

Research Note

Key trends in the size and composition of OTC derivatives markets in the first half of 2025

The latest data from the Bank for International Settlements (BIS) over-the-counter (OTC) derivatives statistics shows an increase in notional outstanding of OTC derivatives during the first half of 2025 compared to the first half of 2024. Notional outstanding rose across all major asset classes, including interest rate derivatives (IRD), foreign exchange (FX), equity and commodity derivatives.

Heightened uncertainty about trade, monetary policy outlook and geopolitical developments supported increased hedging activity, contributing to higher notional outstanding across major derivatives asset classes. After declining in 2023 and 2024, gross market value and gross credit exposure also increased in the first half of 2025.

Global OTC derivatives notional outstanding grew by 15.9% in the first six months of 2025 compared to the same period in 2024. Gross market value increased by 29.5%, while gross credit exposure, which represents gross market value after netting, rose by 5.1%.

Close-out netting continued to significantly reduce mark-to-market exposures, lowering total exposure by 86.4% at mid-year 2025. Credit exposure was further mitigated through collateral posted for both cleared and non-cleared transactions.

Initial margin (IM) posted for cleared IRD and credit default swaps (CDS) at major central counterparties (CCPs) reached \$430.4 billion at mid-year 2025 compared to \$364.4 billion a year earlier.

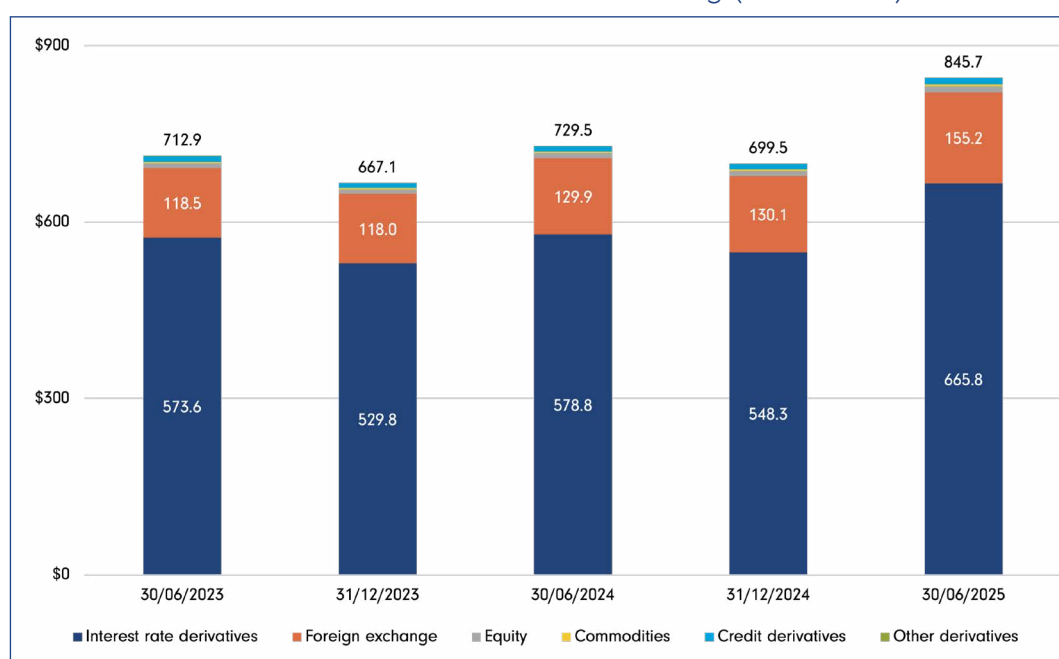
KEY GLOBAL TRENDS

Global OTC derivatives notional outstanding grew to \$845.7 trillion at the end of June 2025, a 15.9% rise compared to mid-year 2024 and a 20.9% increase relative to year-end 2024¹. This growth partly reflects a seasonal pattern, where notional outstanding typically rises in the first half of the year and declines in the second half.

While equity and credit derivatives posted higher year-on-year growth rates in percentage terms, the overall increase in notional outstanding was primarily driven by interest rate and FX derivatives given their significantly larger size in absolute terms.

IRD notional outstanding increased by 15.0% to \$665.8 trillion at mid-year 2025 versus \$578.8 trillion at the end of June 2024, while notional outstanding in FX derivatives grew by 19.5% to \$155.2 trillion from \$129.9 trillion. Equity and commodity derivatives notional outstanding increased by 19.7% and 7.3% and totaled \$10.4 trillion and \$2.6 trillion, respectively. Credit derivatives notional outstanding rose by 22.9% to \$11.3 trillion from \$9.2 trillion (see Chart 1).

Chart 1: Global OTC Derivatives Notional Outstanding (US\$ trillions)



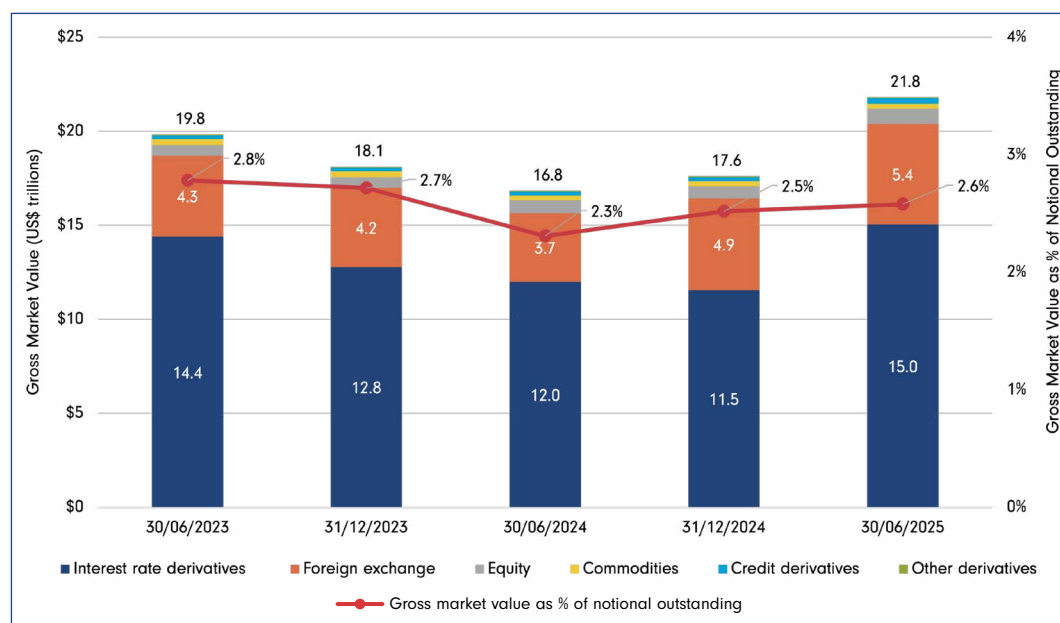
Source: BIS OTC Derivatives Statistics

The gross market value of OTC derivatives grew by 29.5% to \$21.8 trillion at mid-year 2025². Gross market value equaled 2.6% of notional outstanding as of end-June 2025 compared to 2.3% the year before (see Chart 2).

