

SwapsInfo First Half of 2020 and Second Quarter of 2020 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 information.

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 trades required to be disclosed under US regulations.

KEY HIGHLIGHTS FOR THE FIRST HALF OF 2020 AND THE SECOND QUARTER OF 2020

Trading volumes for IRD and credit derivatives both increased during the first half of 2020 compared with the first half of 2019. For IRD, the increase was particularly noticeable in overnight index swaps (OIS). For credit derivatives, there was more trading activity across all major indices.

Interest Rate Derivatives

IRD traded notional and trade count both grew in the first half of 2020. IRD traded notional and trade count rose by 4.3% and 19.4%, respectively, compared with the first half of 2019. Forward rate agreements (FRAs) and OIS traded notional grew by 6.2% and 23.3%, respectively, in the first half of 2020 compared with the prior year, while single currency fixed-for-floating interest rate swaps (IRS) traded notional decreased by 9.1%.

In the first half of 2020:

- IRD traded notional increased to \$143.9 trillion from \$138.0 trillion in the first half of 2019. Trade count grew to 893.0 thousand from 747.6 thousand over the same period. FRA traded notional grew to \$53.8 trillion from \$50.7 trillion and OIS traded notional jumped to \$40.0 trillion in the first half of 2020 from \$32.5 trillion in the first half of 2019. Single currency fixed-for-floating IRS traded notional decreased to \$35.2 trillion from \$38.8 trillion.
- Single currency fixed-for-floating IRS accounted for 60.9% of total IRD trades but represented only 24.5% of total IRD traded notional in the first half of 2020. FRAs and OIS represented 37.4% and 27.8% of total traded notional and 18.3% and 7.2% of total trade count, respectively.
- Cleared IRD transactions represented 91.1% of total traded notional and 84.8% of total trade count. 95.3% of fixed-for-floating IRS, 99.2% of FRA, 97.2% of OIS and 35.1% of other IRD traded notional was cleared in the first half of 2020.

- SEF-traded IRD represented 58.2% of total traded notional and 63.6% of total trade count. 60.7% of fixed-for-floating IRS, 84.3% of FRA, 28.2% of OIS and 38.9% of other IRD traded notional was executed on SEFs in the first half of 2020.
- IRD contracts denominated in US dollars contributed 61.2% of total traded notional and 52.1% of total trade count. Euro-denominated transactions accounted for 13.1% of total traded notional and 14.1% of total trade count. Sterling-denominated transactions totaled 13.0% and 9.6% of total IRD traded notional and trade count, respectively.
- Fixed-for-floating IRS contracts denominated in US dollars decreased by 18.0%, while US dollar FRA and OIS contracts increased by 2.3% and 0.7%, respectively, compared with the first half of 2019. Euro-denominated FRAs and OIS increased by 16.2% and 39.4%, respectively, while euro-denominated IRS decreased by 11.9%. Sterling-denominated IRS, FRA and OIS traded notional increased by 20.8%, 51.3% and 204.0%, respectively.

In the second quarter of 2020:

- IRD traded notional decreased by 16.6% to \$56.8 trillion from \$68.0 trillion in the second quarter of 2019. Trade count grew by 11.2% to 411.1 thousand from 369.6 thousand over the same period. Single currency fixed-for-floating IRS traded notional decreased to \$15.8 trillion from \$18.5 trillion. FRA traded notional grew to \$24.4 trillion from \$23.6 trillion and OIS traded notional dropped to \$9.9 trillion in the second quarter of 2020 from \$18.1 trillion in the second quarter of 2019.
- Single currency fixed-for-floating IRS accounted for 59.4% of total IRD trades but represented only 27.8% of total IRD traded notional in the second quarter of 2020. FRAs and OIS represented 43.0% and 17.4% of total traded notional and 21.7% and 5.6% of total trade count, respectively.
- Cleared IRD transactions represented 90.9% of total traded notional and 85.6% of total trade count. 95.8% of fixed-for-floating IRS, 99.4% of FRA, 97.3% of OIS and 38.4% of other IRD traded notional was cleared in the second quarter of 2020.

- SEF-traded IRD represented 66.5% of total traded notional and 66.6% of total trade count. 63.7% of fixed-for-floating IRS, 88.3% of FRA, 35.4% of OIS and 39.7% of other IRD traded notional was executed on SEFs in the second quarter of 2020.
- IRD contracts denominated in US dollars contributed 60.8% of total traded notional and 51.4% of total trade count. Euro-denominated transactions accounted for 16.2% of total traded notional and 14.1% of total trade count. Sterling-denominated transactions totaled 11.0% and 10.1% of total IRD traded notional and trade count, respectively.
- Fixed-for-floating IRS, FRA and OIS contracts denominated in US dollars decreased by 30.7%, 5.7% and 63.5%, respectively, compared with the second quarter of 2019. Euro-denominated IRS decreased by 6.0%, while euro-denominated FRAs and OIS increased by 31.6% and 40.4%, respectively. Sterling-denominated IRS, FRA and OIS traded notional increased by 7.5%, 107.3% and 35.6%, respectively.

Credit Derivatives

Credit derivatives traded notional and trade count jumped by 40.6% and 38.5%, respectively, in the first half of 2020 compared to the first half of 2019¹. There was more trading activity across all major indices, including CDX HY, CDX IG and iTraxx Europe.

In the first half of 2020:

- Credit derivatives traded notional increased to \$6.1 trillion from \$4.4 trillion in the first half of 2019. Trade count grew to 169.0 thousand from 122.0 thousand over the same period. CDX HY traded notional increased by 45.4% to \$1.0 trillion from \$719.6 billion in the first half of 2019. CDX IG traded notional increased by 56.4% to \$2.5 trillion from \$1.6 trillion in the first half of 2019. iTraxx Europe traded notional rose by 43.3% to \$1.1 trillion in the first half of 2020 from \$741.1 billion in the same period of 2019.
- CDX HY and CDX IG represented 17.0% and 41.3% of total traded notional and 28.8% and 27.8% of total trade count, respectively. iTraxx Europe accounted for 17.3% of total credit derivatives traded notional and 12.2% of total trade count.
- Cleared credit derivatives transactions represented 83.0% of total traded notional and 82.6% of total trade count. 96.4% of CDX HY, 96.9% of CDX IG, 92.1% of iTraxx Europe and 43.4% of other credit derivatives traded notional was cleared.
- SEF-traded credit derivatives represented 79.4% of total traded notional and 79.5% of total trade count. 95.3% of CDX HY, 95.6% of CDX IG, 89.5% of iTraxx Europe and 33.7% of other credit derivatives traded notional was executed on SEFs.
- Credit derivatives contracts denominated in US dollars represented 72.4% of total traded notional and 73.0% of total trade count. Euro-denominated transactions accounted for 27.4% and 26.6% of traded notional and trade count, respectively.

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

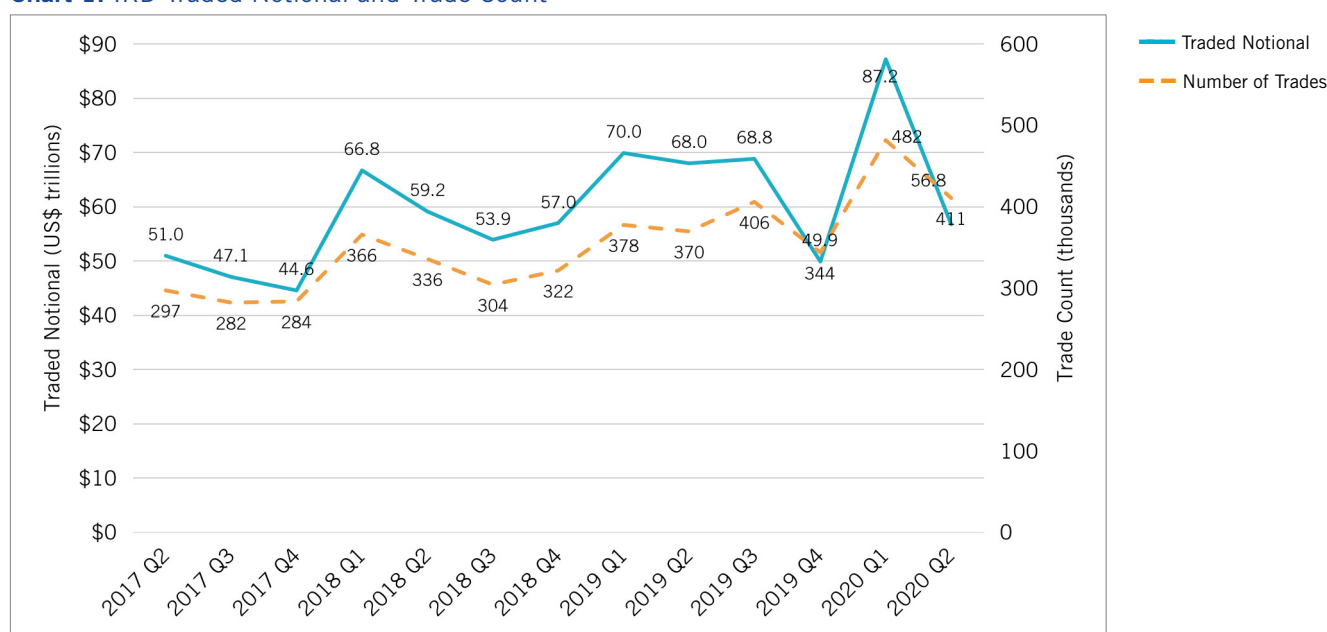
In the second quarter of 2020:

