

## ISDA-Clarus RFR Adoption Indicator

### Q4 2023 vs. Q4 2022 Summary Report

ISDA-Clarus RFR Adoption Indicator tracks how much global trading activity (as measured by DV01) is conducted in cleared over-the-counter (OTC) and exchange-traded interest rate derivatives (IRD) that reference the identified risk-free rates (RFRs) in eight major currencies.

#### RFR Adoption Indicator

<p><b>61.8%</b></p> <p>RFR Adoption Indicator vs. 51.7% in Q4 2022 (Chart 1).</p>	<p><b>58.3%</b></p> <p>RFR-linked notional as % of total IRD notional transacted vs. 47.4% in Q4 2022 (Chart 3).</p>
<p>DV01 of RFR-linked IRD was</p> <p><b>\$73.2 Bn</b></p> <p>vs. \$46.5 Bn last in Q4 2022 (Chart 2).</p>	<p>RFR-linked IRD notional transacted was</p> <p><b>\$391.6 Tn</b></p> <p>vs. \$243.3 Tn in Q4 2022 (Chart 3).</p>

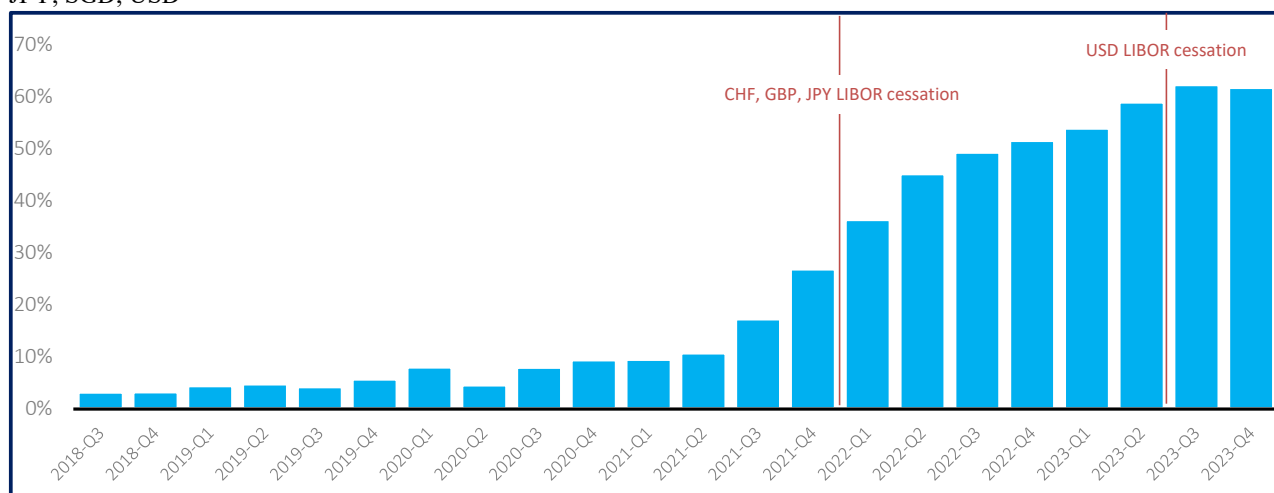
#### RFR Risk by Currency

<p><b>CHF</b></p> <p>saw the largest percentage of RFR-linked IRD traded at 100% of total CHF IRD DV01 (Chart 5a).</p>	<p><b>72.3%</b></p> <p>of USD IRD DV01 was transacted in SOFR in Q4 2023. (Chart 5a)</p>
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#### Total IRD Activity

