

SwapsInfo First Half of 2019 and Second Quarter of 2019 Review

The ISDA SwapsInfo Quarterly Review provides analysis of interest rate derivatives (IRD) and credit derivatives trading activity. The report provides a breakdown of cleared and non-cleared activity, swap execution facility (SEF) and off-SEF traded notional, product taxonomy and currency.

IRD and credit derivatives traded notional and trade count data is taken from the ISDA SwapsInfo website (swapsinfo.org), using information from the Depository Trust & Clearing Corporation and Bloomberg swap data repositories (SDRs). This report covers only those trades required to be disclosed under US regulations.

KEY HIGHLIGHTS FOR THE FIRST HALF OF 2019 AND SECOND QUARTER OF 2019

Interest Rate Derivatives

IRD traded notional and trade count continued to increase in the first half of 2019. IRD traded notional and trade count rose by 9.8% and 6.7%, respectively, compared with the first half of 2018. Single currency fixed-for-floating interest rate swap (IRS) traded notional increased by 2.4%, while forward rate agreement (FRA) and overnight index swap (OIS) traded notional grew by 19.3% and 16.0%, respectively, in the first half of 2019 compared with the first half of 2018.

In the first half of 2019:

- IRD traded notional increased to \$138.0 trillion from \$125.7 trillion in the first half of 2018. Trade count grew to 747,083 from 700,224. Single currency fixed-for-floating IRS traded notional increased to \$38.8 trillion from \$37.9 trillion. FRA traded notional rose to \$50.7 trillion from \$42.5 trillion and OIS traded notional increased to \$32.5 trillion in the first half of 2019 from \$28.0 trillion in the first half of 2018.
- Single currency fixed-for-floating IRS accounted for 62.9% of total IRD trades but represented only 28.1% of IRD traded notional. FRAs and OIS represented 36.7% and 23.5% of traded notional and 17.0% and 5.7% of total trade count, respectively.
- Cleared IRD transactions represented 88.9% of total traded notional, compared with 88.1% in the first half of 2018. 95.9% of fixed-for-floating IRS, 99.5% of FRA, 95.5% of OIS and 25.0% of other IRD traded notional was cleared in the first half of 2019.
- SEF-traded swaps represented 58.8% of total traded notional, compared with 56.3% in the first half of 2018. 58.8% of fixed-for-floating IRS, 82.4% of FRA, 32.5% of OIS and 37.5% of other IRD traded notional was executed on SEFs in the first half of 2019.
- IRD contracts denominated in US dollars contributed 66.6% of traded notional and 53.7% of trade count. Euro-denominated transactions accounted for 12.5% of traded notional and 14.4% of trade count.

In the second quarter of 2019:

- IRD traded notional rose by 15.2% to \$68.1 trillion from \$59.1 trillion in the second quarter of 2018. Trade count grew by 10.3% over the same period to 369,579 from 335,111. Single currency fixed-for-floating IRS traded notional increased to \$18.6 trillion from \$18.3 trillion. FRA traded notional rose to \$23.7 trillion from \$18.5 trillion, and OIS traded notional increased to \$18.1 trillion from \$13.8 trillion in the second quarter of 2018.
- Single currency fixed-for-floating IRS accounted for 63.5% of total IRD trades but represented only 27.3% of IRD traded notional. FRAs and OIS represented 34.7% and 26.6% of traded notional and 16.5% and 5.8% of total trade count, respectively.
- Cleared IRD transactions represented 88.9% of total traded notional and 83.4% of trade count. 95.6% of fixed-for-floating IRS, 99.4% of FRA, 95.8% of OIS and 24.4% of other IRD traded notional was cleared.
- SEF-traded transactions represented 57.5% of total traded notional and 61.4% of trade count. 59.1% of fixed-for-floating IRS, 80.7% of FRA, 34.8% of OIS and 36.4% of other IRD traded notional was executed on SEFs.
- IRD contracts denominated in US dollars contributed 68.1% of traded notional and 55.1% of trade count. Euro-denominated transactions accounted for 11.6% of traded notional and 13.8% of trade count.
- Fixed-for-floating IRS, FRA and OIS contracts denominated in US dollars increased by 5.0%, 28.7% and 28.4% to \$9.7 trillion, \$19.9 trillion and \$10.6 trillion, respectively, compared with the second quarter of 2018. Euro-denominated FRAs and OIS increased by 32.9% and 16.9%, respectively, while euro-denominated IRS declined by 16.6% to \$2.8 trillion.

Credit Derivatives

Credit derivatives traded notional and trade count decreased by 11.7% and 5.1%, respectively, in the first half of 2019 compared with the first half of 2018¹. There was less trading activity across all major indices, including CDX HY, CDX IG and iTraxx Europe.

In the first half of 2019:

- Credit derivatives traded notional decreased to \$4.4 trillion from \$4.9 trillion in the first half of 2018. Trade count fell to 121,672 from 128,239 over the same period. CDX HY traded notional declined by 8.6% to \$719.5 billion from \$786.8 billion in the first half of 2018, and CDX IG traded notional decreased by 2.2% over the same period to \$1.6 trillion from \$1.7 trillion. iTraxx Europe traded notional decreased by 13.0% to \$843.4 billion in the first half of 2019 from \$969.7 billion in the first half of 2018.
- CDX HY and CDX IG represented 16.5% and 37.2% of traded notional and 28.7% and 24.5% of total trade count, respectively. iTraxx Europe accounted for 19.4% of total credit derivatives traded notional and 17.1% of total trade count.
- Cleared transactions represented 80.6% of total traded notional, compared with 83.4% in the first half of 2018. 97.9% of CDX HY, 98.9% of CDX IG, 94.7% of iTraxx Europe and 34.5% of other credit derivatives traded notional was cleared.
- SEF-traded credit derivatives represented 77.0% of total traded notional, compared with 79.3% in the first half of 2018. 97.1% of CDX HY, 98.1% of CDX IG, 91.5% of iTraxx Europe and 25.3% of other credit derivatives traded notional was executed on SEFs.
- Credit derivatives contracts denominated in US dollars represented 70.8% of traded notional and 72.3% of trade count. Euro-denominated transactions accounted for 28.8% and 27.1% of traded notional and trade count, respectively.

¹ Credit derivatives are mostly comprised of CDS indices, but also include CDS index tranches, credit swaptions, exotic products, total return swaps and insignificant amount of single name CDS

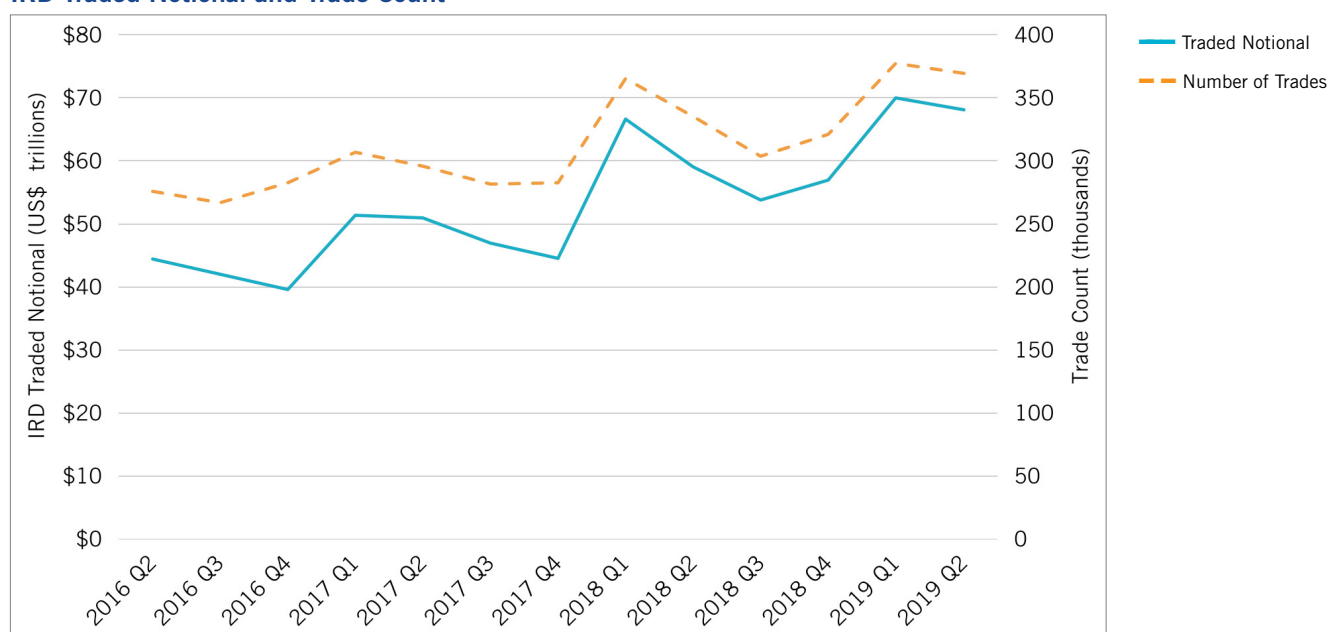
In the second quarter of 2019:

- Credit derivatives traded notional decreased by 9.3% to \$2.0 trillion from \$2.2 trillion in the second quarter of 2018. Trade count fell by 3.9% to 58,578 from 60,941 over the same period. CDX HY traded notional increased by 4.1% and CDX IG traded notional increased by 3.2% compared with the second quarter of 2018. CDX HY rose to \$358.8 billion from \$344.9 billion, and CDX IG grew to \$730.7 billion from \$707.9 billion. iTraxx Europe traded notional decreased by 20.8% to \$372.8 billion in the second quarter of 2019 from \$470.5 billion in the second quarter of 2018.
 - CDX HY and CDX IG represented 17.8% and 36.3% of traded notional and 30.4% and 23.6% of total trade count, respectively. iTraxx Europe accounted for 18.5% of total credit derivatives traded notional and 14.1% of total trade count.
 - Cleared transactions represented 80.1% of total traded notional and 81.4% of trade count. 98.1% of CDX HY, 98.9% of CDX IG, 92.5% of iTraxx Europe and 35.0% of other credit derivatives traded notional was cleared.
 - SEF-traded credit derivatives represented 76.5% of total traded notional and 78.6% of trade count. 97.4% of CDX HY, 98.1% of CDX IG, 88.9% of iTraxx Europe and 26.0% of other credit derivatives traded notional was executed on SEFs.
 - Credit derivatives contracts denominated in US dollars represented 71.0% of total traded notional and 72.6% of trade count. Euro-denominated transactions accounted for 28.7% and 26.8% of traded notional and trade count, respectively.
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INTEREST RATE DERIVATIVES

During the second quarter of 2019, IRD traded notional rose by 15.2% to \$68.1 trillion from \$59.1 trillion in the second quarter of 2018. Trade count grew by 10.3% over the same period, to 369,579 from 335,111.