The gross market value of IRD contracts rose by 25.5% to \$15.0 trillion from \$12.0 trillion, while the gross market value of FX derivatives grew by 45.9% to \$5.4 trillion from \$3.7 trillion.

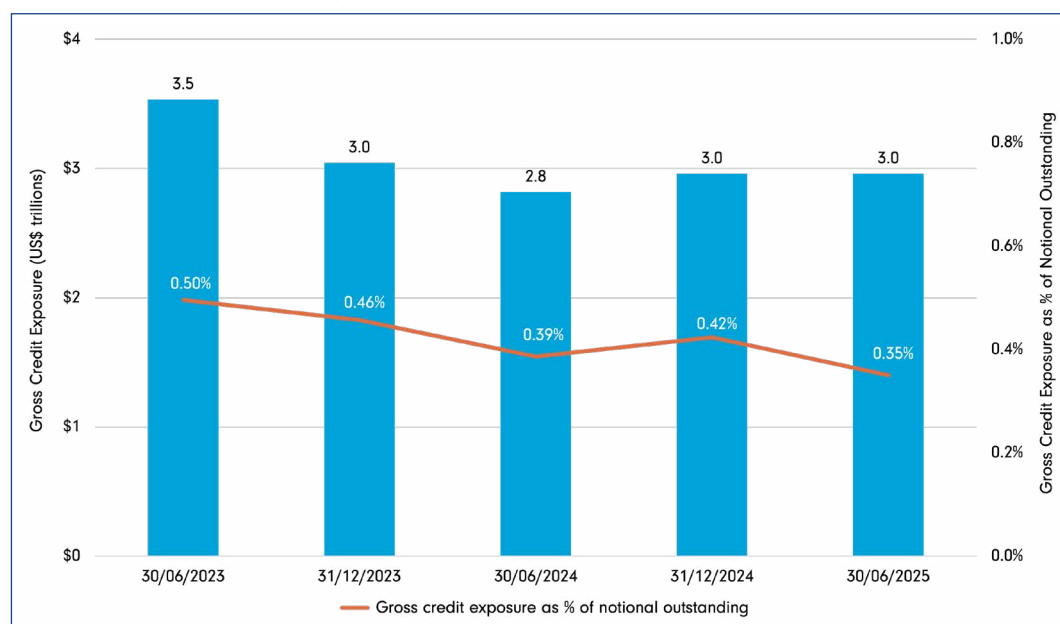
¹ Bank for International Settlements (BIS) Over-the-counter (OTC) Derivatives Statistics https://data.bis.org/topics/OTC_DER/tables-and-dashboards

² Gross market value is the sum of the absolute values of all outstanding derivatives contracts with either positive or negative replacement values evaluated at market prices prevailing on the reporting date. See [BIS Glossary](#)

Chart 2: Gross Market Value of Global OTC Derivatives

Source: BIS OTC Derivatives Statistics

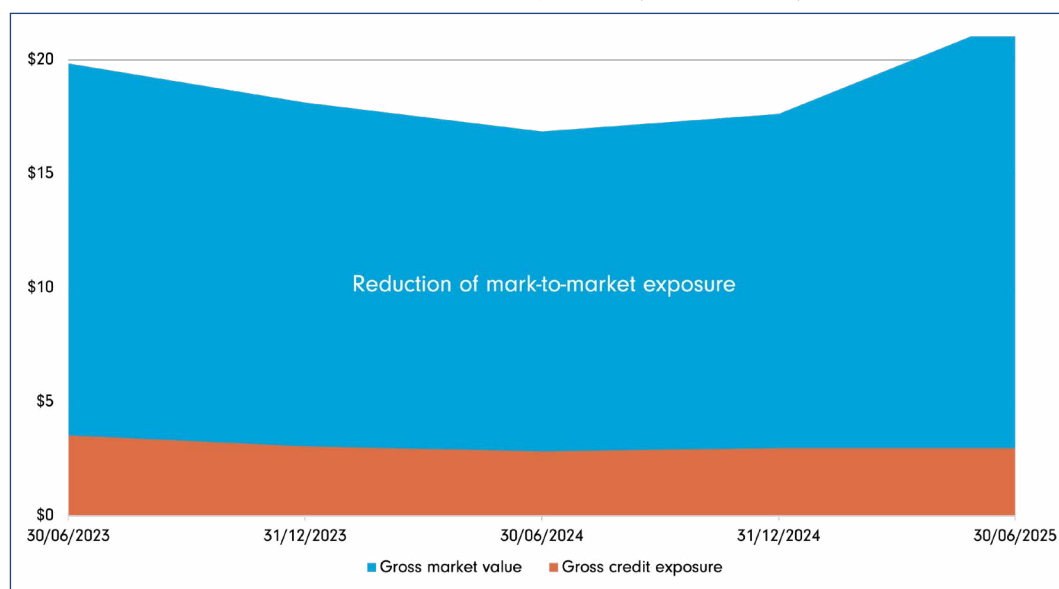
Gross credit exposure of OTC derivatives, which is a more accurate measure of counterparty credit risk, increased by 5.1% to \$3.0 trillion and accounted for 0.4% of notional outstanding³ (see Chart 3).