- Credit derivatives traded notional increased by 8.6% to \$2.2 trillion from \$2.0 trillion in the second quarter of 2019. Trade count grew by 13.2% to 66.7 thousand from 58.9 thousand over the same period. CDX HY traded notional increased by 14.2% to \$409.8 billion from \$358.9 billion in the second quarter of 2019. CDX IG traded notional increased by 24.2% to \$908.0 billion from \$730.9 billion in the second quarter of 2019. iTraxx Europe traded notional declined by 6.5% to \$341.8 billion in the second quarter of 2020 from \$365.6 billion in the same period of 2019.
 - CDX HY and CDX IG represented 18.7% and 41.4% of total traded notional and 29.9% and 28.4% of total trade count, respectively. iTraxx Europe accounted for 15.6% of total credit derivatives traded notional and 11.3% of total trade count.
 - Cleared credit derivatives transactions represented 82.7% of total traded notional and 83.6% of total trade count. 96.6% of CDX HY, 97.3% of CDX IG, 89.7% of iTraxx Europe and 42.9% of other credit derivatives traded notional was cleared.
 - SEF-traded credit derivatives represented 78.9% of total traded notional and 80.6% of total trade count. 95.5% of CDX HY, 95.9% of CDX IG, 86.5% of iTraxx Europe and 32.3% of other credit derivatives traded notional was executed on SEFs.
 - Credit derivatives contracts denominated in US dollars represented 74.3% of total traded notional and 73.8% of total trade count. Euro-denominated transactions accounted for 25.5% and 25.7% of total traded notional and trade count, respectively.
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INTEREST RATE DERIVATIVES

IRD traded notional declined by 16.6% to \$56.8 trillion in the second quarter of 2020 from \$68.0 trillion in the second quarter of 2019. Trade count grew by 11.2% over the same period to 411.1 thousand from 369.6 thousand (see Chart 1).

Chart 1: IRD Traded Notional and Trade Count



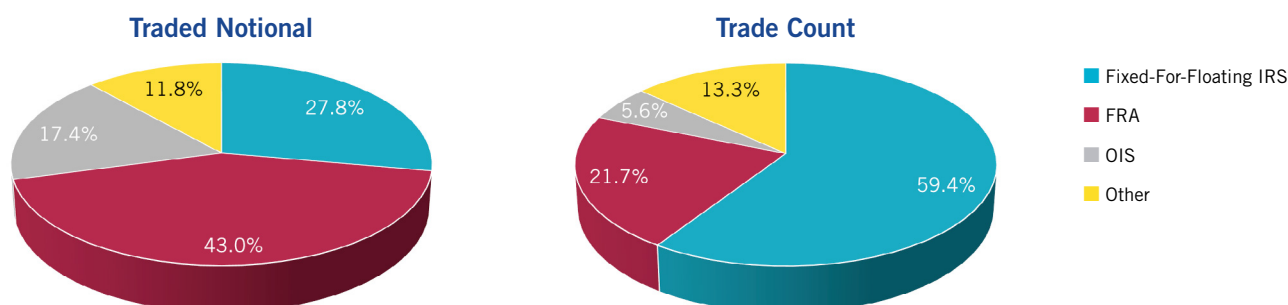
Source: DTCC and Bloomberg SDRs

In the first half of 2020, IRD traded notional increased by 4.3% to \$143.9 trillion from \$138.0 trillion in the first half of 2019. Trade count increased by 19.4% to 893.0 thousand from 747.6 thousand over the same period.

IRD Product Taxonomy

Single currency fixed-for-floating IRS accounted for 59.4% of total IRD trade count, but represented only 27.8% of total IRD traded notional in the second quarter of 2020. FRAs and OIS represented 43.0% and 17.4% of total traded notional and 21.7% and 5.6% of total trade count, respectively (see Chart 2).

Chart 2: IRD Traded Notional and Trade Count by Product



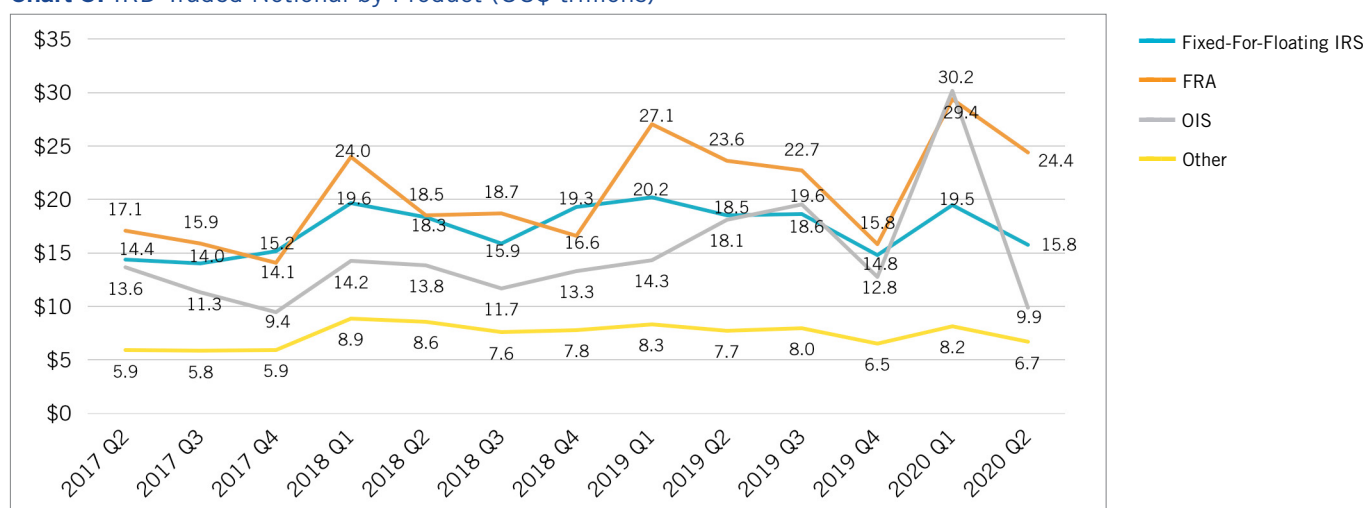
Source: DTCC and Bloomberg SDRs

Fixed-for-floating IRS traded notional decreased by 14.9% from \$18.5 trillion in the second quarter of 2019 to \$15.8 trillion in the second quarter of 2020. IRS trade count increased by 4.2% from 234.3 thousand to 244.1 thousand over the same period (see Chart 3 and Chart 4). In the first half of 2020, fixed-for-floating IRS traded notional decreased by 9.1% to \$35.2 trillion from \$38.8 trillion in the first half of 2019. Trade count grew by 15.6% from 470.1 thousand to 543.5 thousand over the same period.

FRA traded notional increased by 3.3% from \$23.6 trillion in the second quarter of 2019 to \$24.4 trillion in the second quarter of 2020. Trade count increased by 46.2% from 61.1 thousand to 89.3 thousand over the same period. In the first half of 2020, FRA traded notional increased by 6.2% to \$53.8 trillion from \$50.7 trillion in the first half of 2019. Trade count grew by 28.1% to 163.1 thousand from 127.3 thousand over the same period.

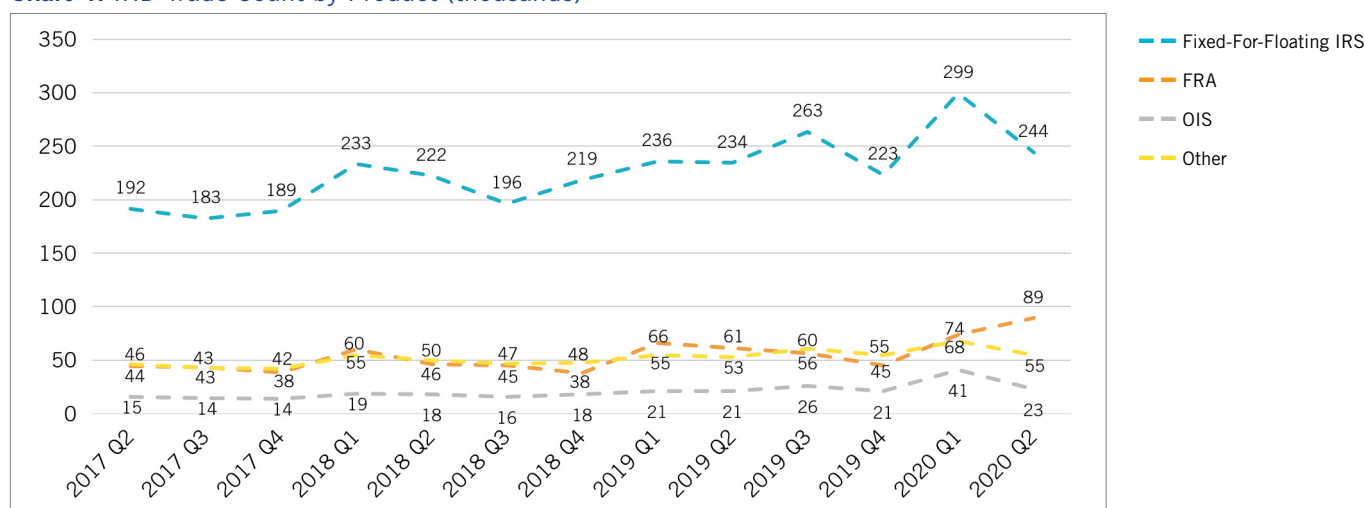
OIS traded notional decreased by 45.6% from \$18.1 trillion in the second quarter of 2019 to \$9.9 trillion in the second quarter of 2020. OIS trade count increased by 8.5% in the second quarter of 2020 compared with the second quarter of 2019. In the first half of 2020, OIS traded notional increased by 23.3% to \$40.0 trillion from \$32.5 trillion in the first half of 2019. Trade count grew by 50.7% to 64.1 thousand from 42.6 thousand over the same period.