IRD Traded Notional and Trade Count

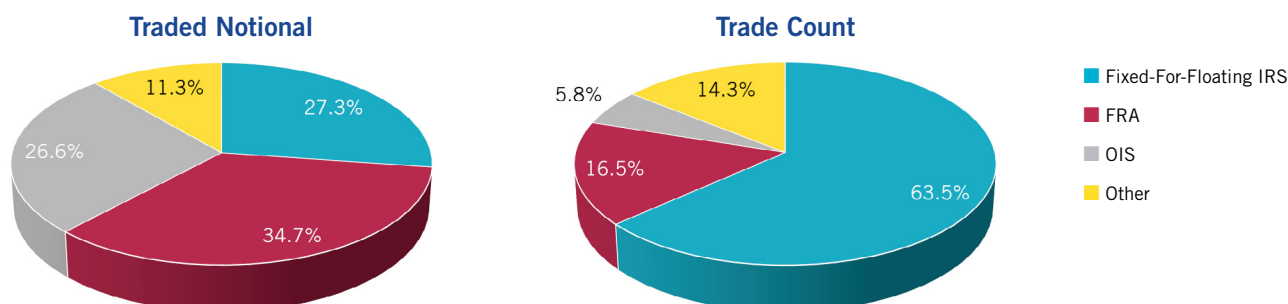


Source: DTCC and Bloomberg SDRs

In the first half of 2019, IRD traded notional increased by 9.8% to \$138.0 trillion from \$125.7 trillion in the first half of 2018. Trade count increased by 6.7% to 0.8 million from 0.7 million over the same period.

IRD Statistics: Product Taxonomy

Single currency fixed-for-floating IRS accounted for 63.5% of total IRD trade count, but represented only 27.3% of IRD traded notional in the second quarter of 2019. FRAs and OIS represented 34.7% and 26.6% of total traded notional and 16.5% and 5.8% of trade count, respectively.



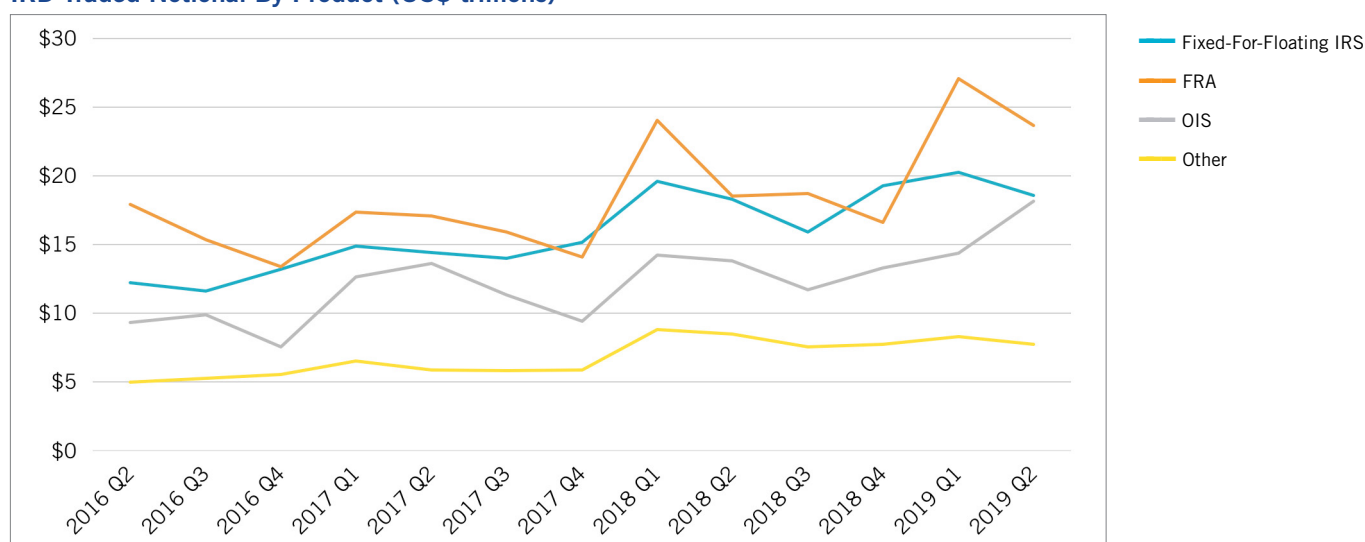
Source: DTCC and Bloomberg SDRs

Fixed-for-floating IRS traded notional increased by 1.4% from \$18.3 trillion in the second quarter of 2018 to \$18.6 trillion in the second quarter of 2019. IRS trade count increased by 5.6% from 221,990 to 234,532 over the same period. IRS traded notional increased by 2.4% from \$37.9 trillion in the first half of 2018 to \$38.8 trillion in the first half of 2019. Trade count grew by 3.4% over the same period.

FRA traded notional increased by 27.8% from \$18.5 trillion in the second quarter of 2018 to \$23.7 trillion in the second quarter of 2019. Trade count increased by 32.9% from 45,962 to 61,072 over the same period. FRA traded notional increased by 19.3% from \$42.5 trillion in the first half 2018 to \$50.7 trillion in the first half of 2019. Trade count increased by 20.3% from 105,856 to 127,336 over the same period.

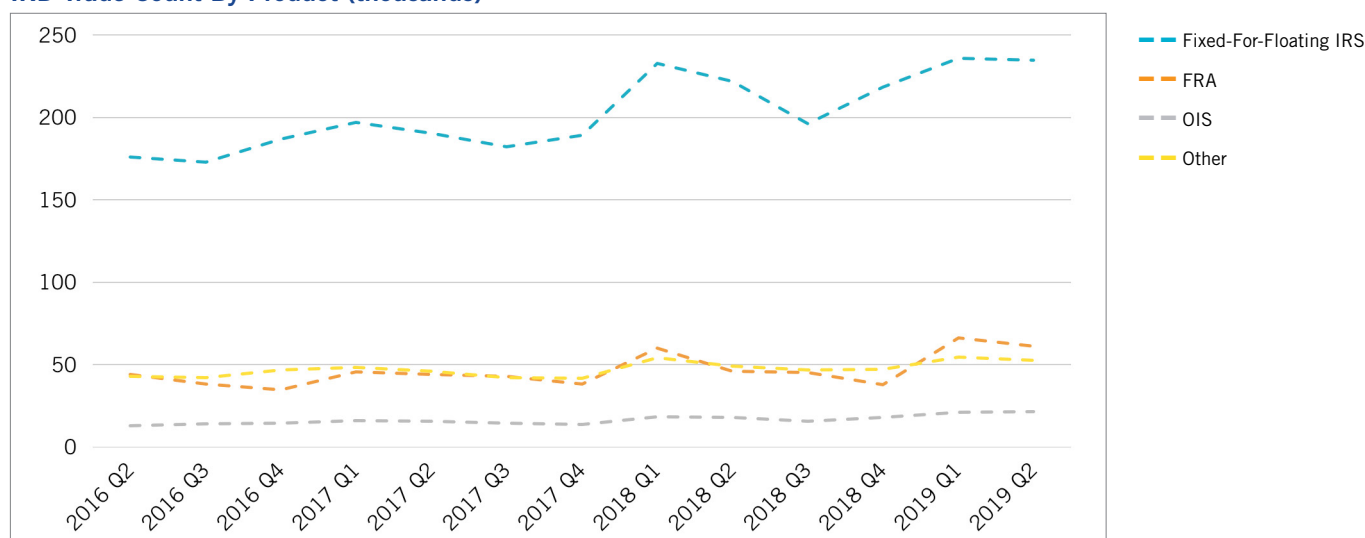
OIS traded notional increased by 31.4% from \$13.8 trillion in the second quarter of 2018 to \$18.1 trillion in the second quarter of 2019. Traded notional grew by 16.0% from \$28.0 trillion in the first half of 2018 to \$32.5 trillion in the first half of 2019. OIS trade count increased by 18.9% during the second quarter of 2019 compared with the second quarter of 2018, and increased by 16.6% in the first half of 2019 compared with the first half of 2018.

IRD Traded Notional By Product (US\$ trillions)



Source: DTCC and Bloomberg SDRs

IRD Trade Count By Product (thousands)



Source: DTCC and Bloomberg SDRs

IRD Statistics: Average Daily Traded Notional, Trade Count and Trade Size Quarterly Statistics

Fixed-for-floating IRS average daily traded notional increased by 1.4% in the second quarter of 2019 versus the second quarter of 2018 and totaled \$285.5 billion. Fixed-for-floating IRS average daily trade count increased by 5.6%, while average trade size decreased by 3.9% over the same period.

FRA average daily traded notional totaled \$375.3 billion in the second quarter of 2019, 29.9% higher than the second quarter of 2018. FRA average daily trade count increased by 35.0%, while average trade size decreased by 2.6% in the second quarter of 2019 versus the second quarter of 2018.

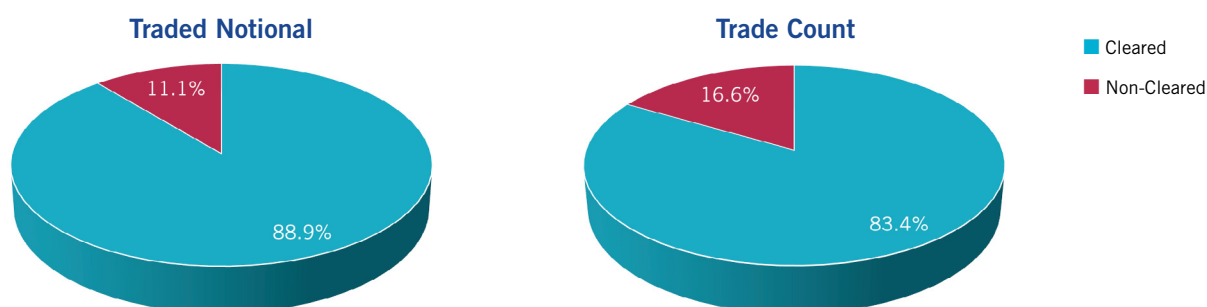
OIS average daily traded notional was \$283.3 billion in the second quarter of 2019, a 33.5% increase compared with the second quarter of 2018. OIS average daily trade count and average trade size increased by 20.7% and 12.6%, respectively, over the same period.