Chart 3: Gross Credit Exposure of Global OTC Derivatives

Source: BIS OTC Derivatives Statistics

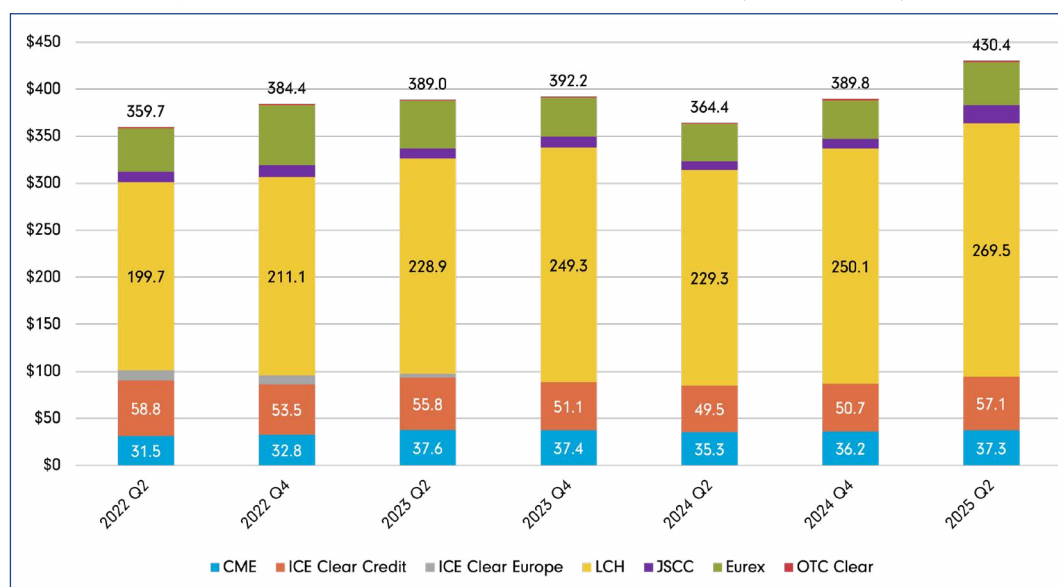
As the result of close-out netting, market participants reduced their mark-to-market exposure by 86.4% at mid-year 2025 (see Chart 4). The remaining gross credit exposure is further reduced by the collateral that firms post for cleared and non-cleared derivatives transactions.

³ Gross credit exposure adjusts gross market value for legally enforceable netting agreements, but not for collateral. See [BIS Glossary](#)

Chart 4: Reduction of Mark-to-market Exposure (US\$ trillions)

Source: BIS OTC Derivatives Statistics

Market participants posted \$430.4 billion of required IM for cleared derivatives, including IRD and CDS, at all major CCPs in the second quarter of 2025^{4,5}. This represents an 18.1% increase compared to \$364.4 billion in the second quarter of 2024 (see Chart 5).

Chart 5: Required IM Posted for Cleared IRD and CDS (US\$ billions)

Source: CCP Quantitative Disclosures

⁴ This amount reflects the initial margin (IM) required by central counterparties (CCPs) as reported in their quantitative disclosures to the International Organization of Securities Commissions and the Committee on Payments and Market Infrastructures. Market participants typically post IM amounts that exceed the minimum requirements, so the actual IM posted is likely to be higher than this reported figures. All numbers are converted to US dollars based on the exchange rates at the end of each quarter: <https://www.x-rates.com/historical>

⁵ LCH includes LCH Ltd and LCH SA

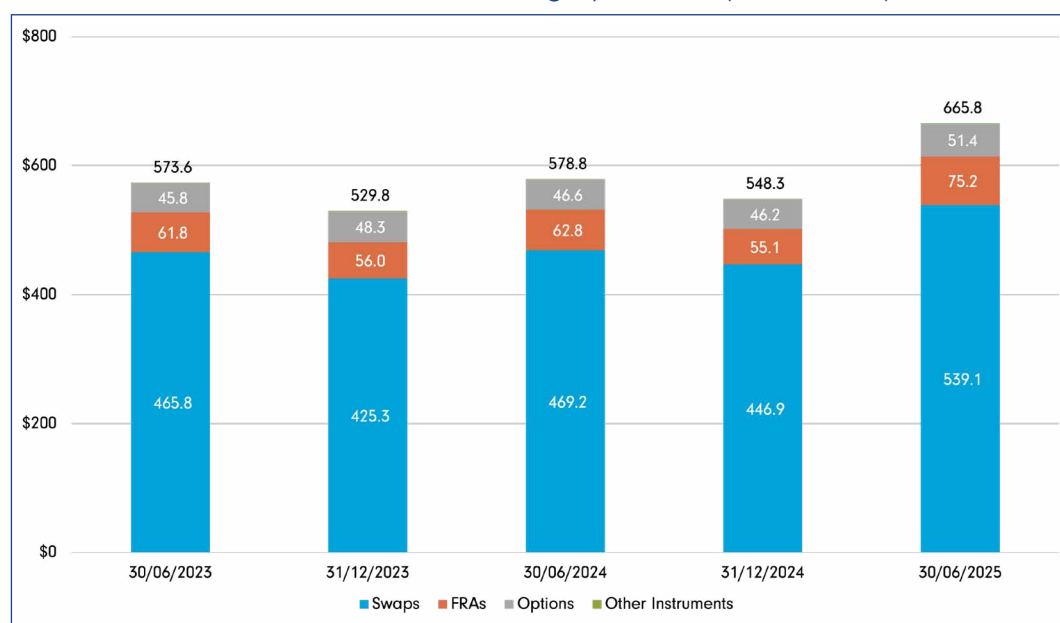
INTEREST RATE DERIVATIVES

Global Notional Outstanding

IRD notional outstanding totaled \$665.8 trillion and accounted for 78.7% of global OTC derivatives notional outstanding at mid-year 2025. IRD notional outstanding grew by 15.0% versus mid-year 2024 and increased by 21.4% compared to end-December 2024 (see Chart 1).

Interest rate swaps (IRS) notional outstanding rose by 14.9% to \$539.1 trillion and accounted for 81.0% of total IRD notional outstanding. Forward rate agreements (FRAs) notional outstanding grew by 19.7% to \$75.2 trillion and options notional outstanding rose by 10.3% to \$51.4 trillion (see Chart 6).

Chart 6: Global IRD Notional Outstanding by Product (US\$ trillions)



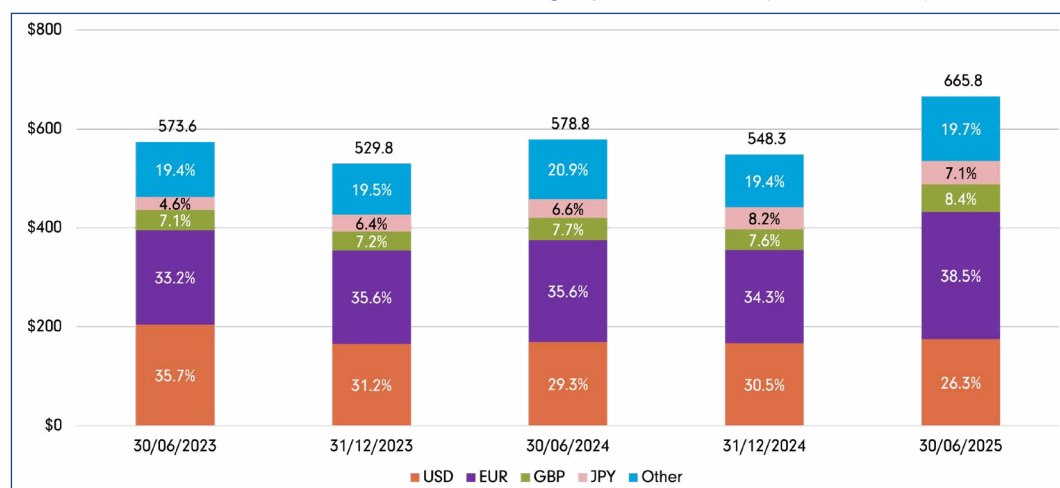
Source: BIS OTC Derivatives Statistics

Euro-denominated IRD notional outstanding grew by 24.4% to \$256.3 trillion, comprising 38.5% of total IRD notional outstanding at mid-year 2025 compared to 35.6% a year ago.