Chart 3: IRD Traded Notional by Product (US\$ trillions)



Source: DTCC and Bloomberg SDRs

Chart 4: IRD Trade Count by Product (thousands)



Source: DTCC and Bloomberg SDRs

IRD Average Daily Traded Notional, Trade Count and Trade Size

Fixed-for-floating IRS average daily traded notional decreased by 14.9% in the second quarter of 2020 versus the second quarter of 2019, totaling \$242.7 billion. Fixed-for-floating IRS average daily trade count increased by 4.2%, while average trade size decreased by 18.5% (see Table 1).

FRA average daily traded notional totaled \$381.6 billion in the second quarter of 2020, 1.7% higher than the second quarter of 2019. FRA average daily trade count increased by 43.9%, while average trade size decreased by 22.1%.

OIS average daily traded notional was \$151.8 billion in the second quarter of 2020, a 46.4% decrease compared with the second quarter of 2019. OIS average daily trade count increased by 6.8%, while average trade size decreased by 49.6%.

Table 1: IRD Average Daily Traded Notional, Daily Trade Count and Trade Size

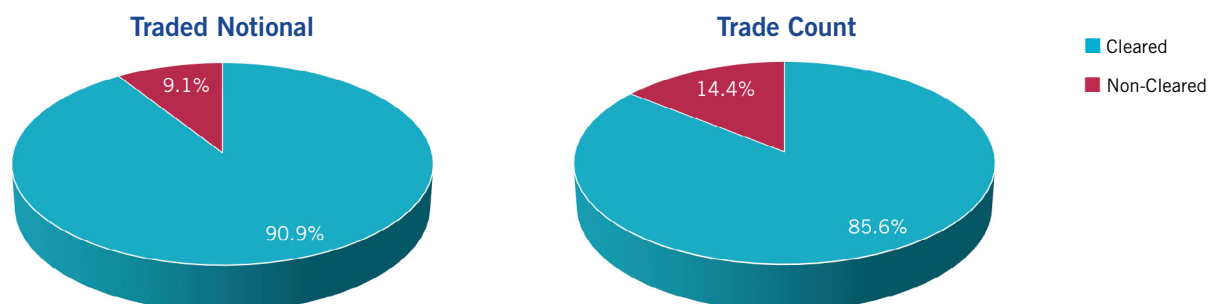
	Average Daily Traded Notional (US\$ billions)			Average Daily Trade Count			Average Trade Size (US\$ millions)		
	IRS	FRA	OIS	IRS	FRA	OIS	IRS	FRA	OIS
Q2 2020	242.7	381.6	151.8	3,756	1,395	356	64.4	604.3	432.9
Q2 2019	285.3	375.3	283.3	3,604	969	333	79.0	775.6	858.2
Q2 2020 vs. Q2 2019	-14.9%	1.7%	-46.4%	4.2%	43.9%	6.8%	-18.5%	-22.1%	-49.6%
1st Half 2020	271.0	420.5	307.9	4,181	1,274	493	64.6	666.3	557.5
1st Half 2019	303.1	402.4	253.7	3,674	1,011	333	82.6	754.8	758.1
1st Half 2020 vs. 1st Half 2019	-10.6%	4.5%	21.4%	13.8%	26.1%	48.4%	-21.8%	-11.7%	-26.5%

Source: DTCC and Bloomberg SDRs

IRD Central Clearing

Cleared IRD transactions represented 90.9% of total IRD traded notional and 85.6% of trade count during the second quarter of 2020 (see Chart 5). IRD cleared notional and trade count totaled \$51.6 trillion and 352.0 thousand, respectively.

Chart 5: IRD Cleared Traded Notional and Trade Count



Source: DTCC and Bloomberg SDRs

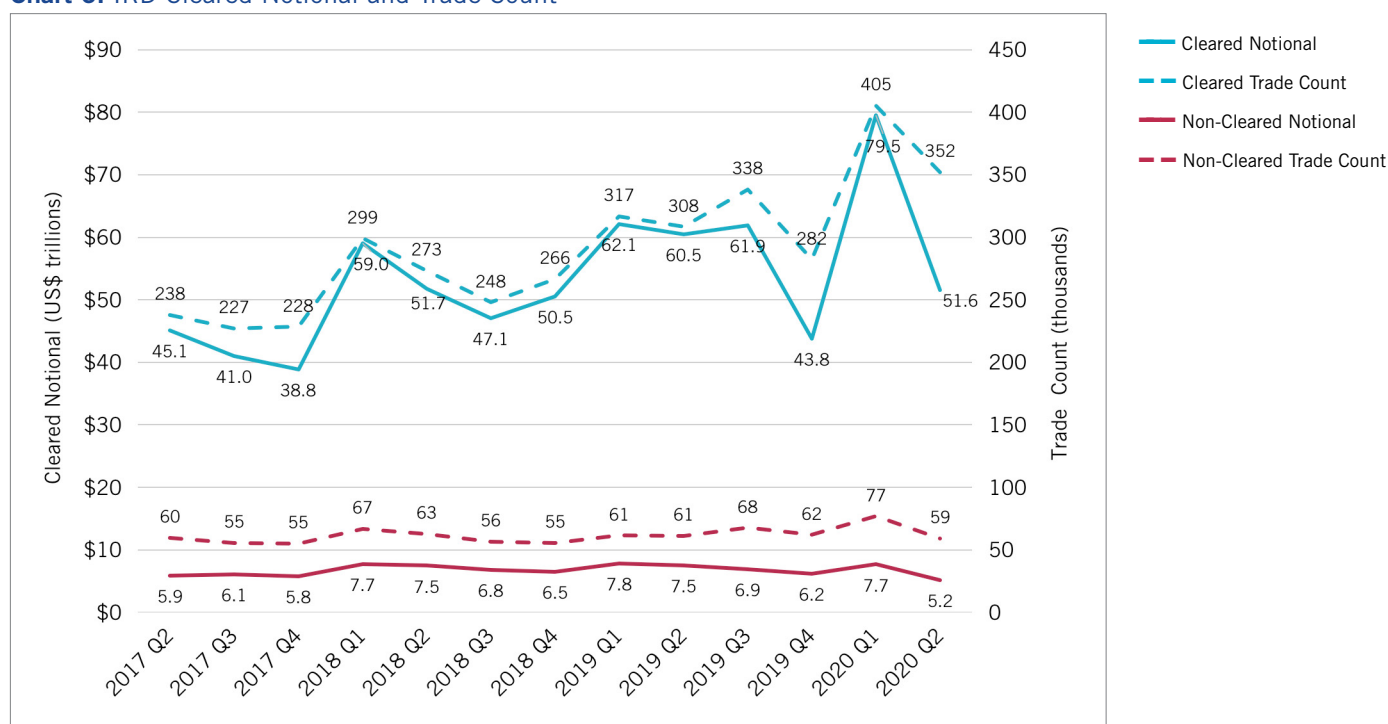
IRD cleared notional decreased by 14.8% from \$60.5 trillion in the second quarter of 2019 to \$51.6 trillion in the second quarter of 2020 (see Chart 6). Cleared trade count grew by 14.2% from 308.3 thousand to 352.0 thousand over the same period.

IRD non-cleared notional fell by 31.3% in the second quarter of 2020 versus the second quarter of 2019, from \$7.5 trillion to \$5.2 trillion. Trade count decreased by 3.6% from 61.3 thousand to 59.1 thousand.

In the first half of 2020, IRD cleared notional increased by 6.9% to \$131.1 trillion from \$122.6 trillion in the first half of 2019. Trade count grew by 21.2% from 625.0 thousand to 757.2 thousand over the same period.

IRD non-cleared notional fell by 16.3% to \$12.9 trillion in the first half of 2020. Trade count increased by 10.7% from 122.7 thousand to 135.8 thousand year-over-year.