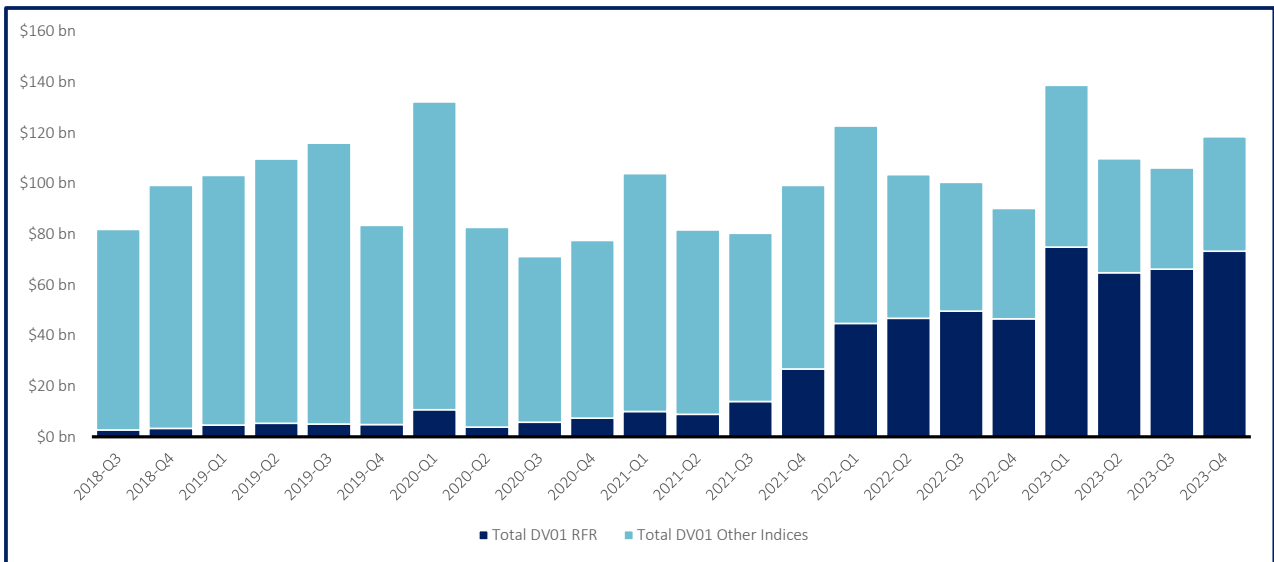
<p><b>\$118.4 Bn</b></p> <p>Total IRD DV01 transacted this quarter vs. \$90.1 Bn in Q4 2022.</p>	<p><b>\$672.0 Tn</b></p> <p>Total IRD notional transacted this quarter vs. \$513.4 Tn in Q4 2022.</p>	<p><b>\$45.2 Bn</b></p> <p>Other indices DV01 this quarter vs. \$43.6 Bn in Q4 2022.</p>
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Chart 1: RFR Adoption Indicator: % of DV01 Transacted as RFR-linked IRD Products in AUD, CAD, CHF, EUR, GBP, JPY, SGD, USD



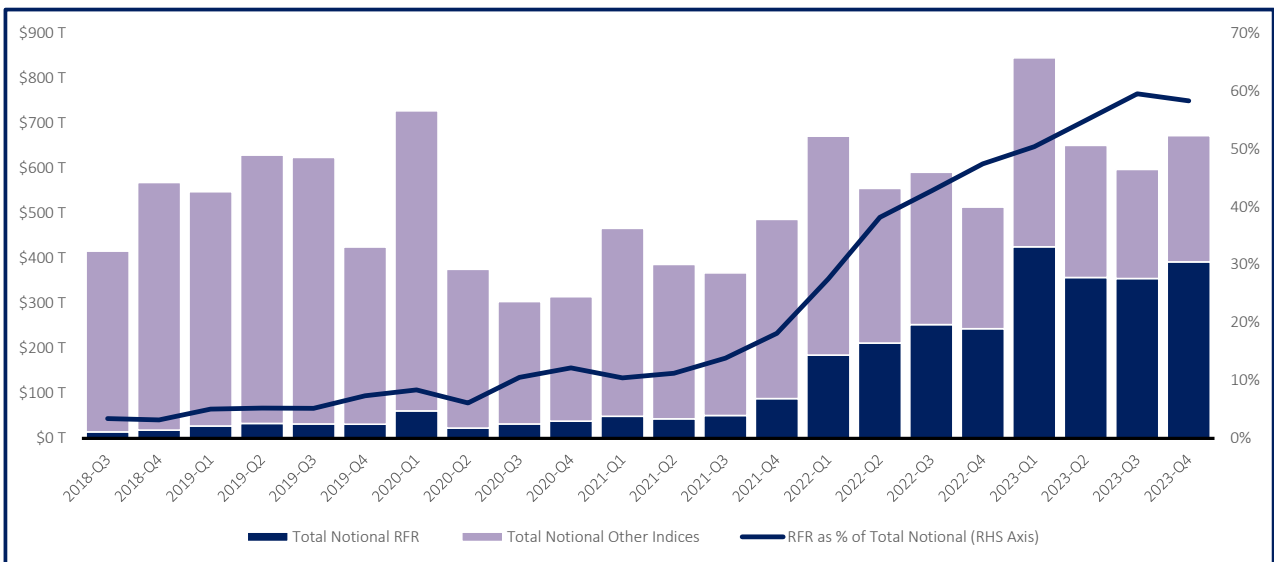
**Calculation:** The sum of all DV01s for RFR-linked IRD products, including OTC and exchange-traded derivatives (ETD) for all eight currencies, divided by the sum of DV01s for all indices (both RFR and other indices) across all IRD products.