US-dollar-denominated IRD notional outstanding rose by 3.5% to \$175.3 trillion, making up 26.3% of total IRD notional outstanding versus 29.3% at end-June 2024.

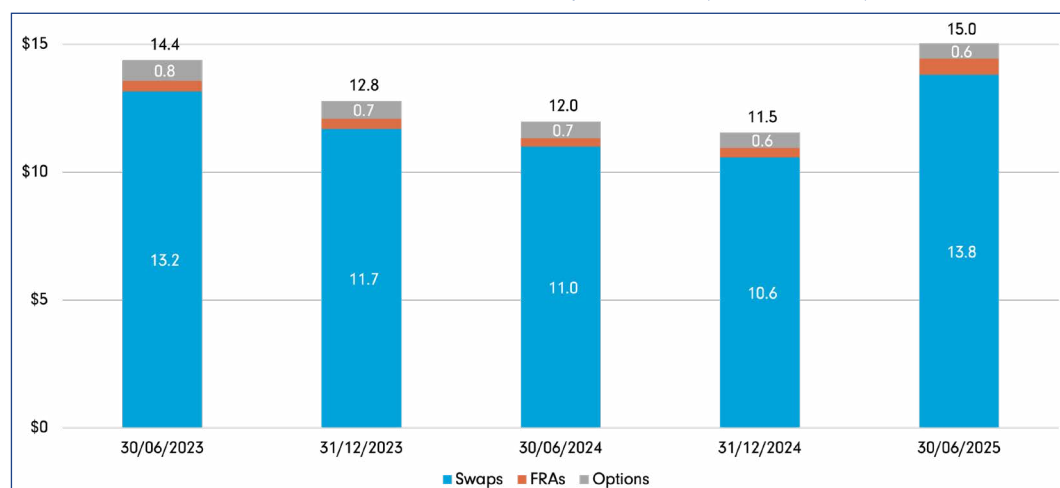
Sterling-denominated IRD notional outstanding grew by 25.9% to \$56.2 trillion, accounting for 8.4% of total IRD notional outstanding at mid-year 2025 compared to 7.7% at mid-year 2024.

IRD notional outstanding denominated in currencies other than the euro, US dollar, sterling and Japanese yen increased by 8.3% to \$130.9 trillion from \$120.9 trillion and comprised 19.7% of total IRD notional outstanding (see Chart 7).

Chart 7: Global IRD Notional Outstanding by Currencies (US\$ trillions)

Source: BIS OTC Derivatives Statistics

The gross market value of IRD rose by 25.5% to \$15.0 trillion from \$12.0 trillion, with IRS gross market value increasing by 25.6% to \$13.8 trillion from \$11.0 trillion (see Chart 8).

Chart 8: Global IRD Gross Market Value by Product (US\$ trillions)

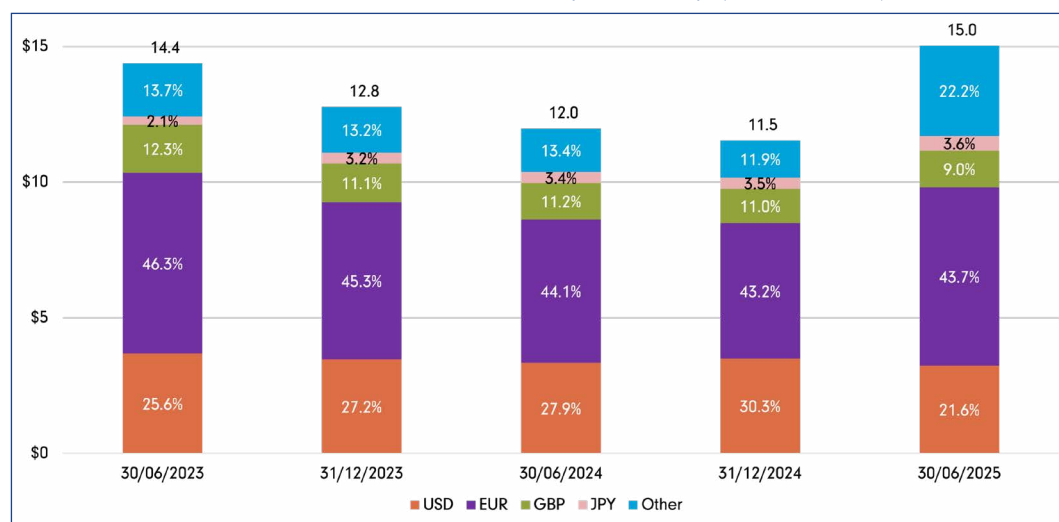
Source: BIS OTC Derivatives Statistics

Euro-denominated IRD gross market value grew by 24.2% to \$6.6 trillion from \$5.3 trillion and accounted for 43.7% of total IRD gross market value at mid-year 2025 compared to 44.1% the year before.

US-dollar-denominated IRD gross market value fell by 2.8% to \$3.2 trillion and comprised 21.6% of total IRD gross market value versus 27.9% at mid-year 2024.