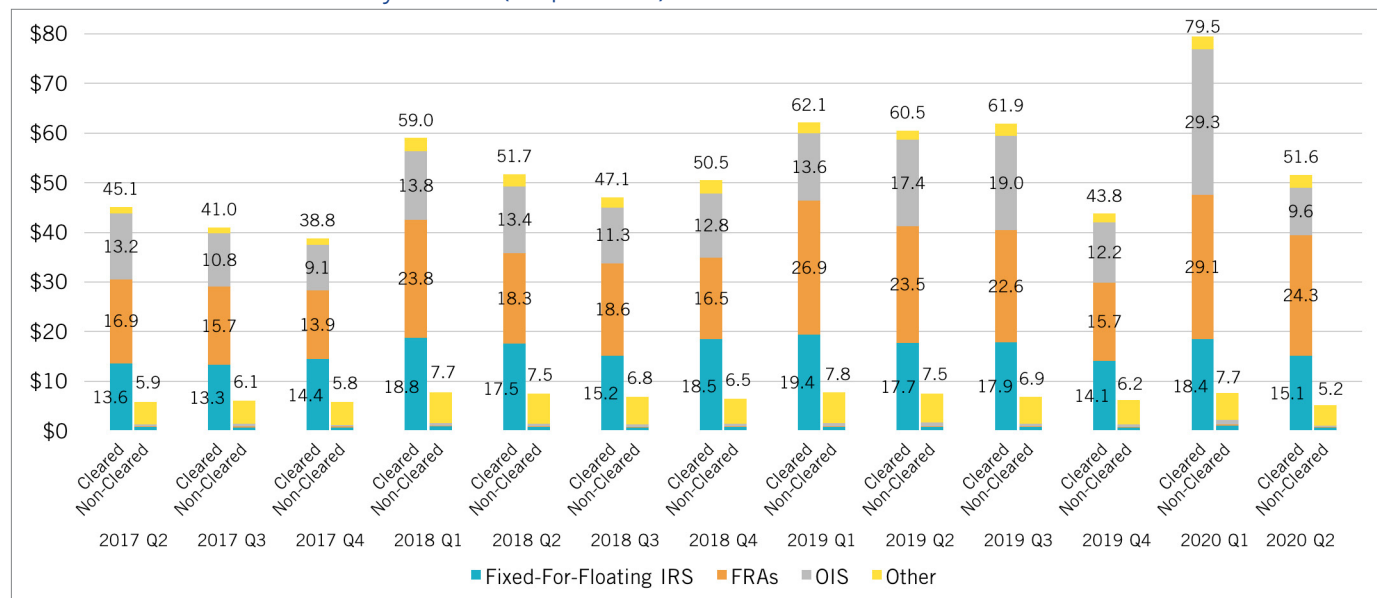
Chart 6: IRD Cleared Notional and Trade Count



Source: DTCC and Bloomberg SDRs

In the second quarter of 2020, \$15.1 trillion (95.8%) of fixed-for-floating IRS traded notional was cleared and \$655.0 billion was non-cleared (see Chart 7). The notional amount of cleared FRAs and OIS totaled \$24.3 trillion (99.4%) and \$9.6 trillion (97.3%), respectively. \$2.6 trillion (38.4%) of other IRD products notional was cleared and \$4.1 trillion was non-cleared.

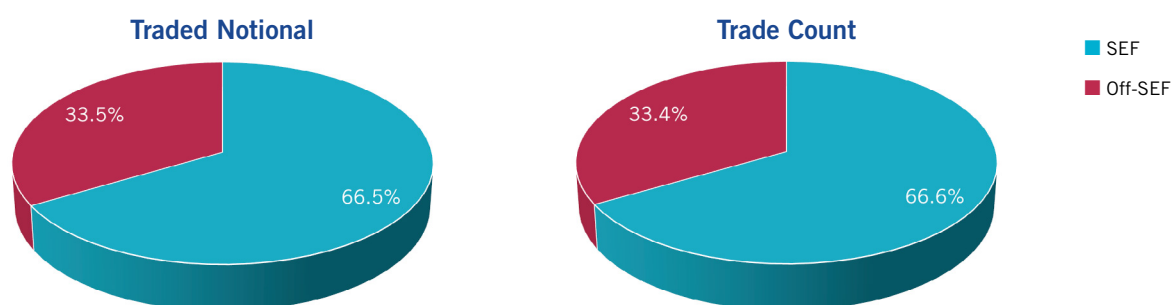
In the first half of 2020, \$33.6 trillion (95.3%) of fixed-for-floating IRS traded notional was cleared and \$1.7 trillion was non-cleared. \$53.4 trillion (99.2%) of FRAs and \$38.9 trillion (97.2%) of OIS was cleared. \$5.2 trillion (35.1%) of other IRD products notional was cleared and \$9.6 trillion was non-cleared.

Chart 7: IRD Cleared Notional by Product (US\$ trillions)

Source: DTCC and Bloomberg SDRs

IRD Trading Venue

SEF-traded IRD represented 66.5% of total IRD traded notional and 66.6% of total trade count in the second quarter of 2020 (see Chart 8). Total IRD traded notional executed on SEFs was \$37.8 trillion, while \$19.0 trillion was executed off-SEF. In terms of trade count, 274.0 thousand transactions were executed on SEFs and 137.1 thousand occurred off-SEF.

Chart 8 : SEF and Off-SEF IRD Traded Notional and Trade Count

Source: DTCC and Bloomberg SDRs

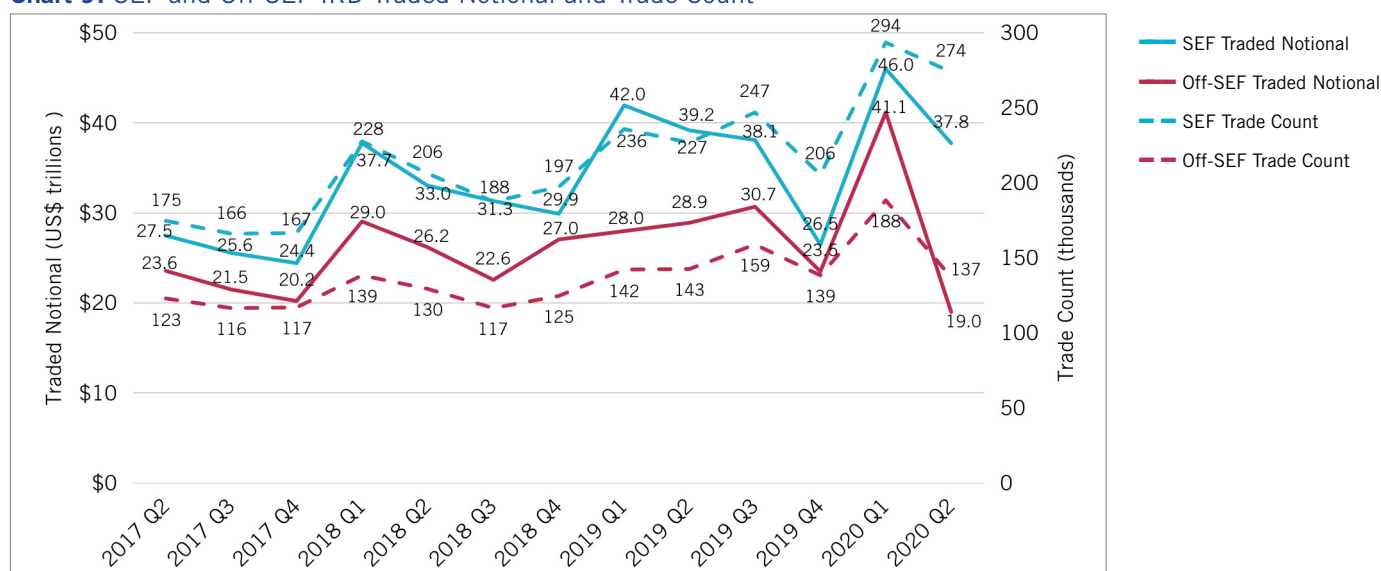
IRD traded notional executed on SEFs fell by 3.6% from \$39.2 trillion in the second quarter of 2019 to \$37.8 trillion in the second quarter of 2020. The number of trades executed on SEFs increased by 20.7% from 227.0 thousand to 274.0 thousand over the same period (see Chart 9).

IRD traded notional executed off-SEF decreased by 34.3% from \$28.9 trillion in the second quarter of 2019 to \$19.0 trillion in the second quarter of 2020. The number of transactions decreased by 3.8% from 142.6 thousand to 137.1 thousand over the same period.

In the first half of 2020, IRD traded notional executed on SEFs rose by 3.3% to \$83.8 trillion from \$81.1 trillion in the first half of 2019. Trade count increased by 22.6% from 463.0 thousand to 567.6 thousand over the same period.

IRD traded notional executed off-SEF grew by 5.7% from \$56.9 trillion in the first half of 2019 to \$60.1 trillion in the first half of 2020. The number of transactions increased by 14.4% from 284.6 thousand to 325.4 thousand over the same period.