	Average Daily Traded Notional (US\$ billions)			Average Daily Trade Count			Average Trade Size (US\$ millions)		
	IRS	FRA	OIS	IRS	FRA	OIS	IRS	FRA	OIS
Q2 2019	285.5	375.3	283.3	3,608	969	333	79.1	775.9	860.2
Q2 2018	281.4	289.0	212.3	3,415	718	276	82.3	796.3	763.7
Q2 2019 vs. Q2 2018	1.4%	29.9%	33.5%	5.6%	35.0%	20.7%	-3.9%	-2.6%	12.6%
1st Half of 2019	303.3	402.5	253.7	3,675	1,011	332	82.6	754.8	759.9
1st Half of 2018	291.4	335.0	217.0	3,497	834	283	82.9	785.6	756.1
1st Half of 2019 vs. 1st Half of 2018	4.1%	20.1%	16.9%	5.1%	21.1%	17.5%	-0.3%	-3.9%	0.5%

Source: DTCC and Bloomberg SDRs

IRD Statistics: Central Clearing

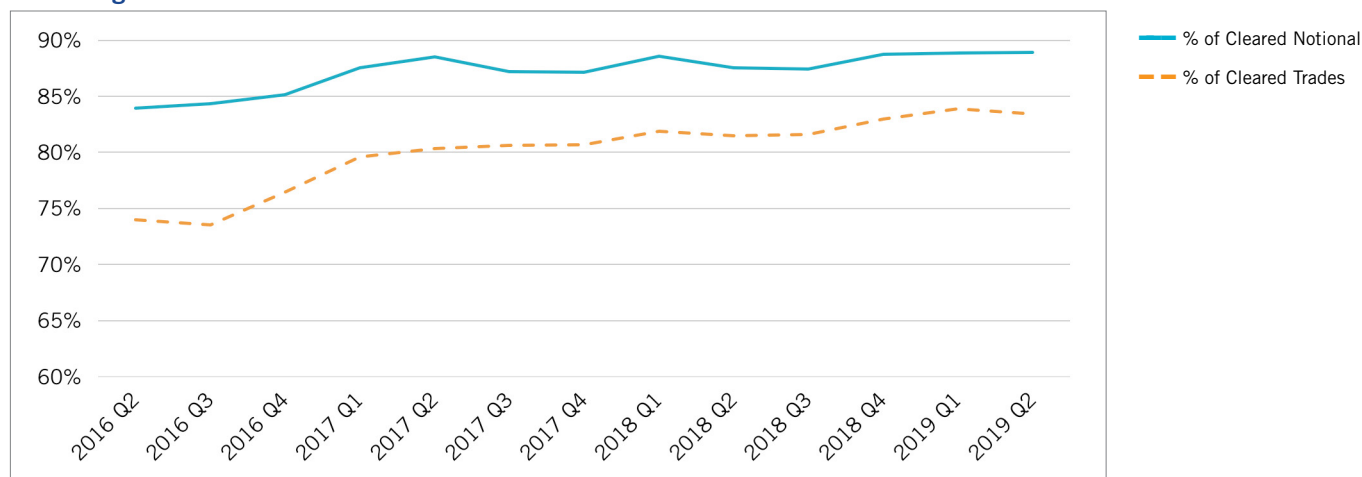
Cleared IRD transactions represented 88.9% of total IRD traded notional and 83.4% of trade count during the second quarter of 2019. IRD cleared notional totaled \$60.5 trillion and total trade count was 308,257.



Source: DTCC and Bloomberg SDRs

The percentage of both cleared notional and cleared trade count has been gradually increasing over the past three years.

Percentage of IRD Cleared Notional and Trade Count

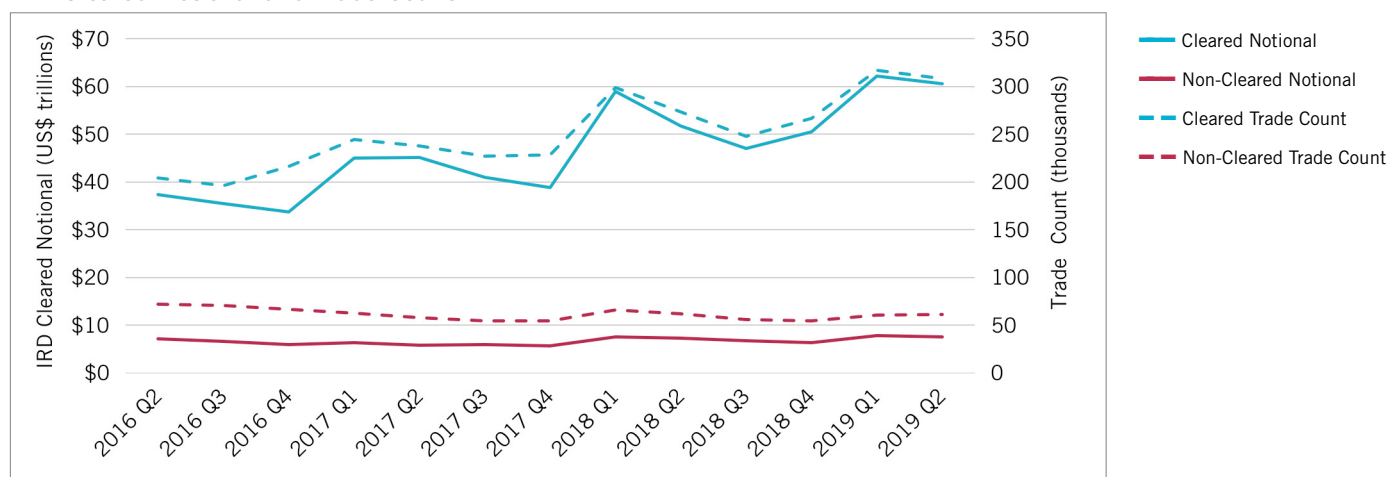


Source: DTCC and Bloomberg SDRs

IRD cleared notional increased by 17.0% from \$51.7 trillion in the second quarter of 2018 to \$60.5 trillion in the second quarter of 2019. Cleared trade count grew by 12.9% over the same period, from 273,058 to 308,257. IRD non-cleared notional grew by 2.6% in the second quarter of 2019 versus the second quarter of 2018, from \$7.4 trillion to \$7.5 trillion. Trade count decreased by 1.2% over the same period, from 62,053 to 61,322.

IRD cleared notional increased by 10.8% in the first half of 2019 compared with the first half of 2018, from \$110.7 trillion to \$122.7 trillion. Trade count grew by 9.2% from 572,058 to 624,922 over the same period. IRD non-cleared notional rose to \$15.3 trillion in the first half of 2019, a 2.6% increase compared with \$14.9 trillion in the first half of 2018. Trade count fell by 4.7% from 128,166 to 122,161 over the same period.

IRD Cleared Notional and Trade Count

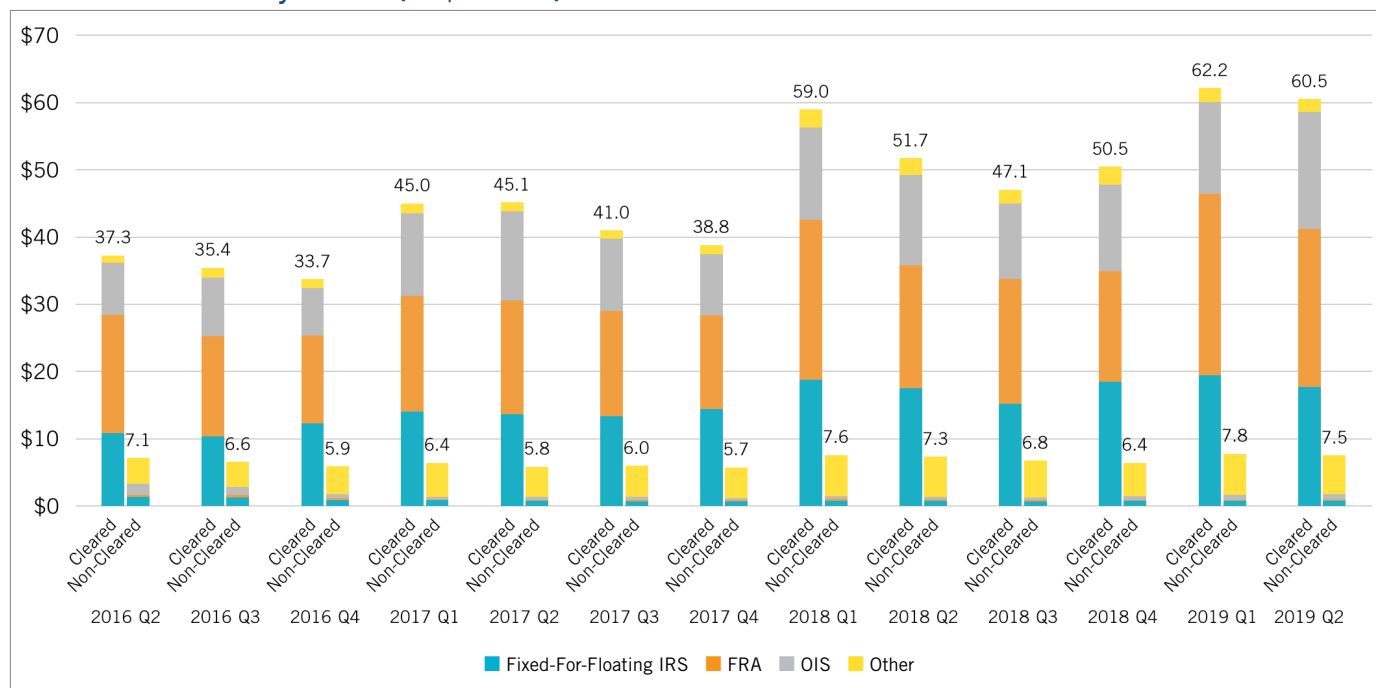


Source: DTCC and Bloomberg SDRs

In the second quarter of 2019, \$17.7 trillion (95.6%) of fixed-for-floating IRS traded notional was cleared and \$815.2 billion was non-cleared. The notional amount of FRAs and OIS that was cleared reached \$23.5 trillion (99.4%) and \$17.4 trillion (95.8%), respectively. Over the same period, \$1.9 trillion (24.4%) of other IRD products notional was cleared and \$5.8 trillion was non-cleared.

In the first half of 2019, \$37.2 trillion (95.9%) of fixed-for-floating IRS traded notional was cleared and \$1.6 trillion was non-cleared. \$50.5 trillion (99.5%) of FRAs and \$31.0 trillion (95.5%) of OIS was cleared. \$4.0 trillion (25.0%) of other IRD products notional was cleared and \$12.0 trillion was non-cleared.