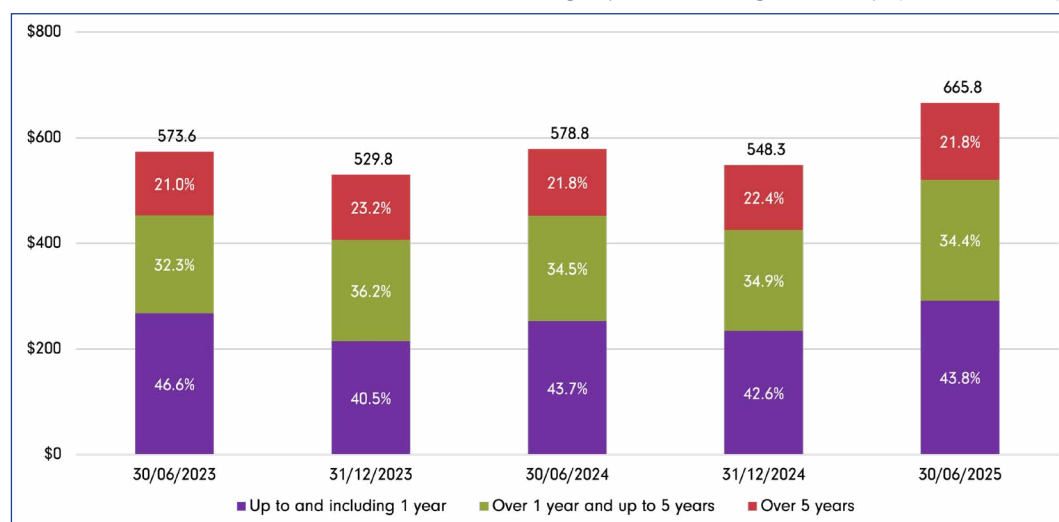
Sterling-denominated IRD gross market value increased by 0.8% to \$1.3 trillion and represented 9.0% of total IRD gross market value at mid-year 2025 compared to 11.2% at mid-year 2024.

IRD gross market value of contracts denominated in currencies other than the euro, US dollar, sterling and Japanese yen grew to \$3.3 trillion from \$1.6 trillion and comprised 22.2% of total IRD gross market value versus 13.4% in mid-2024 (see Chart 9).

Chart 9: Global IRD Gross Market Value by Currency (US\$ trillions)

Source: BIS OTC Derivatives Statistics

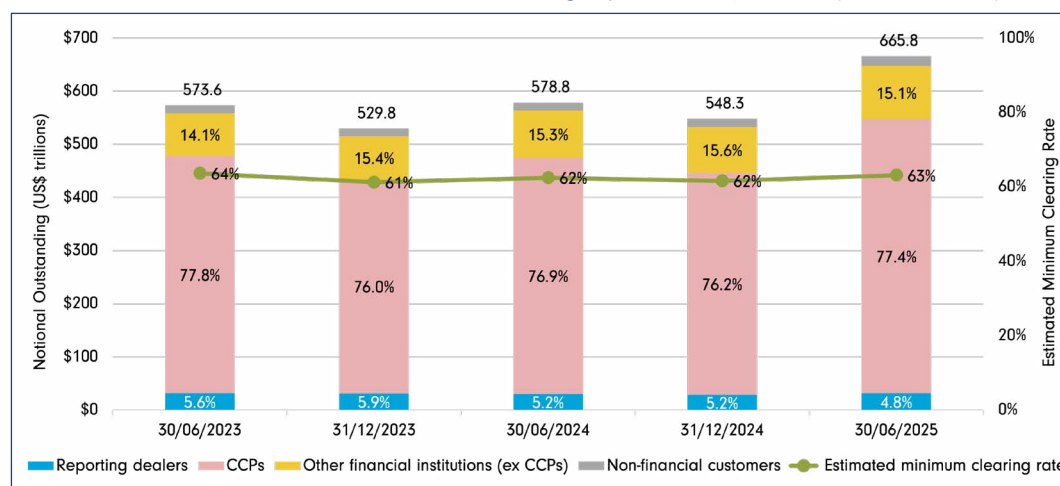
IRD contracts with a remaining maturity up to and including one year totaled \$291.4 trillion and accounted for 43.8% of global IRD notional outstanding at mid-year 2025. IRD notional outstanding with a remaining maturity over one year and up to five years was \$229.0 trillion (34.4% of total notional outstanding) and contracts with a remaining maturity over five years totaled \$145.2 trillion (21.8% of total notional outstanding) (see Chart 10).

Chart 10: Global IRD Notional Outstanding by Remaining Maturity (US\$ trillions)

Source: BIS OTC Derivatives Statistics

The share of IRD notional cleared by CCPs was 77.4% in the first half of 2025, totaling \$515.4 trillion. The estimated minimum clearing rate for IRD was 63.1% at mid-year 2025 compared to 62.5% the year before⁶ (see Chart 11).

⁶ The estimated minimum clearing rate adjusts for potential double-counting of interdealer trades novated to CCPs. It is calculated as $(CCP / 2) / (1 - (CCP / 2))$, where 'CCP' represents the share of notional amounts outstanding that dealers report against CCPs. The true clearing rate is likely to be higher as many trades will be initiated with CCPs

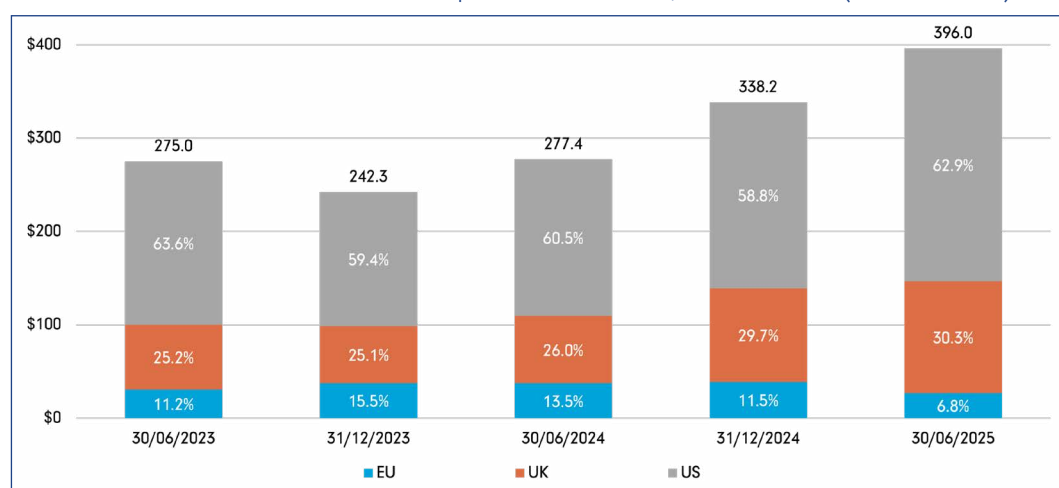
Chart 11: Global IRD Notional Outstanding by Counterparties (US\$ trillions)

Source: BIS OTC Derivatives Statistics

IRD Trading Activity Reported in the EU, UK and US

ISDA SwapsInfo data shows that trading in IRD products reported in the EU, UK and US increased by 42.8% to \$396.0 trillion in the first half of 2025 from \$277.4 trillion a year earlier⁷.

US-reported IRD traded notional accounted for 62.9% of combined EU, UK and US traded notional, while the EU and UK comprised 6.8% and 30.3%, respectively (see Chart 12).