Chart 9: SEF and Off-SEF IRD Traded Notional and Trade Count

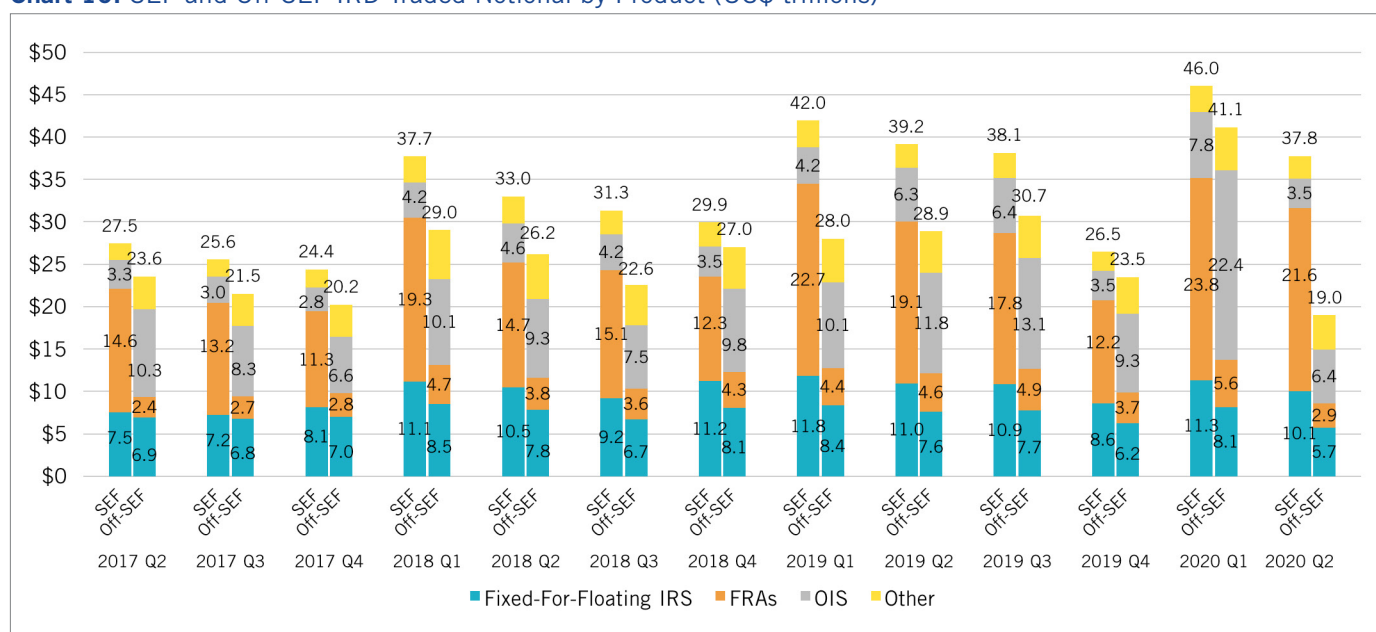


Source: DTCC and Bloomberg SDRs

In the second quarter of 2020, \$10.1 trillion (63.7%) of fixed-for-floating IRS was traded on SEFs and \$5.7 trillion was executed off-SEF. \$21.6 trillion (88.3%) of FRAs was executed on SEFs and \$2.9 trillion was traded off-SEF. \$3.5 trillion (35.4%) of OIS was executed on SEFs and \$6.4 trillion occurred off-SEF (see Chart 10).

In the first half of 2020, \$21.4 trillion (60.7%) of fixed-for-floating IRS was traded on SEFs and \$13.8 trillion was executed off-SEF. \$45.4 trillion (84.3%) of FRAs was executed on SEFs and \$8.5 trillion was traded off-SEF. \$11.3 trillion (28.2%) of OIS was executed on SEFs and \$28.8 trillion occurred off-SEF.

Chart 10: SEF and Off-SEF IRD Traded Notional by Product (US\$ trillions)

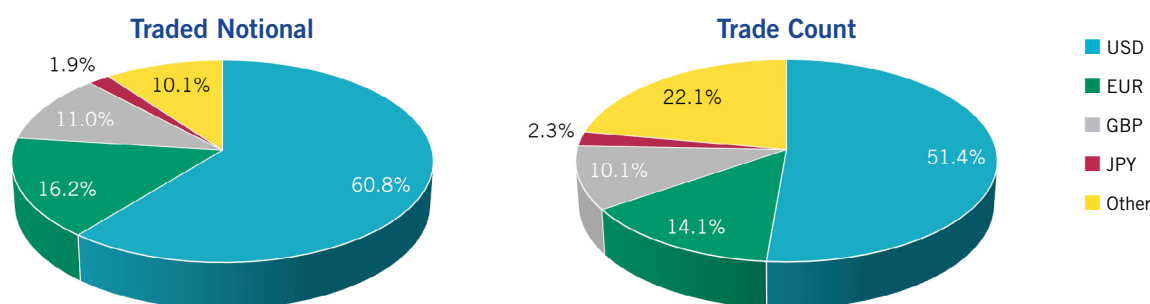


Source: DTCC and Bloomberg SDRs

IRD by Currency

IRD contracts denominated in US dollars were the most actively traded over the quarter. US dollar-denominated IRD contributed 60.8% of total IRD traded notional and 51.4% of total trade count in the second quarter of 2020. Euro-denominated transactions accounted for 16.2% of total IRD traded notional and 14.1% of total trade count. Sterling-denominated transactions totaled 11.0% and 10.1% of total IRD traded notional and trade count, respectively (see Chart 11).

Chart 11: IRD Traded Notional and Trade Count by Currency



Source: DTCC and Bloomberg SDRs

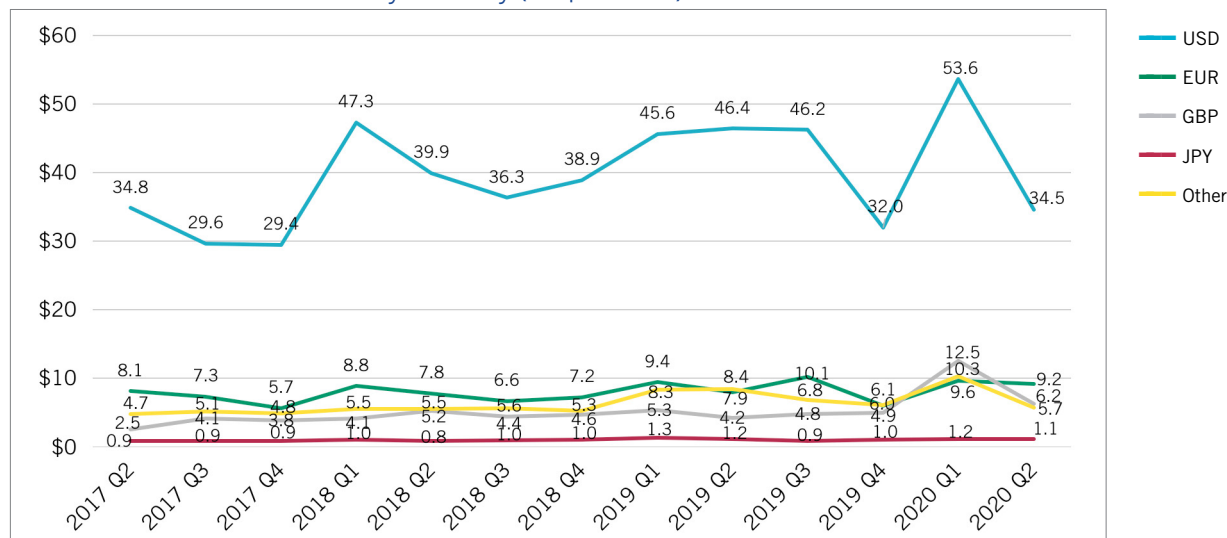
US dollar- and yen-denominated IRD traded notional decreased by 25.5% and 6.2%, respectively, while euro- and sterling-denominated IRD traded notional increased by 15.8% and 48.3%, respectively, in the second quarter of 2020 compared with the second quarter of 2019.

US dollar-denominated IRD traded notional totaled \$34.5 trillion in the second quarter of 2020 compared with \$46.4 trillion in the second quarter of 2019. Euro-denominated traded notional rose to \$9.2 trillion in the second quarter of 2020 versus \$7.9 trillion in the second quarter of 2019. Traded notional for sterling- and yen-denominated trades totaled \$6.2 trillion and \$1.1 trillion, respectively, in the second quarter of 2020 (see Chart 12).