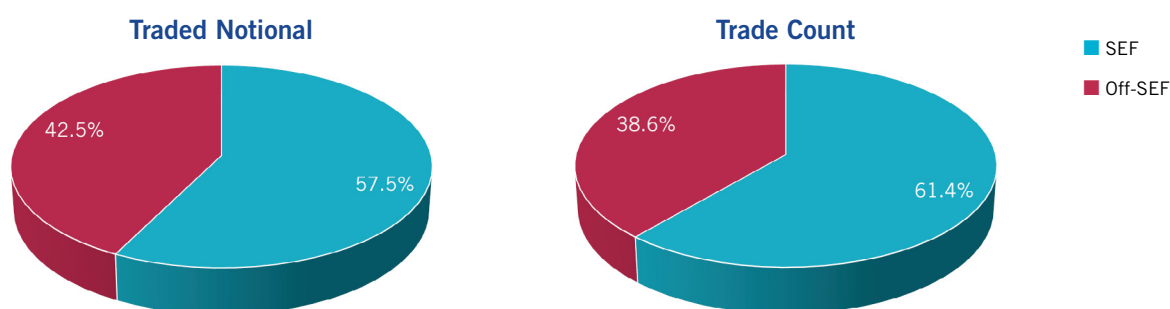
IRD Cleared Notional by Product (US\$ trillions)



Source: DTCC and Bloomberg SDRs

IRD Statistics: Trading Venue

In the second quarter of 2019, SEF-traded IRD represented 57.5% of total IRD traded notional and 61.4% of trade count. Total IRD traded notional executed on SEFs was \$39.2 trillion, while \$28.9 trillion was executed off-SEF. 226,978 transactions were executed on SEFs and 142,601 transactions occurred off-SEF.



Source: DTCC and Bloomberg SDRs

In the second quarter of 2019, IRD traded notional executed on SEFs grew by 18.6% compared with the second quarter of 2018, from \$33.0 trillion to \$39.2 trillion. The number of trades executed on SEFs increased by 10.0% from 206,386 to 226,978 over the same period. IRD traded notional executed off-SEF increased by 10.9% from \$26.1 trillion in the second quarter of 2018 to \$28.9 trillion in the second quarter of 2019. The number of transactions increased by 10.8% over the same period, from 128,725 to 142,601.

In the first half of 2019, IRD traded notional executed on SEFs rose by 14.7% to \$81.1 trillion from \$70.7 trillion in the first half of 2018. Trade count increased by 6.7% from 433,986 to 463,010 over the same period. IRD traded notional executed off-SEF grew by 3.5% from \$55.0 trillion in the first half of 2018 to \$56.9 trillion in the first half of 2019. The number of transactions increased by 6.7% over the same period, from 266,238 to 284,073.

SEF and Off-SEF IRD Traded Notional and Trade Count

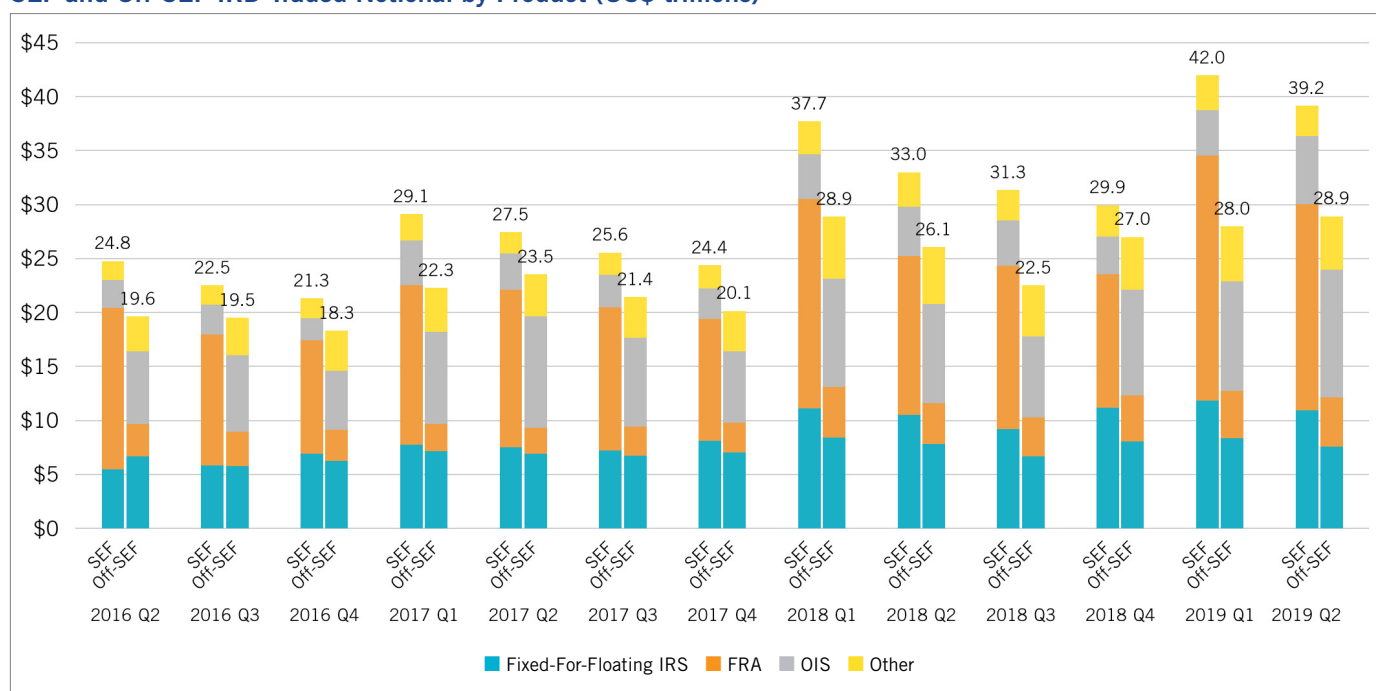


Source: DTCC and Bloomberg SDRs

In the second quarter of 2019, \$11.0 trillion (59.1%) of fixed-for-floating IRS was traded on SEFs and \$7.6 trillion was executed off-SEF. \$19.1 trillion (80.7%) of FRAs was executed on SEFs and \$4.6 trillion was traded off-SEF. \$6.3 trillion (34.8%) of OIS was executed on SEFs and \$11.8 trillion occurred off-SEF.

In the first half of 2019, \$22.8 trillion (58.8%) of fixed-for-floating IRS was traded on SEFs and \$16.0 trillion was executed off-SEF. \$41.8 trillion (82.4%) of FRAs was executed on SEFs and \$9.0 trillion was traded off-SEF. \$10.6 trillion (32.5%) of OIS was executed on SEFs and \$21.9 trillion occurred off-SEF.

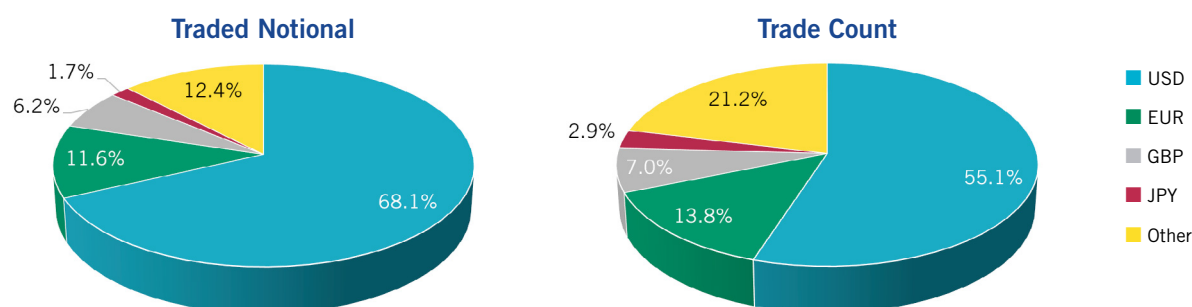
SEF and Off-SEF IRD Traded Notional by Product (US\$ trillions)



Source: DTCC and Bloomberg SDRs

IRD Statistics: Currency

IRD contracts denominated in US dollars remained the most actively traded IRD instruments. US dollar-denominated IRD contributed 68.1% of traded notional and 55.1% of trade count in the second quarter of 2019. Euro-denominated transactions accounted for a far smaller percentage of traded notional (11.6%) and trade count (13.8%).

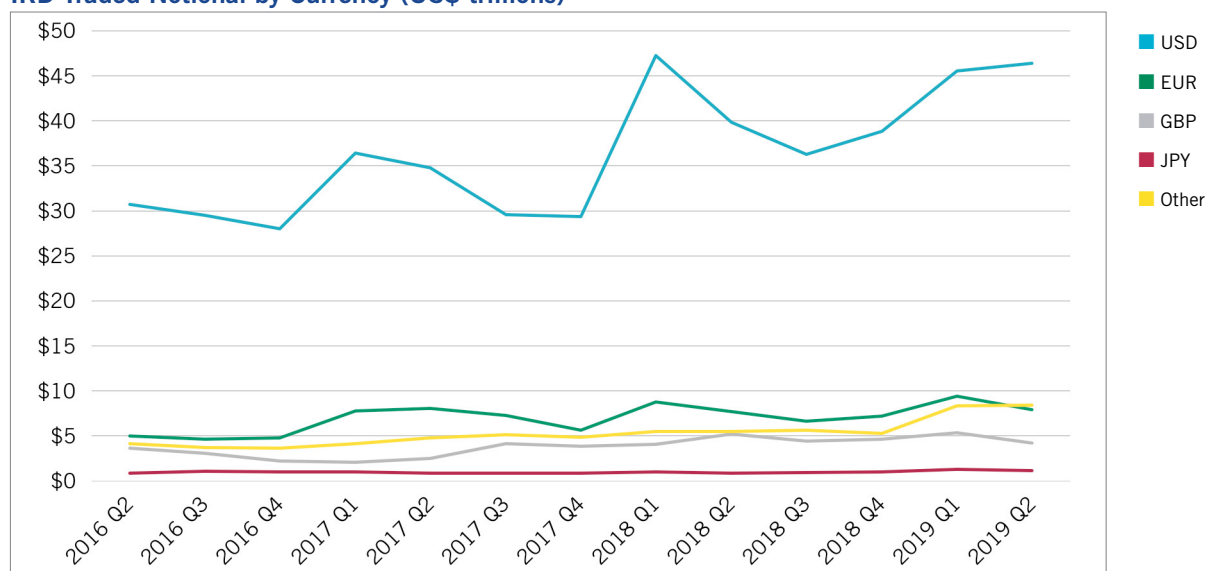


Source: DTCC and Bloomberg SDRs

US dollar-, euro- and yen-denominated IRD traded notional increased by 16.4%, 2.4% and 38.9%, respectively, while sterling-denominated IRD traded notional declined by 18.6% in the second quarter of 2019 compared with the second quarter of 2018. US dollar-denominated traded notional totaled \$46.4 trillion in the second quarter of 2019 compared with \$39.8 trillion in the second quarter of 2018. Euro-denominated traded notional grew to \$7.9 trillion in the second quarter of 2019 compared with \$7.7 trillion in the second quarter of 2018. Traded notional for sterling- and yen-denominated trades totaled \$4.2 trillion and \$1.2 trillion, respectively, in the second quarter of 2019. Trade count increased by 11.3%, 0.4%, 13.8% and 36.7% for US dollar-, euro-, sterling- and yen-denominated trades, respectively.