Chart 12: IRD Traded Notional Reported in the EU, UK and US (US\$ trillions)

Source: DTCC SDR, European APAs and TVs

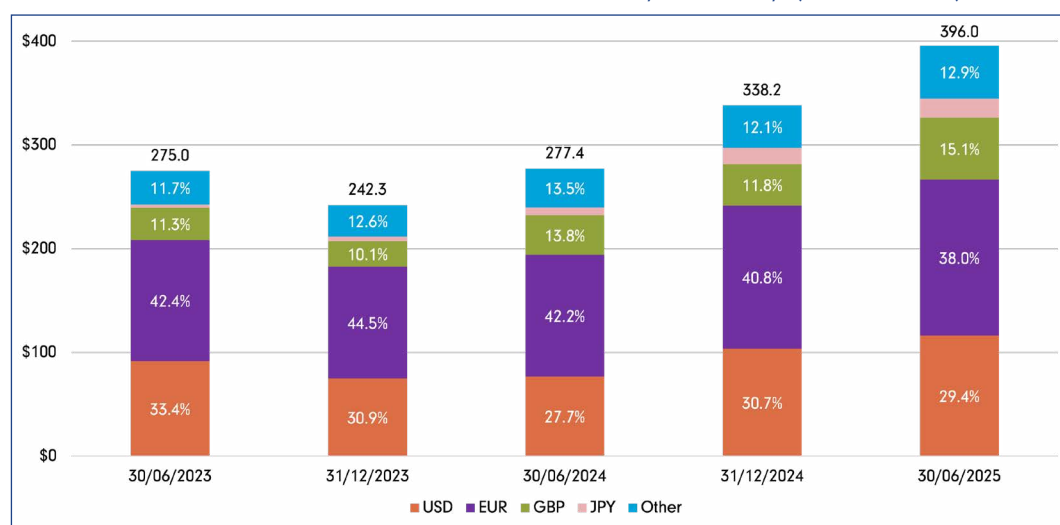
Euro-denominated IRD traded notional rose by 28.4% to \$150.4 trillion, representing 38.0% of total IRD traded notional in the first half of 2025 compared to 42.2% at end-June 2024.

⁷ US interest rate derivatives (IRD) trading activity is measured using data from the Depository Trust & Clearing Corporation (DTCC) swap data repository (SDR). This data only includes transactions that are subject to reporting requirements under US Commodity Futures Trading Commission (CFTC) regulations. European IRD trading activity is measured based on traded notional reported by approved publication arrangements (APAs) and trading venues (TVs) in the EU and UK. The most recent data on IRD trading activity is available on the ISDA SwapsInfo website <http://swapsinfo.org>

US-dollar-denominated IRD traded notional grew by 51.3% to \$116.4 trillion, accounting for 29.4% of total IRD traded notional versus 27.7% in the first half of 2024.

Sterling-denominated IRD traded notional increased by 55.6% to \$59.8 trillion, making up 15.1% of total IRD traded notional compared to 13.8% in the first six months of 2024 (see Chart 13).

Chart 13: EU, UK and US IRD Traded Notional by Currency (US\$ trillions)



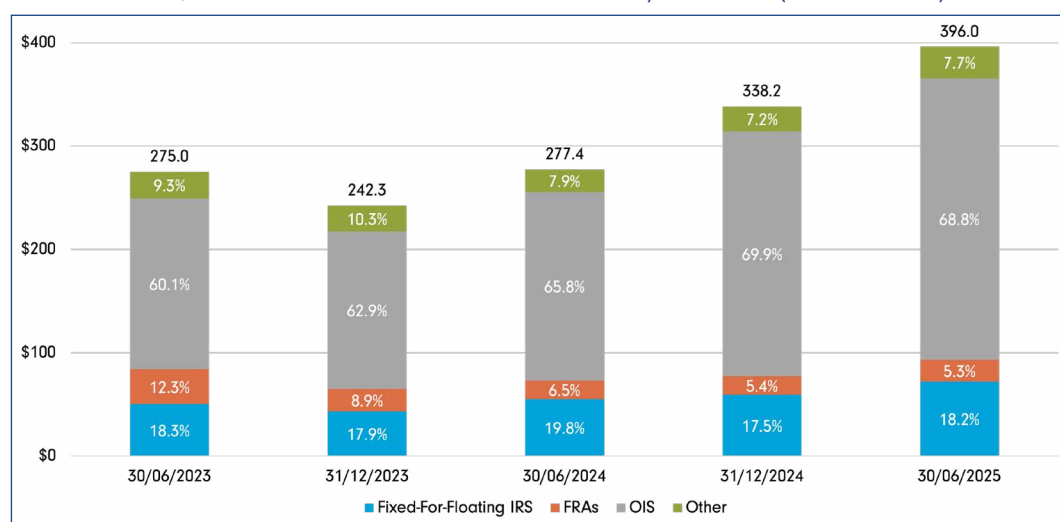
Source: DTCC SDR, European APAs and TVs

OIS traded notional rose by 49.3% to \$272.4 trillion from \$182.4 trillion, representing 68.8% of total EU, UK and US traded notional.

Fixed-for-floating IRS traded notional increased by 31.0% to \$72.1 trillion from \$55.0 trillion, accounting for 18.2% of combined EU, UK and US traded notional.

FRA traded notional grew by 16.3% to \$21.0 trillion from \$18.1 trillion, comprising 5.3% of combined EU, UK and US traded notional (see Chart 14).

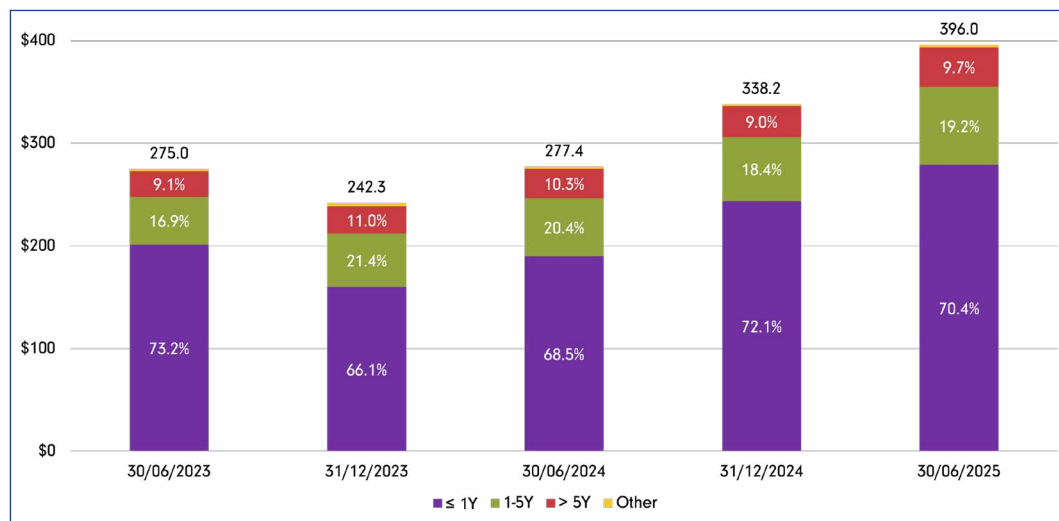
Chart 14: EU, UK and US IRD Traded Notional by Product (US\$ trillions)