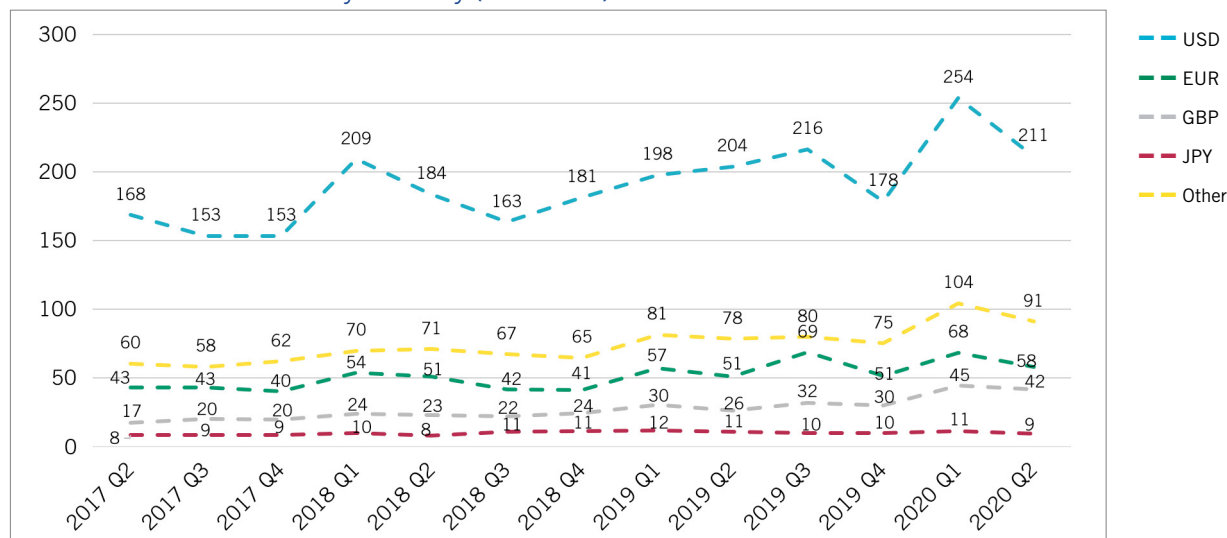
Trade count increased by 3.7% to 211.2 thousand for US dollar-denominated IRD and by 13.7% to 57.9 thousand for euro-denominated transactions. Trade count for sterling-denominated IRD grew by 60.1% to 41.7 thousand, while yen-denominated IRD trades decreased by 12.6% to 9.4 thousand (see Chart 13).

In the first half of 2020, US dollar-denominated IRD traded notional decreased by 4.2% from \$92.0 trillion in the first half of 2019 to \$88.1 trillion. Euro-denominated traded notional increased by 8.5% to \$18.8 trillion from \$17.3 trillion, sterling-denominated traded notional increased by 96.4% to \$18.8 trillion, while yen-denominated traded notional decreased by 9.4% to \$2.2 trillion over the same period.

Trade count increased by 15.8% for US dollar-denominated IRD trades, 17.2% for euro-denominated transactions and 52.5% for sterling-denominated trades. Trade count for yen-denominated IRD trades decreased by 8.4% in the first half of 2020 compared with the first half of 2019.

Chart 12: IRD Traded Notional by Currency (US\$ trillions)


Source: DTCC and Bloomberg SDRs

Chart 13: IRD Trade Count by Currency (thousands)


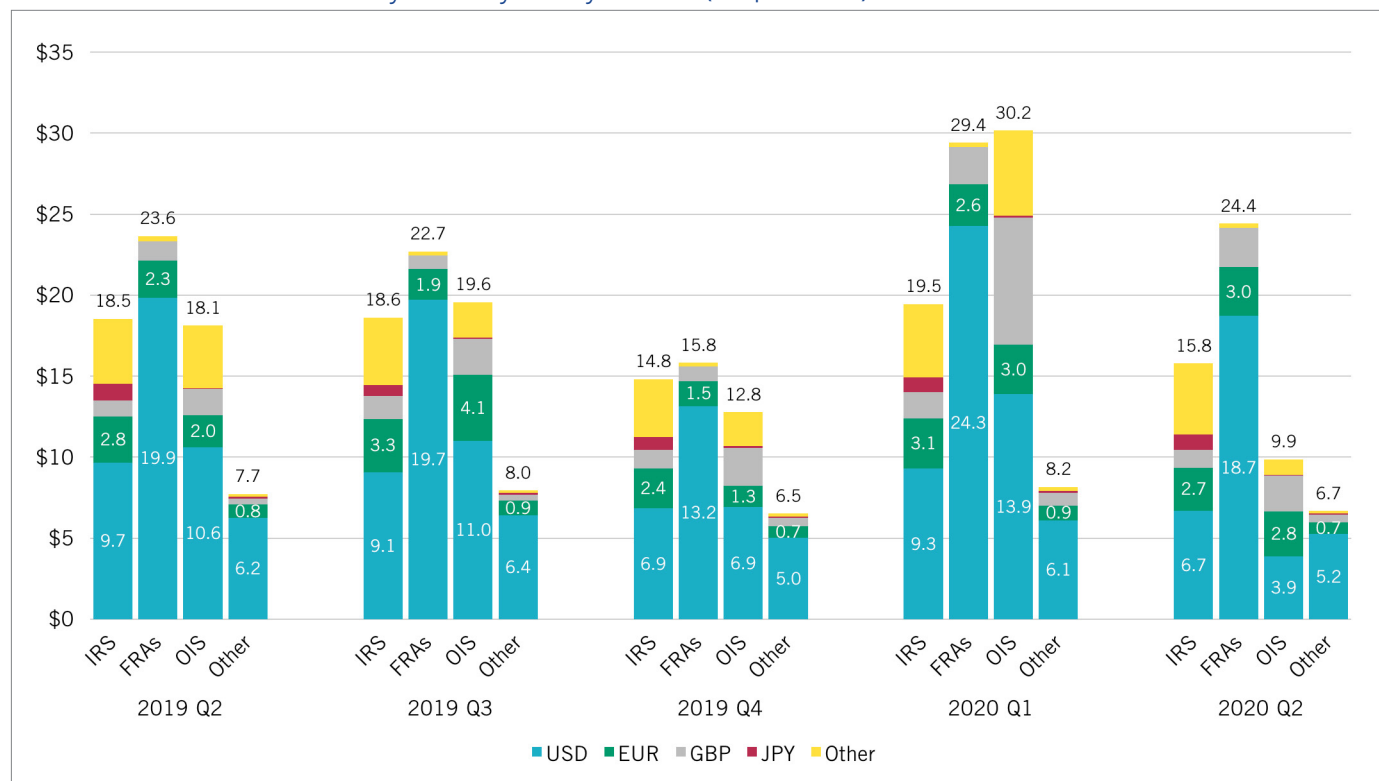
Source: DTCC and Bloomberg SDR

US dollar-denominated fixed-for-floating IRS declined by 30.7% to \$6.7 trillion in the second quarter of 2020 versus \$9.7 trillion in the second quarter of 2019. Euro-denominated fixed-for-floating IRS decreased by 6.0% over the same period, decreasing from \$2.8 trillion to \$2.7 trillion. Sterling- and yen-denominated IRS totaled \$1.1 trillion and \$1.0 trillion, respectively, in the second quarter of 2020 compared with \$1.0 trillion and \$1.0 trillion, respectively, in the second quarter of 2019 (see Chart 14).

US dollar-denominated FRAs decreased by 5.7% to \$18.7 trillion in the second quarter of 2020 from \$19.9 trillion in the second quarter of 2019, while euro-denominated FRAs grew by 31.6% to \$3.0 trillion over the same period. Sterling-denominated FRAs increased by 107.3% to \$2.4 trillion in the second quarter of 2020 from \$1.2 trillion in the second quarter of 2019.

US dollar-denominated OIS decreased by 63.5% to \$3.9 trillion in the second quarter of 2020 from \$10.6 trillion in the second quarter of 2019. Euro-denominated OIS increased by 40.4% to \$2.8 trillion from \$2.0 trillion over the same period. Sterling-denominated OIS increased by 35.6% to \$2.2 trillion in the second quarter of 2020 from \$1.6 trillion in the second quarter of 2019.

Chart 14: IRD Traded Notional by Currency and by Product (US\$ trillions)



Source: DTCC and Bloomberg SDRs

CREDIT DERIVATIVES

Credit derivatives traded notional increased by 8.6% to \$2.2 trillion in the second quarter of 2020 from \$2.0 trillion in the second quarter of 2019². The number of trades increased by 13.2% to 66.7 thousand from 58.9 thousand over the same period (see Chart 15).

Chart 15: Credit Derivatives Traded Notional and Trade Count



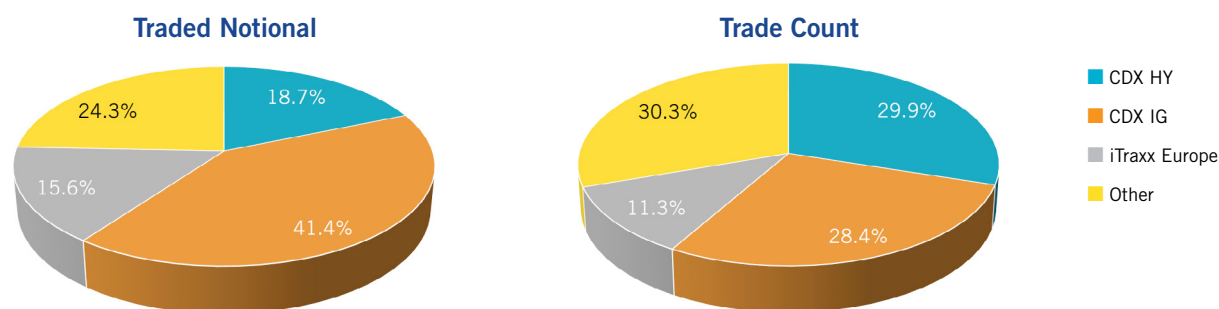
Source: DTCC and Bloomberg SDRs

In the first half of 2020, credit derivatives traded notional increased by 40.6% to \$6.1 trillion from \$4.4 trillion in the first half of 2019. Credit derivatives trade count increased by 38.5 % to 169.0 thousand from 122.0 thousand over the same period.