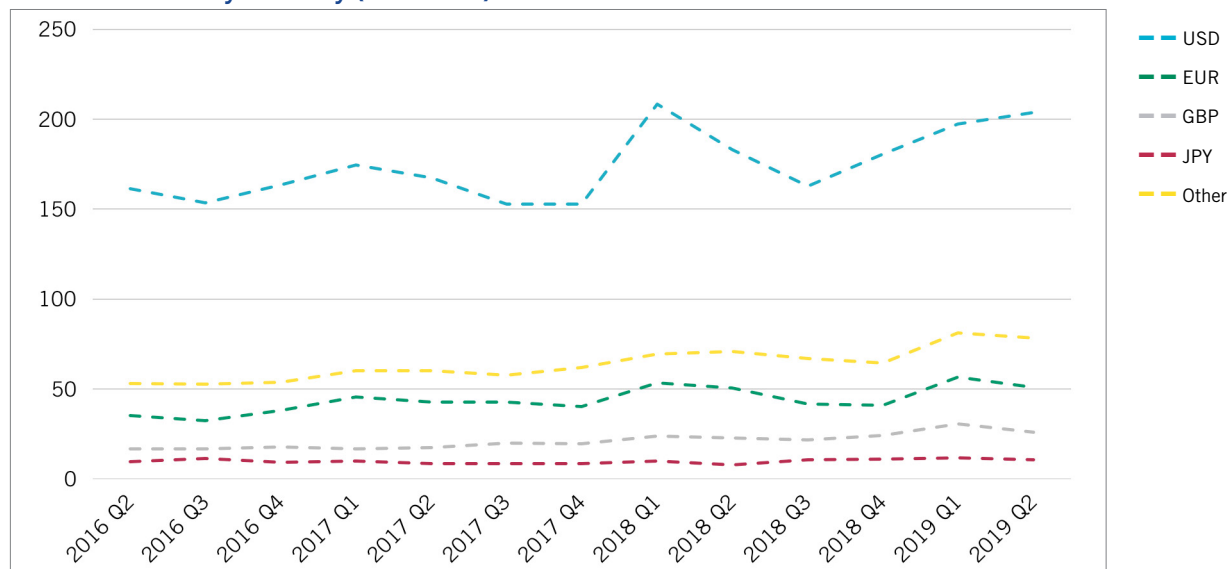
US dollar-denominated IRD traded notional increased by 5.6% from \$87.1 trillion in the first half of 2018 to \$91.9 trillion in the first half of 2019. Euro-denominated traded notional increased by 4.8% to \$17.3 trillion from \$16.5 trillion, sterling-denominated traded notional increased by 3.0% to \$9.6 trillion, and yen-denominated traded notional grew by 34.6% to \$2.5 trillion over the same period. Trade count increased by 2.5% for US dollar-denominated trades, 3.3% for euro-denominated trades, 20.6% for sterling-denominated trades and 27.2% for yen-denominated trades in the first half of 2019 compared with the first half of 2018.

IRD Traded Notional by Currency (US\$ trillions)



Source: DTCC and Bloomberg SDRs

IRD Trade Count by Currency (thousands)



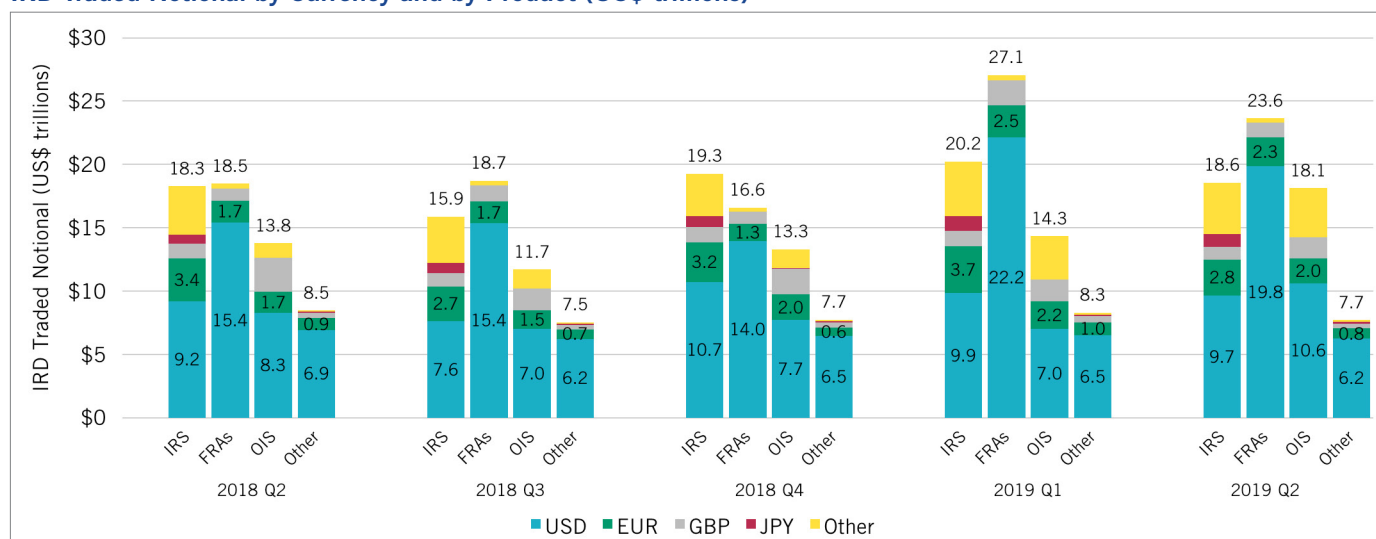
Source: DTCC and Bloomberg SDR

US dollar-denominated fixed-for-floating IRS rose by 5.0% to \$9.7 trillion in the second quarter of 2019 from \$9.2 trillion in the second quarter of 2018. Euro-denominated fixed-for-floating IRS decreased by 16.6% to \$2.8 trillion from \$3.4 trillion over the same period. Sterling- and yen-denominated IRS both totaled \$1.0 trillion in the second quarter of 2019 compared with \$1.2 trillion and \$0.7 trillion, respectively, in the second quarter of 2018.

US dollar-denominated FRAs increased by 28.7% to \$19.9 trillion in the second quarter of 2019 from \$15.4 trillion in the second quarter of 2018. Euro-denominated FRAs grew by 32.9% to \$2.3 trillion over the same period. Sterling-denominated FRAs increased by 21.7 to \$1.2 trillion in the second quarter of 2019 from \$1.0 trillion in the second quarter of 2018.

US dollar-denominated OIS rose by 28.4% to \$10.6 trillion in the second quarter of 2019 from \$8.3 trillion in the second quarter of 2018. Euro-denominated OIS increased by 16.9% to \$2.0 trillion from \$1.7 trillion over the same period. Sterling-denominated OIS decreased by 38.1% to \$1.7 trillion in the second quarter of 2019 from \$2.7 trillion in the second quarter of 2018.

IRD Traded Notional by Currency and by Product (US\$ trillions)

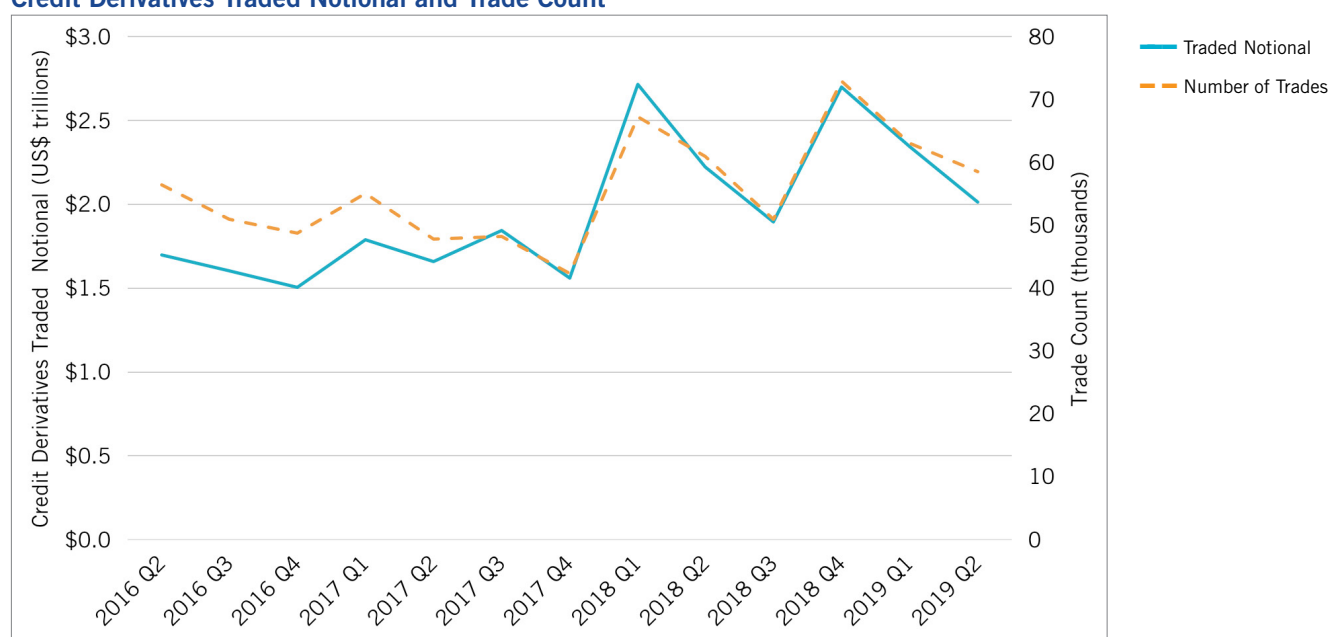


Source: DTCC and Bloomberg SDRs

CREDIT DERIVATIVES

Credit derivatives traded notional decreased by 9.3% to \$2.0 trillion in the second quarter of 2019 from \$2.2 trillion in the second quarter of 2018. The number of trades fell by 3.9% to 58,578 from 60,941 over the same period.

Credit Derivatives Traded Notional and Trade Count

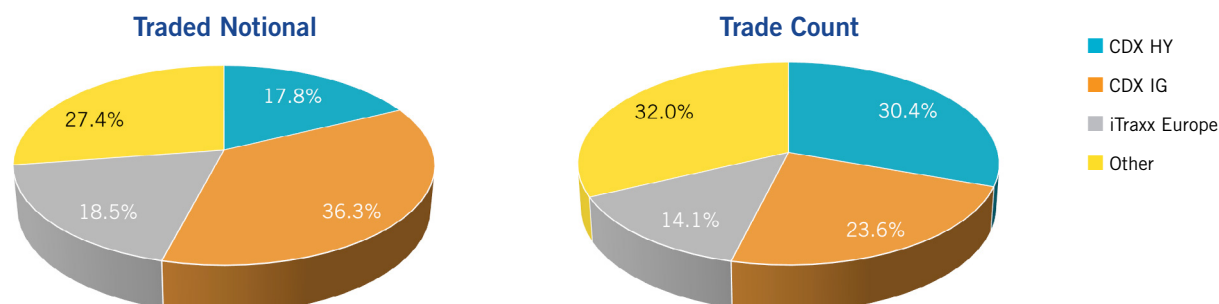


Source: DTCC and Bloomberg SDRs

Credit derivatives traded notional fell to \$4.4 trillion in the first half of 2019, an 11.7% decrease from \$4.9 trillion in the first half of 2018. Credit derivatives trade count declined by 5.1% to 121,672 from 128,239 over the same period.