Source: DTCC SDR, European AAs and TVs

In the first half of 2025, 70.4% of combined IRD trading occurred in contracts with a tenor up to and including one year compared to 68.5% in the first half of 2024⁸. Contracts with a tenor over one year and up to five years accounted for 19.2% of total IRD traded notional, while contracts with a tenor over five years made up 9.7% (see Chart 15).

Chart 15: EU, UK and US IRD Traded Notional by Tenor⁹ (US\$ trillions)



Source: DTCC SDR, European APAs and TVs

⁸ Tenor is calculated as the difference between the effective date and the end date

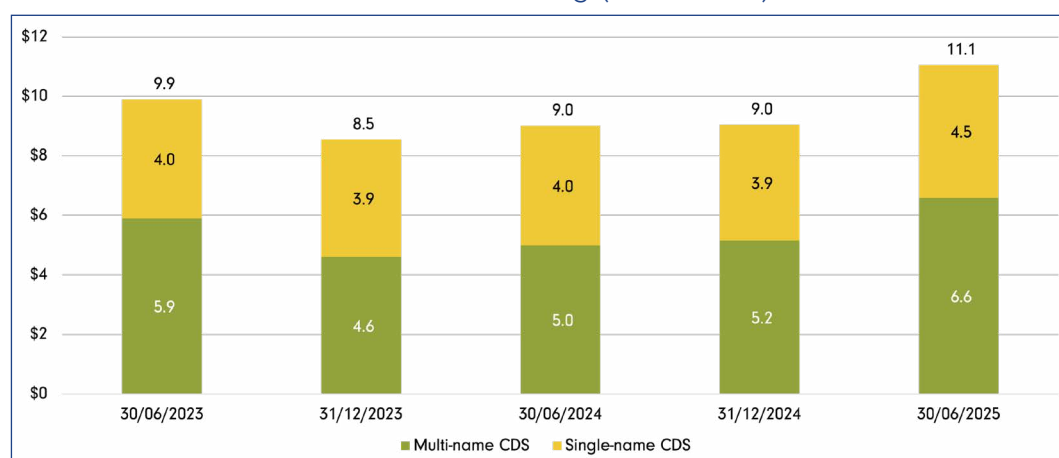
⁹ The 'other' category includes transactions that don't have tenor data specified in the database

CREDIT DERIVATIVES

Global Notional Outstanding

According to BIS data, global CDS notional outstanding (including single- and multiple-name CDS) totaled \$11.1 trillion at mid-year 2025, up by 22.6% versus mid-year 2024 and an increase of 22.2% compared to the end of December 2024. Single-name CDS notional rose by 11.1% to \$4.5 trillion, while multiple-name CDS notional increased by 31.9% to \$6.6 trillion (see Chart 16).

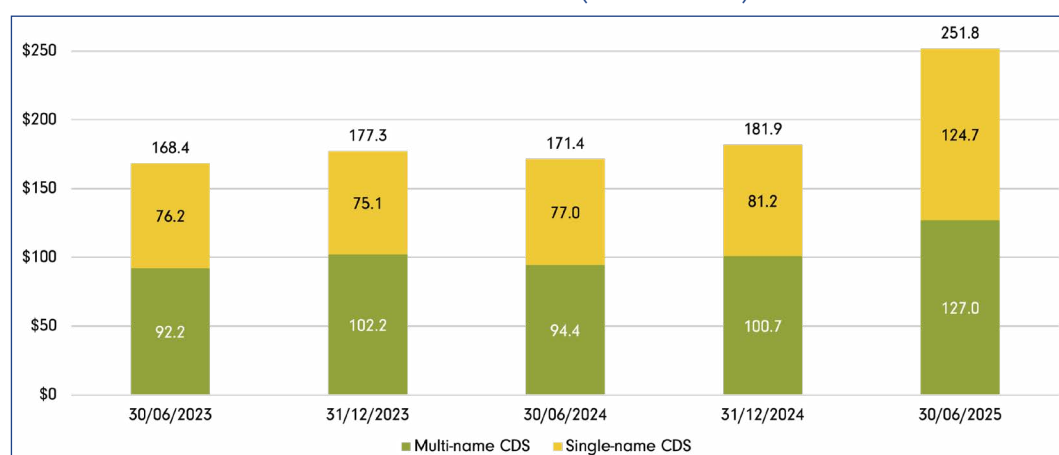
Chart 16: Global CDS Notional Outstanding (US\$ trillions)



Source: BIS OTC Derivatives Statistics

The gross market value of CDS grew by 46.9% to \$251.8 billion from \$171.4 billion. Single-name CDS gross market value rose by 61.9% to \$124.7 billion from \$77.0 billion and multiple-name CDS notional increased by 34.6% to \$127.0 billion from \$94.4 billion (see Chart 17).

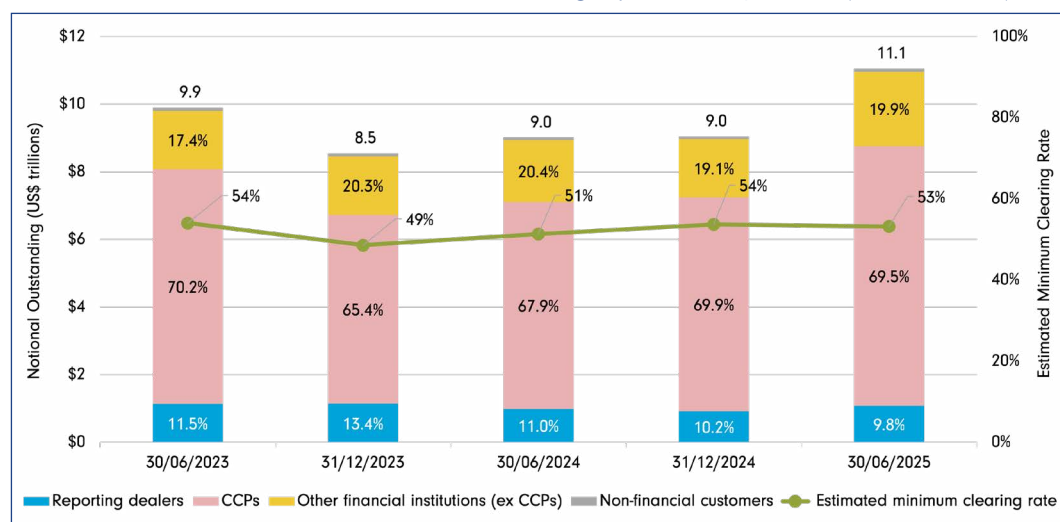
Chart 17: Global CDS Gross Market Value (US\$ billions)



Source: BIS OTC Derivatives Statistics

The share of CDS notional outstanding cleared by CCPs was 69.5%, totaling \$7.7 trillion. The estimated minimum clearing rate for CDS increased to 53.2% in the first half of 2025 compared to 51.3% in the first half of 2024¹⁰ (Chart 18).