Chart 2: Total IRD DV01 Traded per Quarter



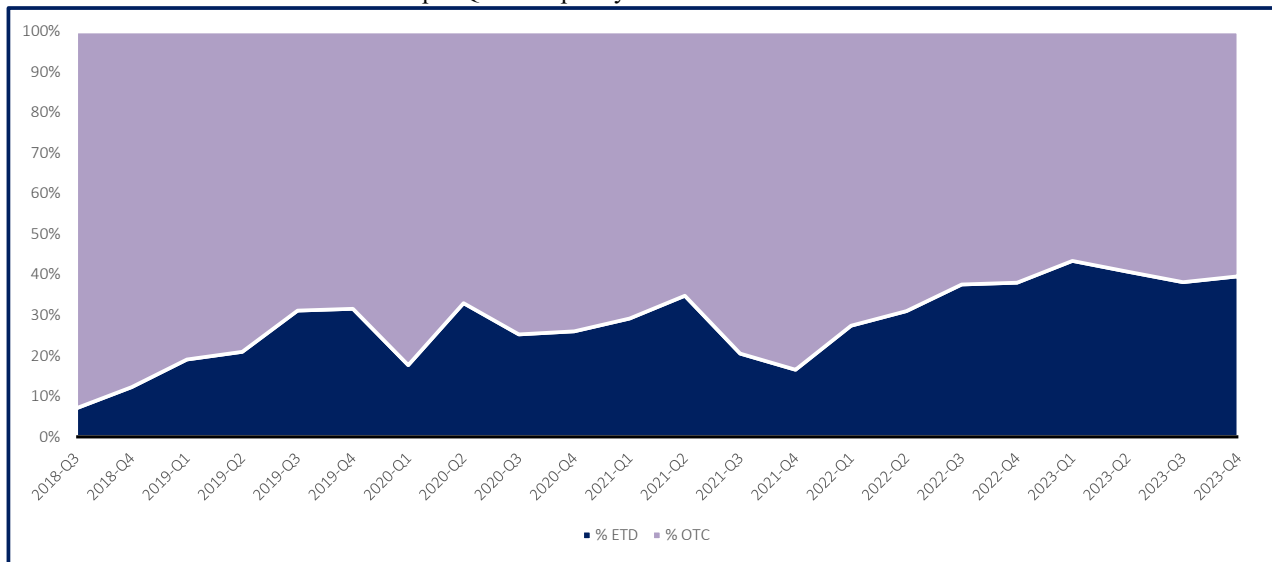
**Calculation:** Total DV01 traded per quarter across all IRD products split by RFRs (including OTC and ETD) and all IRD products referencing other indices.