Credit Derivatives Product Taxonomy

In the second quarter of 2020, CDX HY and CDX IG represented 18.7% and 41.4% of total traded notional and 29.9% and 28.4% of total trade count, respectively. iTraxx Europe accounted for 15.6% of total traded notional and 11.3% of total trade count (see Chart 16).

Chart 16: Credit Derivatives Traded Notional and Trade Count by Product



Source: DTCC and Bloomberg SDRs

² Credit derivatives mostly comprise CDS indices, but also include CDS index tranches, credit swaptions, exotic products, total return swaps and insignificant amount of single-name CDS

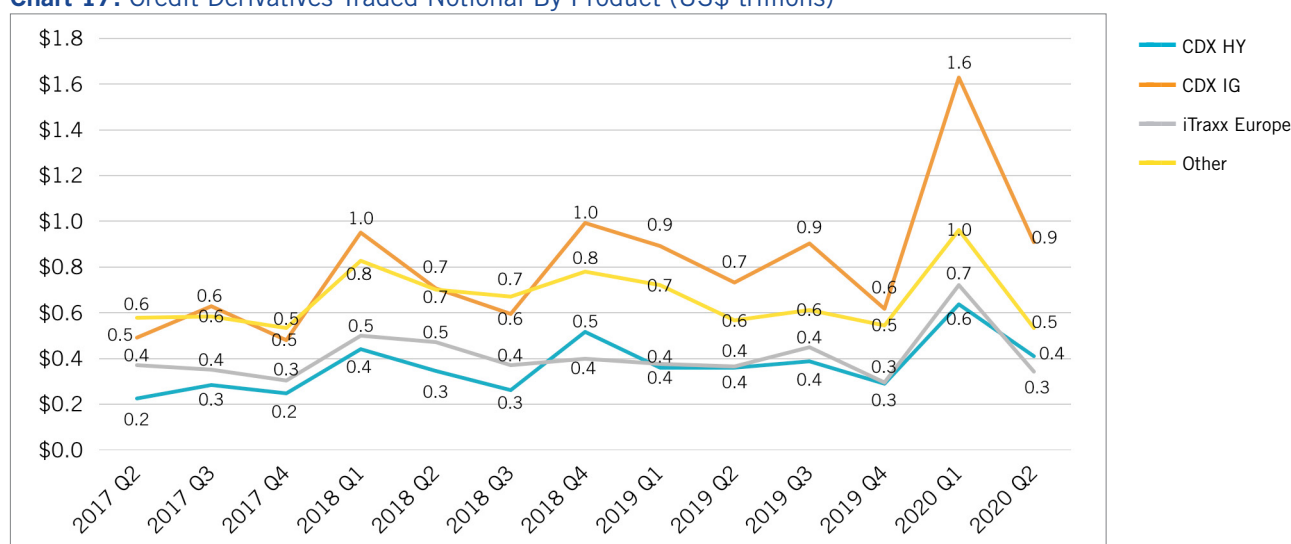
CDX HY and CDX IG traded notional increased by 14.2% and 24.2%, respectively, in the second quarter of 2020 compared with the second quarter of 2019. CDX HY increased to \$409.8 billion from \$358.9 billion, and CDX IG grew to \$908.0 billion from \$730.9 billion. Trade count increased quarter-over-quarter by 12.2% for CDX HY and 37.3% for CDX IG (see Chart 17 and Chart 18).

iTraxx Europe traded notional decreased by 6.5% to \$341.8 billion in the second quarter of 2020 from \$365.6 billion in the second quarter of 2019. Trade count fell by 4.7% to 7.6 thousand over the same period.

In the first half of 2020, CDX HY traded notional increased by 45.4% to \$1.0 trillion from \$719.6 billion in the first half of 2019. CDX IG traded notional increased by 56.4% over the same period to \$2.5 trillion from \$1.6 trillion. Trade count for CDX HY and CDX IG rose by 39.5% and 57.9%, respectively.

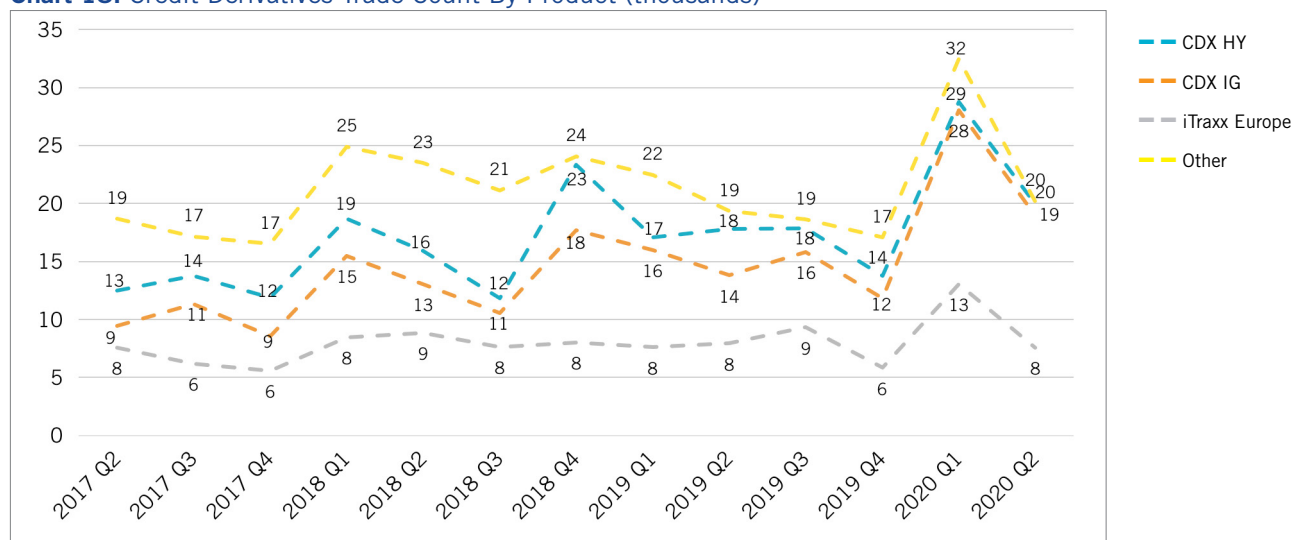
iTraxx Europe traded notional increased by 43.3% to \$1.1 trillion in the first half of 2020 compared with \$741.1 billion in the first half of 2019. Trade count increased by 32.6% over the same period.

Chart 17: Credit Derivatives Traded Notional By Product (US\$ trillions)



Source: DTCC and Bloomberg SDRs

Chart 18: Credit Derivatives Trade Count By Product (thousands)



Source: DTCC and Bloomberg SDRs

Credit Derivatives Average Daily Traded Notional, Trade Count and Trade Size

Average daily traded notional of CDX HY and CDX IG increased by 12.4% and 24.2%, respectively, between the second quarter of 2019 and the second quarter of 2020, and totaled \$6.4 billion and \$14.4 billion, respectively. Average daily trade count of CDX HY rose by 10.4% and totaled 312, while CDX IG grew by 37.3% and totaled 301. Average trade size of CDX HY and CDX IG was \$20.1 million and \$47.7 million, respectively (see Table 2).

iTraxx Europe average daily traded notional decreased by 6.5% to \$5.6 billion and average daily trade count fell by 4.7% to 124. iTraxx Europe average trade size dropped by 2.2% to \$44.4 million in the second quarter of 2020 compared with \$45.4 million in the second quarter of 2019.

Table 2: Credit Derivatives Average Daily Traded Notional, Daily Trade Count and Trade Size

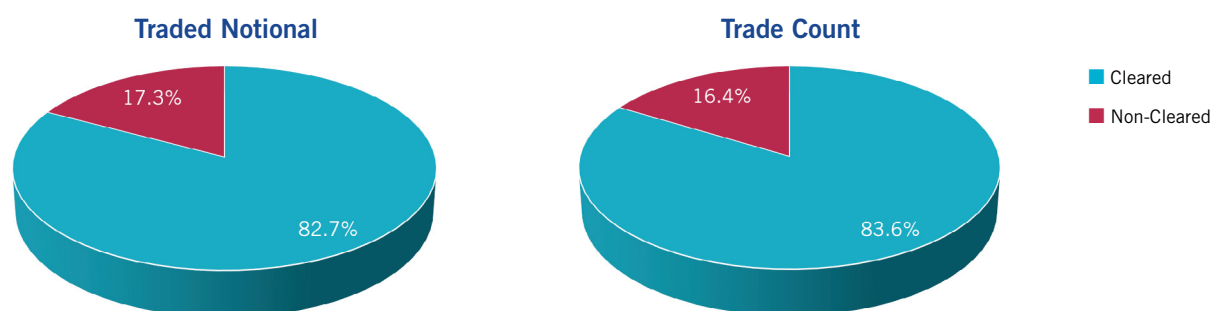
	Average Daily Traded Notional (US\$ billions)			Average Daily Trade Count			Average Trade Size (US\$ millions)		
	CDX HY	CDX IG	iTraxx Europe	CDX HY	CDX IG	iTraxx Europe	CDX HY	CDX IG	iTraxx Europe
Q2 2020	6.4	14.4	5.6	312	301	124	20.1	47.7	44.4
Q2 2019	5.7	11.6	6.0	282	219	130	20.1	52.3	45.4
Q2 2020 vs. Q2 2019	12.4%	24.2%	-6.5%	10.4%	37.3%	-4.7%	0.0%	-8.9%	-2.2%
1st Half 2020	8.3	20.3	8.4	388	377	164	20.7	52.4	49.6
1st Half 2019	5.8	13.1	6.0	282	240	125	19.9	53.5	46.6
1st Half 2020 vs. 1st Half 2019	43.5%	55.2%	41.0%	37.8%	56.7%	30.7%	3.8%	-2.1%	6.3%

Source: DTCC and Bloomberg SDRs

Credit Derivatives Central Clearing

Cleared credit derivatives transactions represented 82.7% of traded notional and 83.6% of trade count in the second quarter of 2020 (see Chart 19). Traded notional and trade count of cleared credit derivatives transactions was \$1.8 trillion and 55.7 thousand, respectively.