Credit Derivatives: Product Taxonomy

CDX HY and CDX IG represented 17.8% and 36.3% of total traded notional and 30.4% and 23.6% of total trade count, respectively, in the second quarter of 2019. iTraxx Europe accounted for 18.5% of traded notional and 14.1% of trade count.

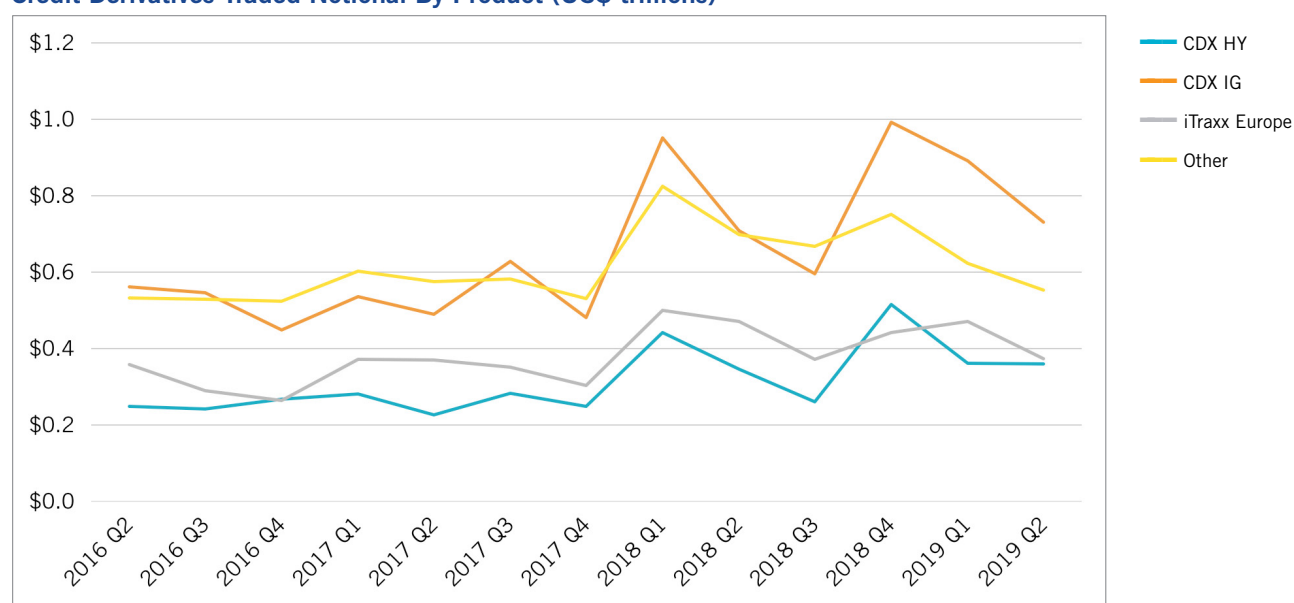


Source: DTCC and Bloomberg SDRs

In the second quarter of 2019, CDX HY traded notional increased by 4.1% and CDX IG traded notional increased by 3.2% compared with the second quarter of 2018. CDX HY grew to \$358.8 billion from \$344.9 billion, and CDX IG grew to \$730.7 billion from \$707.9 billion. Trade count increased quarter-over-quarter by 11.6% for CDX HY and by 5.7% for CDX IG. iTraxx Europe traded notional decreased by 20.8% to \$372.8 billion in the second quarter of 2019 from \$470.5 billion in the second quarter of 2018. Trade count declined by 6.9% over the same period.

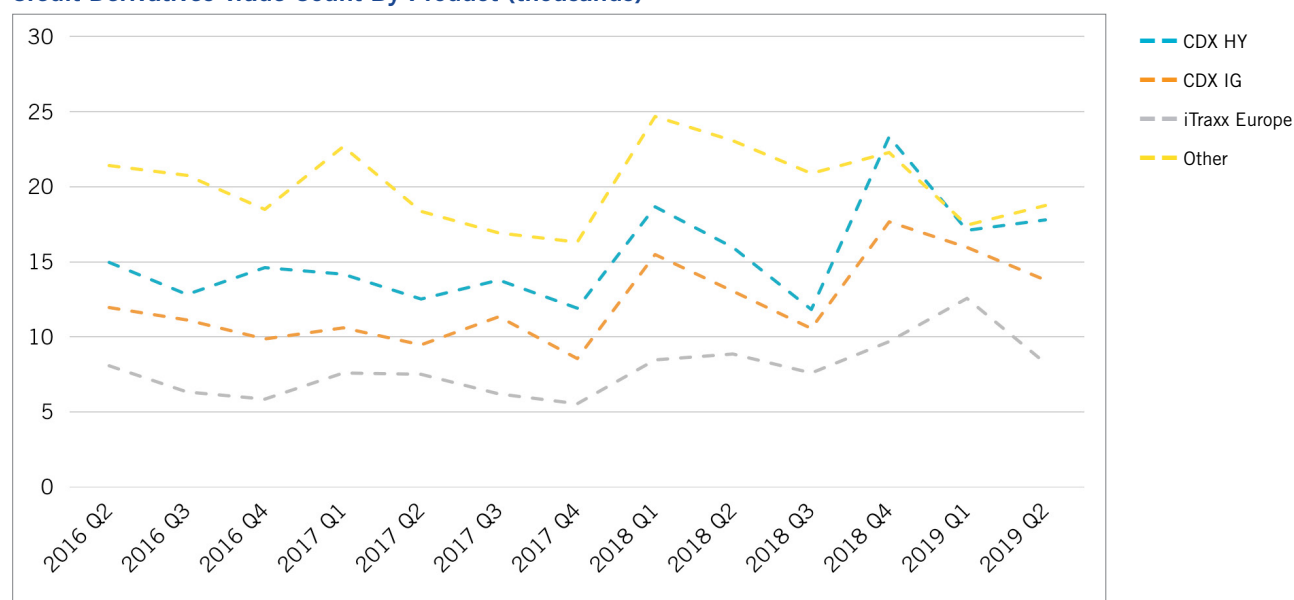
CDX HY traded notional decreased by 8.6% to \$719.5 billion in the first half of 2019 from \$786.8 billion in the first half of 2018. CDX IG traded notional fell by 2.2% over the same period to \$1.6 trillion from \$1.7 trillion. Trade count for CDX HY and CDX IG grew by 0.8% and 4.3%, respectively. iTraxx Europe traded notional decreased by 13.0% to \$843.4 billion in the first half of 2019 compared with \$969.7 billion in the first half of 2018. Trade count increased by 20.3% over the same period.

Credit Derivatives Traded Notional By Product (US\$ trillions)



Source: DTCC and Bloomberg SDRs

Credit Derivatives Trade Count By Product (thousands)



Source: DTCC and Bloomberg SDRs

Credit Derivatives Statistics: Average Daily Traded Notional, Trade Count and Trade Size Quarterly Statistics

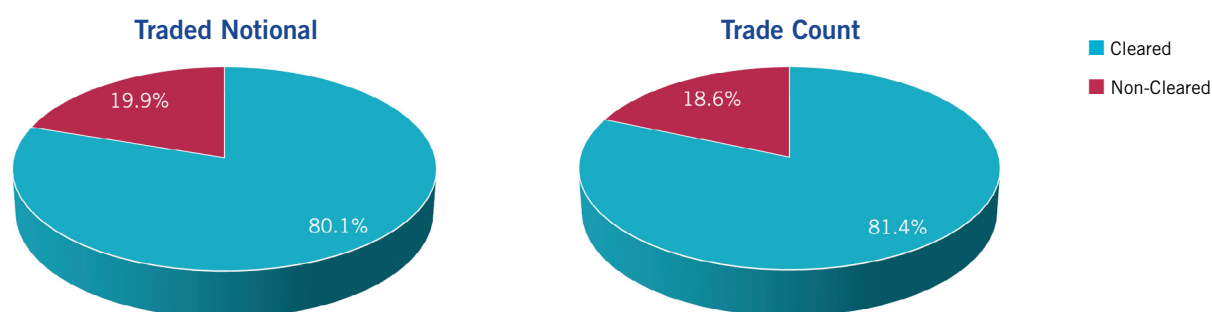
Average daily traded notional of CDX HY and CDX IG increased by 5.7% and 4.9% in the second quarter of 2019 versus the second quarter of 2018, and totaled \$5.7 billion and \$11.6 billion, respectively. Average daily trade count of CDX HY grew by 13.3% and totaled 282, while average daily trade count of CDX IG grew by 7.3% and totaled 219 over the same period. Average trade size of CDX HY and CDX IG was \$20.1 million and \$52.3 million, respectively. iTraxx Europe average daily traded notional decreased by 18.2% to \$6.1 billion and average daily trade count declined by 3.9% to 135. iTraxx Europe average trade size declined by 13.9% to \$44.6 million in the second quarter of 2019 compared with the second quarter of 2018.