¹⁰ The estimated minimum clearing rate adjusts for potential double-counting of interdealer trades novated to CCPs. It is calculated as $(CCP / 2) / (1 - (CCP / 2))$, where 'CCP' represents the share of notional amounts outstanding that dealers report against CCPs. The true clearing rate is likely to be higher as many trades will be initiated with CCPs

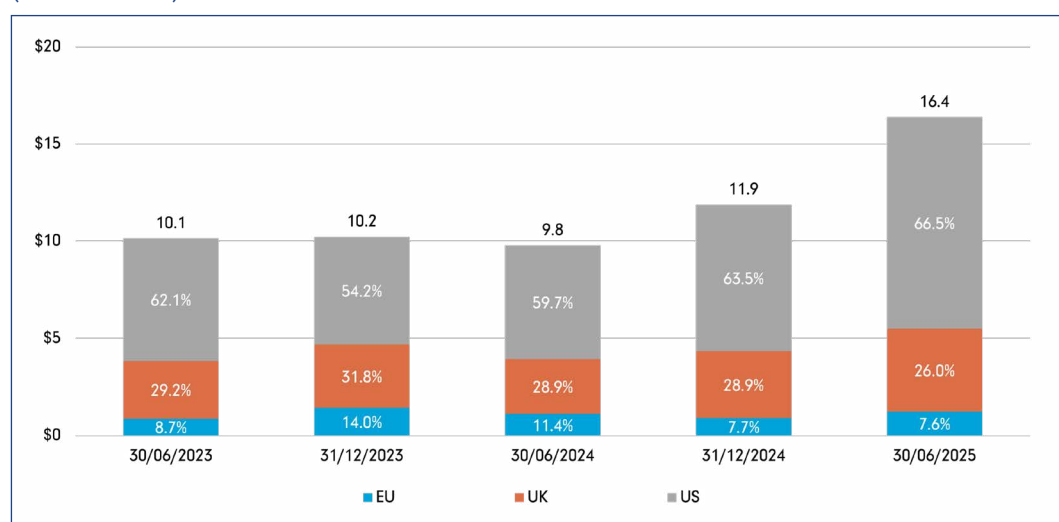
Chart 18: Global CDS Notional Outstanding by Counterparties (US\$ trillions)

Source: BIS OTC Derivatives Statistics

Credit Derivatives Trading Activity Reported in the EU, UK and US

Credit derivatives traded notional reported in the EU, UK and US grew by 67.4% to \$16.4 trillion in the first half of 2025 from \$9.8 in the first half of 2024. The share of credit derivatives trading reported in the US rose to 66.5% of combined traded notional from 59.7%¹¹.

The share of activity reported in the UK declined from 28.9% to 26.0% and the share of EU-reported trades fell from 11.4% to 7.6%¹² (see Chart 19).

Chart 19: Credit Derivatives Traded Notional Reported in the EU, UK and US (US\$ trillions)

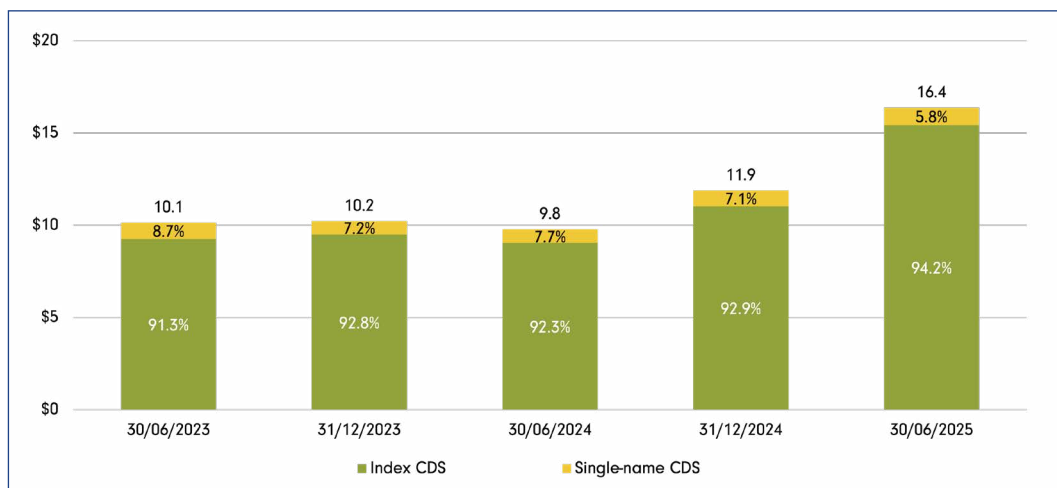
Source: DTCC SDR, DTCC and ICE Trade Vault SBSDRs, European APAs and TVs

¹¹ US data includes index credit derivatives transactions reported to the DTCC SDR under CFTC regulations and security-based credit derivatives reported to the DTCC's security-based swap data repository and ICE Trade Vault under US Securities and Exchange Commission requirements. The reporting of security-based swap transactions started in February 2022

¹² European credit derivatives trading activity is measured by credit derivatives traded notional reported by APAs and TVs in the EU and UK. Data includes index credit derivatives and single-name credit default swap transactions

Index CDS made up 94.2% of combined traded notional and single-name CDS accounted for 5.8% (see Chart 20).

Chart 20: EU, UK and US Credit Derivatives Traded Notional by Product (US\$ trillions)



Source: DTCC SDR, DTCC and ICE Trade Vault SBSRs, European APAs and TVs

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www.isda.org/a/pyvgE/Interest-Rate-Derivatives-Trading-Activity-Reported-in-EU-UK-and-US-Markets-Third-Quarter-of-2025-and-Year-to-September-30-2025.pdf

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