Chart 3: Total IRD Notional Traded per Quarter



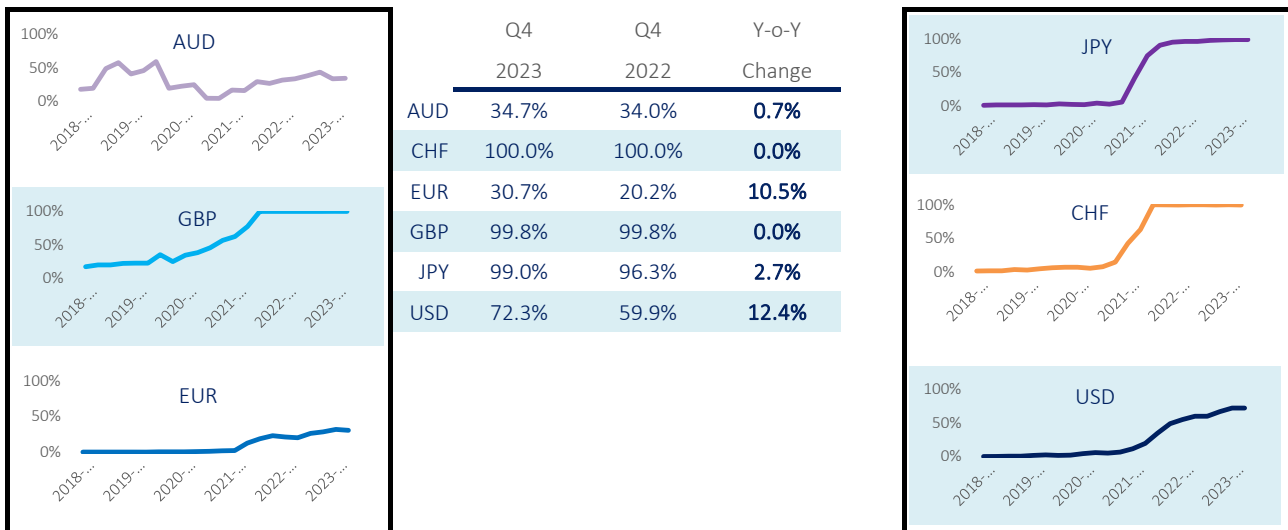
**Calculation:** Total traded notional per quarter across all IRD products split by RFRs (including OTC and ETD) and all IRD products referencing other indices.

Chart 4: RFR-linked IRD DV01 Traded per Quarter Split by OTC and ETD



**Calculation:** The sum of DV01s for OTC RFR-linked IRD products across all six currencies divided by the sum of DV01s for OTC and ETD RFR-linked IRD products.

Chart 5a: The Percentage of DV01 per Currency Traded as an RFR-linked IRD Product



**Calculation:** The sum of DV01s for RFR-linked IRD products (OTC and ETD) per currency divided by the sum across all OTC and ETD IRD products (both RFR and other indices) per currency.

### About ISDA-Clarus RFR Adoption Indicator

- Data is collected from all major CCPs that clear OTC and ETD IRD products in the eight currencies, including ASX, CME, EUREX, ICE, JSCC, LCH, TFX and TMX. Only cleared transactions are captured.
- Other indices include IBORs (AUD BBR-BBSW, CAD-CDOR, CHF LIBOR, EUR LIBOR, EURIBOR, GBP LIBOR, JPY LIBOR, SGD-SOR, TIBOR, Euroyen TIBOR, and USD LIBOR) and overnight rates (the effective federal funds rate (EFFR) and EONIA).
- RFRs include AONIA, CORRA, €STR, SARON, SOFR, SONIA, SORA and TONA.
- This data is standardized and collated to produce notional-equivalent volumes in six tenor buckets (based on duration of transactions).
- The notional data is converted into a maturity agnostic measure of risk, DV01.
- Notional volumes are collected in millions of USD-equivalent and converted to DV01 on the USD curve.
- The measures of volumes are extremely broad, covering many OTC IRD products (interest rate swaps, overnight index swaps, forward rate agreements and basis swaps), as well as short-term interest rate futures contracts.
- RFR volumes are measured across both swaps and futures.
- A whitepaper detailing the exact methodology can be found [here](#).
- To access interactive charts and export the data, click [here](#).

## **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 77 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](http://www.isda.org). Follow us on X, LinkedIn, Facebook and YouTube.

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## **ABOUT CLARUS**

Clarus Financial Technology is a data, research and software provider to derivatives markets. Clarus provide the tools and insights required by market participants to adapt to new and evolving regulatory landscapes. Clarus pride themselves in staying in touch with current market conditions to better inform product initiatives. As a result Clarus maintain a high quality blog at [clarusft.com](http://clarusft.com) with over 8 years of articles covering topics from clearing and market share data to financial engineering.

The RFR Adoption Indicator and all associated data are built exclusively using Clarus microservices, a cloud hosted service that is accessible via any programming language.

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