	Average Daily Traded Notional (US\$ billions)			Average Daily Trade Count			Average Trade Size (US\$ millions)		
	CDX HY	CDX IG	iTraxx Europe	CDX HY	CDX IG	iTraxx Europe	CDX HY	CDX IG	iTraxx Europe
Q2 2019	5.7	11.6	6.1	282	219	135	20.1	52.3	44.6
Q2 2018	5.4	11.1	7.5	249	204	140	21.3	53.9	51.9
Q1 2019 vs. Q1 2018	5.7%	4.9%	-18.2%	13.3%	7.3%	-3.9%	-5.4%	-2.9%	-13.9%
1st Half of 2019	5.8	13.1	6.8	282	240	167	19.9	53.5	40.5
1st Half of 2018	6.3	13.3	7.7	278	229	137	21.7	56.6	55.1
1st Half of 2019 vs. 1st Half of 2018	-8.1%	-1.6%	-11.8%	1.4%	5.0%	21.9%	-8.2%	-5.5%	-26.6%

Source: DTCC and Bloomberg SDRs

Credit Derivatives Statistics: Central Clearing

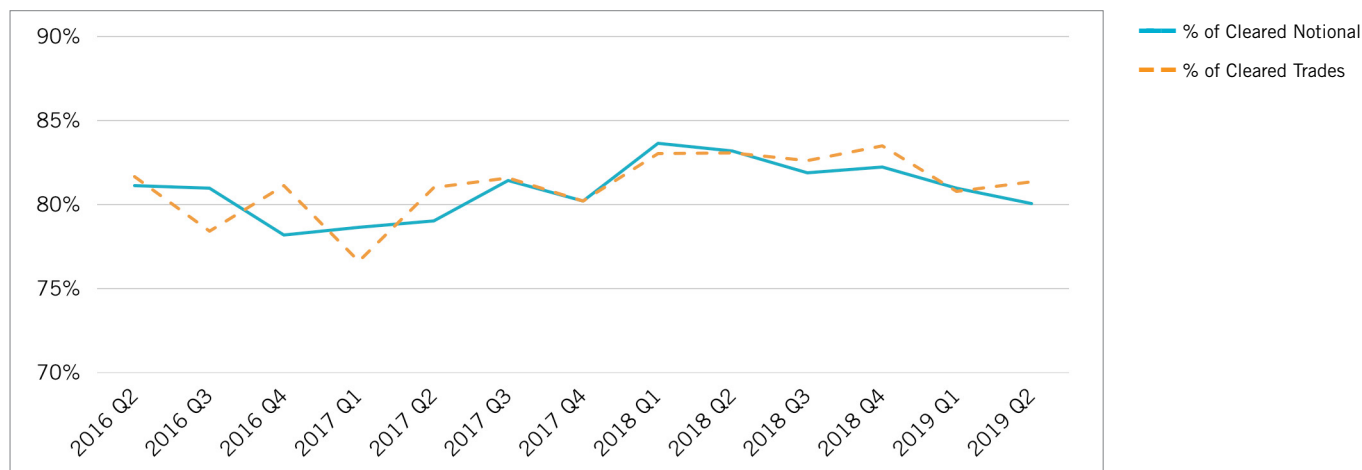
Credit derivatives cleared transactions represented 80.1% of traded notional and 81.4% of trade count in the second quarter of 2019. Traded notional and trade count of cleared transactions was \$1.6 trillion and 47,661, respectively.



Source: DTCC and Bloomberg SDRs

Over the past three years, the percentage of cleared credit derivatives notional and trade count has fluctuated between 76% and 84%.

Percentage of Credit derivatives Cleared Notional and Trade Count

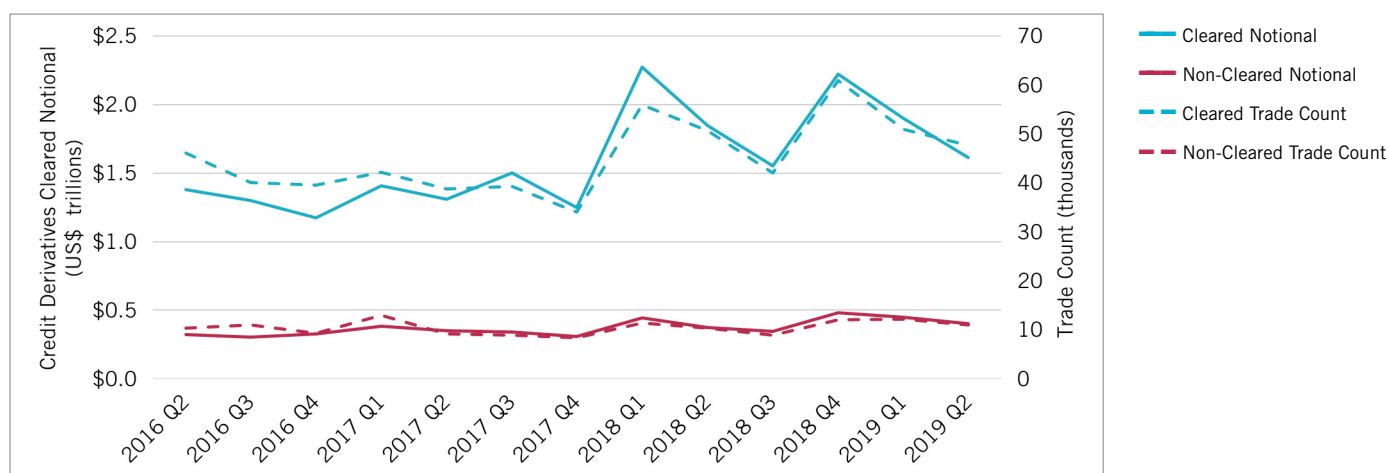


Source: DTCC and Bloomberg SDRs

Credit derivatives cleared notional decreased by 12.7% to \$1.6 trillion in the second quarter of 2019 from \$1.9 trillion in the second quarter of 2018. Cleared trade count decreased by 5.8% over the same period, to 47,661 from 50,622. Non-cleared notional increased by 7.5% to \$401.6 billion in the second quarter of 2019 from \$373.4 billion in the second quarter of 2018. Trade count increased by 5.8% over the same period.

Credit derivatives cleared notional decreased by 14.8% to \$3.5 trillion in the first half of 2019 from \$4.1 trillion in the first half of 2018. Trade count declined by 7.4% to 98,615 from 106,491 over the same period. Non-cleared notional grew to \$847.6 billion in the first half of 2019, a 3.6% increase compared with \$817.8 billion in the first half of 2018. Trade count rose by 6.0% to 23,057 from 21,748 over the same period.

Credit Derivatives Cleared Notional and Trade Count

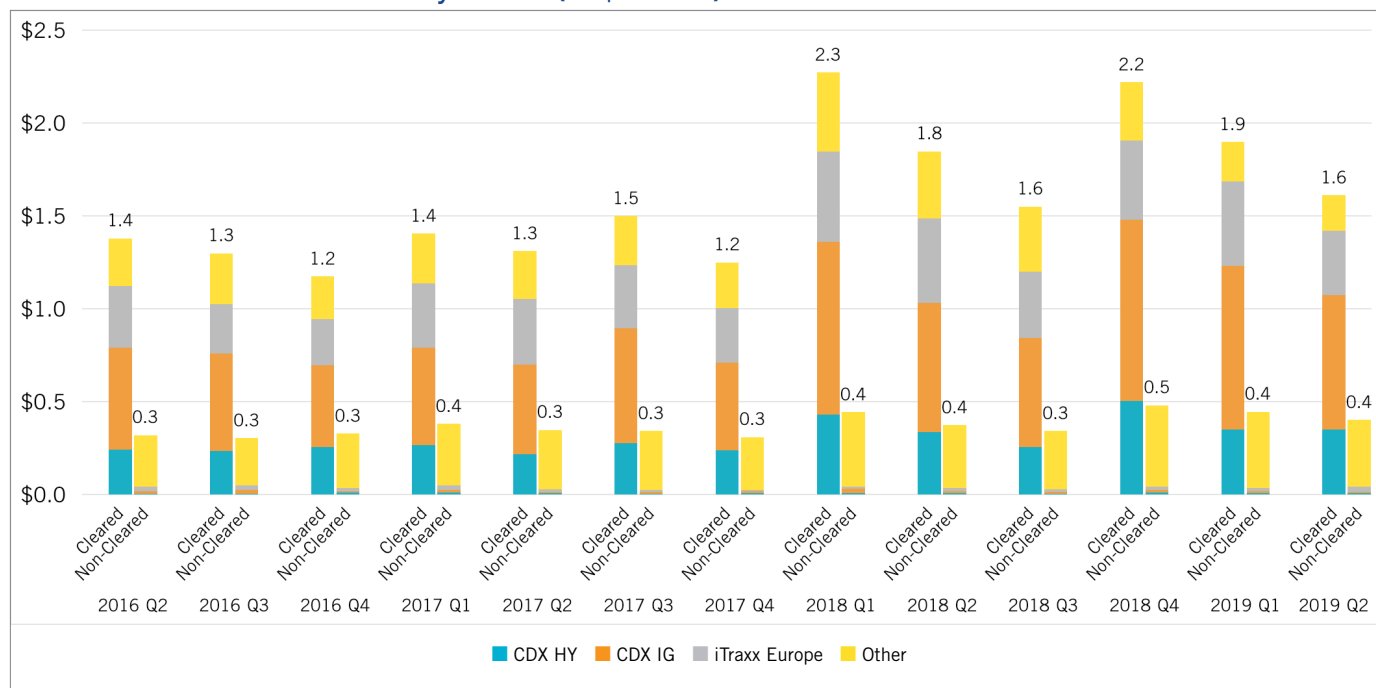


Source: DTCC and Bloomberg SDRs

In the second quarter of 2019, \$352.1 billion (98.1%) of CDX HY and \$722.4 billion (98.9%) of CDX IG was cleared and \$6.7 billion and \$8.2 billion, respectively, was non-cleared. Cleared notional of iTraxx Europe totaled \$344.7 billion (92.5%), while non-cleared notional was \$28.0 billion. Only \$193.2 billion (35.0%) of other credit derivatives traded notional was cleared and \$358.6 billion was non-cleared.

In the first half of 2019, \$704.2 billion (97.9%) of CDX HY traded notional was cleared and \$15.3 billion was non-cleared. Cleared notional of CDX IG and iTraxx Europe totaled \$1.6 trillion (98.9%) and \$798.5 billion (94.7%), respectively. \$405.0 billion (34.5%) of other credit derivatives traded notional was cleared and \$768.7 billion was non-cleared.

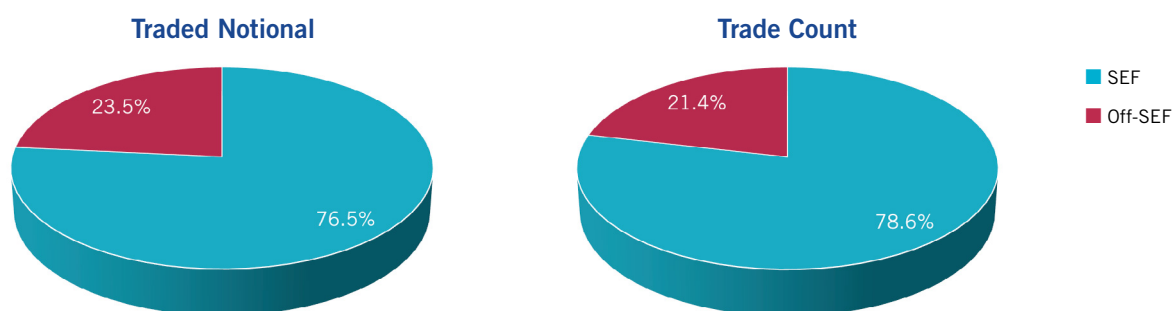
Credit Derivatives Cleared Notional by Product (US\$ trillions)



Source: DTCC and Bloomberg SDRs

Credit Derivatives Statistics: Trading Venue

In the second quarter of 2019, SEF-traded credit derivatives represented 76.5% of traded notional and 78.6% of trade count. Total credit derivatives traded notional executed on SEFs was \$1.5 trillion, while \$0.5 trillion was executed off-SEF. 46,048 transactions were executed on SEFs and 12,530 transactions were transacted off-SEF.

