 87.4% of total index credit derivatives traded notional and 90.4% of total trade count. 99.5% of CDX HY, 99.4% of CDX IG, 96.9% of iTraxx Europe and 51.8% of other credit derivatives traded notional was cleared.
- SEF-traded index credit derivatives comprised 85.3% of total index credit derivatives traded notional and 88.7% of trade count. 97.4% of CDX HY, 97.9% of CDX IG, 94.5% of iTraxx Europe and 48.9% of other credit derivatives traded notional was executed on SEFs.
- Index credit derivatives contracts denominated in US dollars represented 60.9% of total index credit derivatives traded notional and 61.2% of total trade count. Euro-denominated transactions accounted for 39.0% and 38.6% of total traded notional and trade count, respectively.

Single-name Credit Derivatives Reported under SEC Regulations

In the first quarter of 2023:

- Single-name credit derivatives traded notional totaled \$201.9 billion and trade count was 62.4 thousand^{2,3}.
- Corporate single-name CDS traded notional was \$150.6 billion, accounting for 74.6% of overall single-name credit derivatives traded notional. Sovereign single-name CDS traded notional totaled \$41.7 billion, comprising 20.7% of traded notional. Other single-name credit derivatives traded notional was \$9.5 billion. Corporate and sovereign single-name CDS accounted for 75.2% and 16.5% of total trade count, respectively.
- Cleared single-name credit derivatives transactions accounted for 51.2% of total traded notional and 49.0% of trade count. 54.9% of corporate single-name CDS and 49.2% of sovereign single-name CDS traded notional was cleared.

² Single-name 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)

³ This data includes only security-based swap transactions reported to the DTCC security-based SDR from February 2022. It does not cover security-based swap transactions reported to ICE Trade Vault or transactions required to be disclosed under CFTC regulations



ISDA has published other recent research papers:

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

www.isda.org/a/aeLgE/ISDA-Clarus-RFR-Adoption-Indicator-March-2023.pdf

- ***Progress on Global Transition to RFRs in Derivatives Markets***

www.isda.org/a/BcJgE/Progress-on-Global-Transition-to-RFRs-in-Derivatives-Markets.pdf

- ***Interest Rate Derivatives Trading Activity Reported in EU, UK and US Markets: Full Year 2022 and the Fourth Quarter of 2022***

www.isda.org/a/GkJgE/ISDA-Latest-News-Alert-IRD-Trading-Activity-Reported-in-EU-UK-and-US-Markets-Full-Year-of-2022-and-Fourth-Quarter-of-2022.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 only security-based swap transactions reported to the DTCC security-based swap data repository from February 2022. It does not cover security-based swap transactions reported to ICE Trade Vault or transactions that are required to be disclosed under CFTC regulations. To access the expanded SwapsInfo website, [click here](#).

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ABOUT ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has more than 1,000 member institutions from 79 countries. These members comprise 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, such as exchanges, intermediaries, clearing houses 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 website: www.isda.org. Follow us on [Twitter](#), [LinkedIn](#), [Facebook](#) and [YouTube](#).