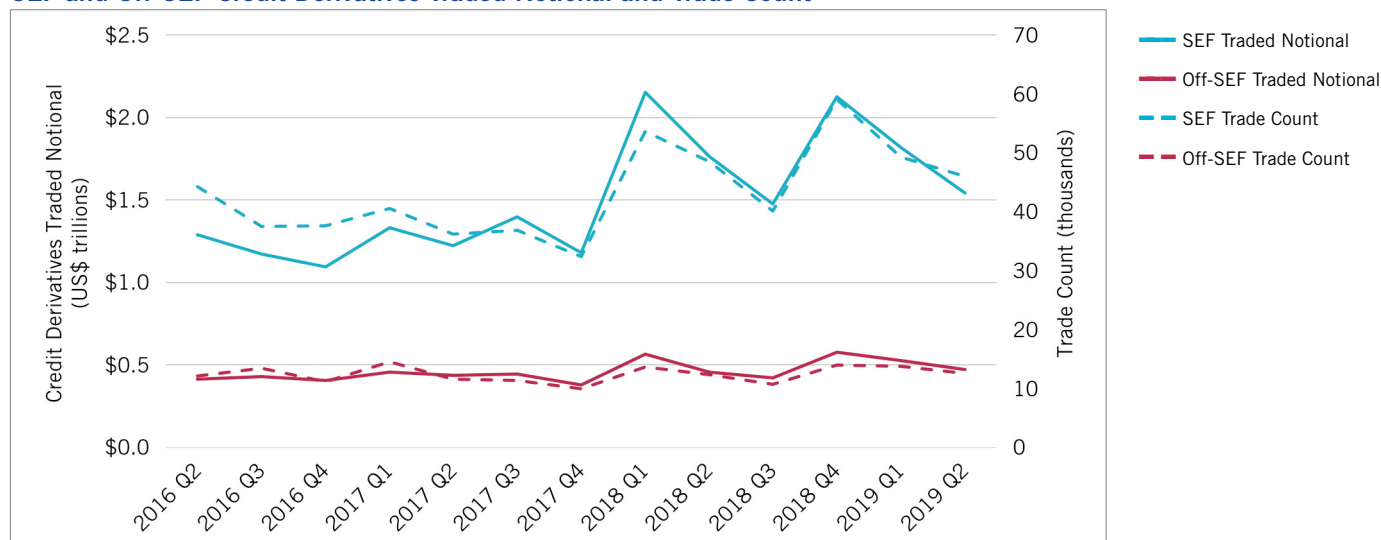


Source: DTCC and Bloomberg SDRs

Traded notional executed on SEFs decreased by 12.6% to \$1.5 trillion in the second quarter of 2019 versus \$1.8 trillion in the second quarter of 2018. The number of trades executed on SEFs decreased by 5.2% over the same period. Traded notional executed off-SEF increased by 3.1% to \$472.7 billion in the second quarter of 2019 from \$458.4 billion in the second quarter of 2018. The number of transactions increased by 1.3% over the same period.

Traded notional executed on SEFs fell to \$3.4 trillion in the first half of 2019, a 14.2% decrease compared with \$3.9 trillion in the first half of 2018. Trade count declined by 6.7% to 95,377 from 102,218 over the same period. Traded notional executed off-SEF declined by 2.2% to \$1.0 trillion in the first half of 2019, while the number of transactions increased by 1.1%.

SEF and Off-SEF Credit Derivatives Traded Notional and Trade Count

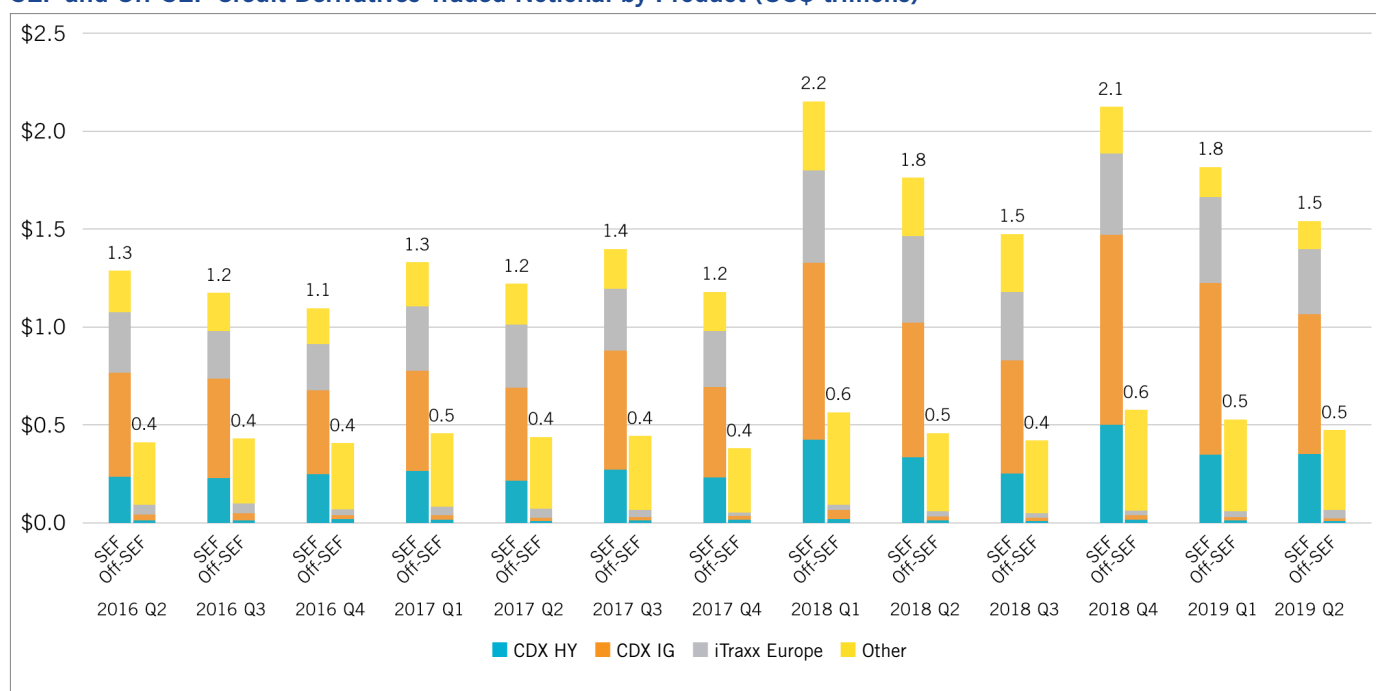


Source: DTCC and Bloomberg SDRs

In the second quarter of 2019, \$349.6 billion (97.4%) of CDX HY and \$716.9 billion (98.1%) of CDX IG notional was traded on SEFs and only \$9.2 billion and \$13.8 billion, respectively, was executed off-SEF. \$331.2 billion (88.9%) of iTraxx Europe traded notional was executed on SEFs and \$41.5 billion occurred off-SEF. Only \$143.7 billion (26.0%) of traded notional for other credit derivatives was executed on SEFs and \$408.2 billion was traded off-SEF.

In the first half of 2019, \$698.5 billion (97.1%) of CDX HY traded notional was traded on SEFs and \$21.0 billion was executed off-SEFs. The notional amount of CDX IG and iTraxx Europe that was traded on SEFs was \$1.6 trillion (98.1%) and \$771.4 billion (91.5%), respectively. \$297.0 billion (25.3%) of other credit derivatives traded notional was executed on SEFs and \$876.7 billion was traded off-SEF.

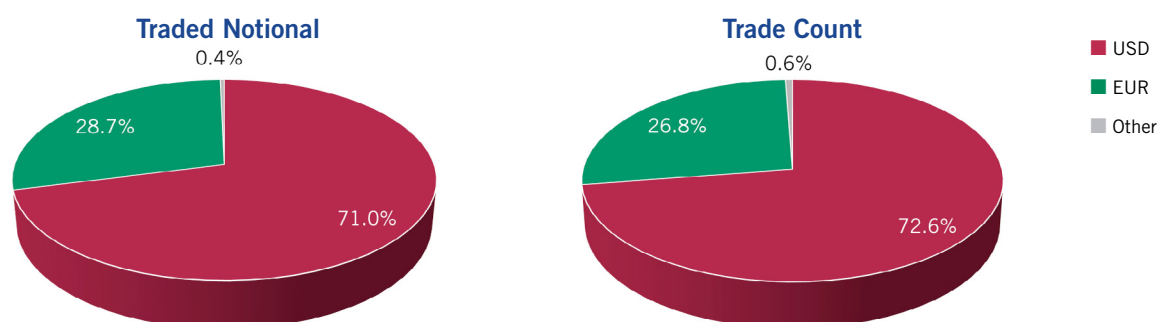
SEF and Off-SEF Credit Derivatives Traded Notional by Product (US\$ trillions)



Source: DTCC and Bloomberg SDRs

Credit Derivatives Statistics: Currency

Credit derivatives contracts denominated in US dollars remained the most actively traded instruments in the second quarter of 2019, and represented 71.0% of total traded notional and 72.6% of trade count. Euro-denominated transactions accounted for 28.7% and 26.8% of total traded notional and trade count, respectively.



US dollar-denominated traded notional increased by 3.5%, while euro-denominated traded notional decreased by 31.1% in the second quarter of 2019 versus the second quarter of 2018. US dollar-denominated traded notional totaled \$1.4 trillion in the second quarter of 2019. Euro-denominated traded notional declined to \$577.2 billion in the second quarter of 2019 versus \$837.4 billion in the second quarter of 2018. Trade count grew by 5.5% for US dollar-denominated trades and fell by 23.4% for euro-denominated trades over the same period.

US dollar-denominated traded notional declined by 3.0% to \$3.1 trillion in the first half of 2019 from \$3.2 trillion in the first half of 2018. Euro-denominated traded notional decreased by 28.2% to \$1.3 trillion from \$1.8 trillion over the same period. Trade count grew by 1.4% for US dollar-denominated trades, while euro-denominated transactions declined by 19.9% in the first half of 2019 versus the first half of 2018. For other currencies, traded notional and trade count grew by 107.4% and 88.0%, respectively, over the same period.

Credit Derivatives Traded Notional and Trade Count by Currency



Source: DTCC and Bloomberg SDRs



ISDA has published other recent research papers:

- ***Interest Rate Benchmarks Review: Second Quarter of 2019 and First Half of 2019***

<https://www.isda.org/a/J2qME/Interest-Rate-Benchmarks-Review-Q2-2019-and-1H-2019.pdf>

- ***Key Trends in the Size and Composition of OTC Derivatives Markets, May 2019***

<https://www.isda.org/a/9atME/Key-Trends-in-Size-and-Composition-of-OTC-Derivatives-Markets.pdf>

- ***SwapsInfo First Quarter of 2019 Review, April 2019***

<https://www.isda.org/a/RNUME/SwapsInfo-Q1-2019-Review.pdf>

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