Chart 19: Credit Derivatives Cleared Traded Notional and Trade Count



Source: DTCC and Bloomberg SDRs

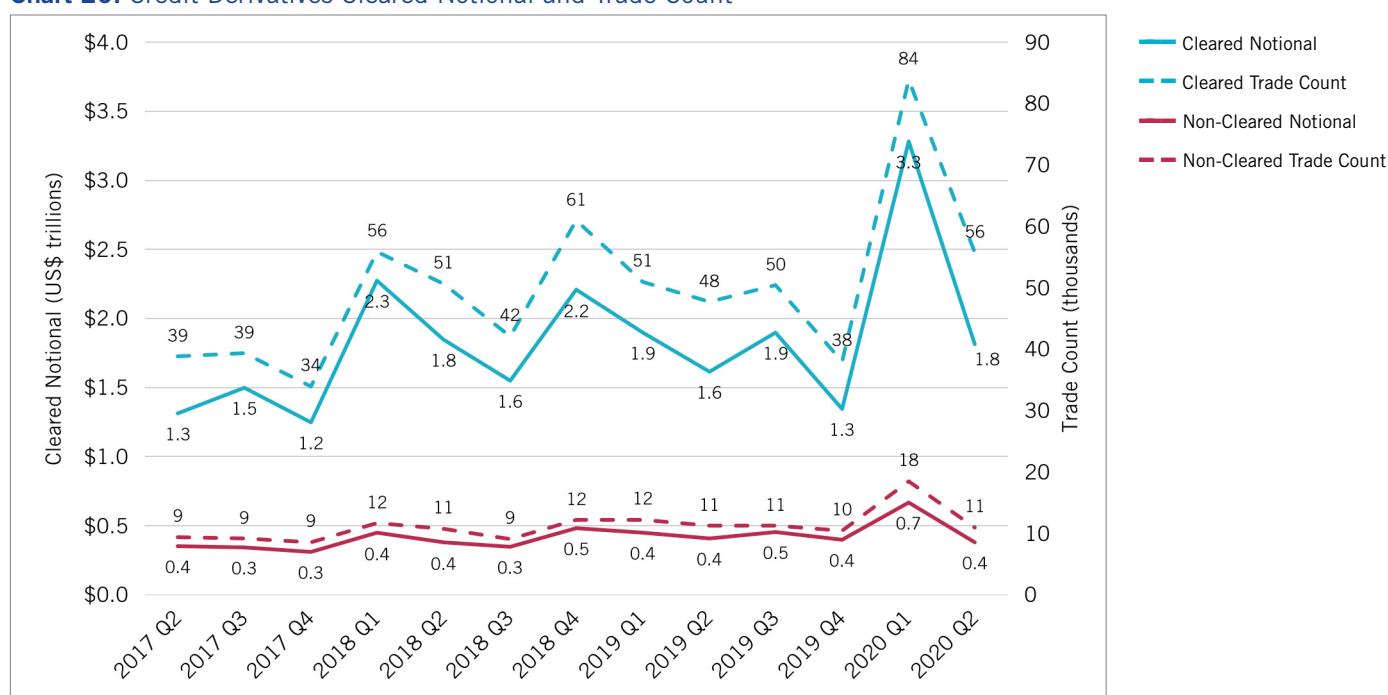
Credit derivatives cleared notional increased by 12.5% to \$1.8 trillion in the second quarter of 2020 from \$1.6 trillion in the second quarter of 2019. Cleared trade count increased by 16.9% to 55.7 thousand from 47.7 thousand over the same period (see Chart 20).

Non-cleared notional decreased by 7.0% to \$378.7 billion in the second quarter of 2020 from \$407.4 billion in the second quarter of 2019. Non-cleared trade count decreased by 2.4% over the same period.

In the first half of 2020, credit derivatives cleared notional increased by 45.1% to \$5.1 trillion from \$3.5 trillion in the first half of 2019. Cleared trade count grew by 41.5% to 139.6 thousand from 98.6 thousand over the same period.

Non-cleared notional grew to \$1.0 trillion in the first half 2020, a 22.2% increase compared with \$856.5 billion in the first half of 2019. Non-cleared trade count rose by 25.6% to 29.4 thousand from 23.4 thousand over the same period.

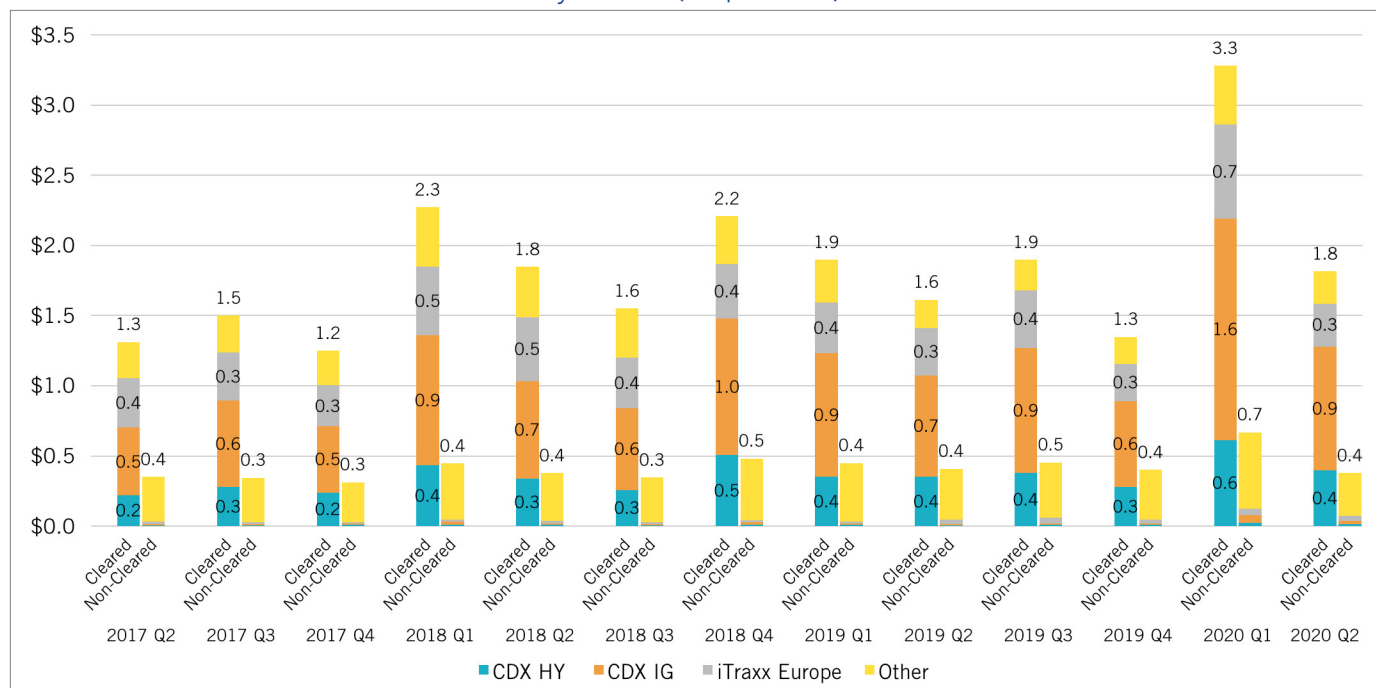
Chart 20: Credit Derivatives Cleared Notional and Trade Count



Source: DTCC and Bloomberg SDRs

In the second quarter of 2020, \$395.9 billion (96.6%) of CDX HY and \$883.2 billion (97.3%) of CDX IG was cleared, while \$13.9 billion and \$24.8 billion, respectively, was non-cleared. Cleared notional of iTraxx Europe totaled \$306.6 billion (89.7%) in the second quarter of 2020, while non-cleared notional was \$35.2 billion. \$229.3 billion (42.9%) of other credit derivatives traded notional was cleared and \$304.8 billion was non-cleared (see Chart 21).

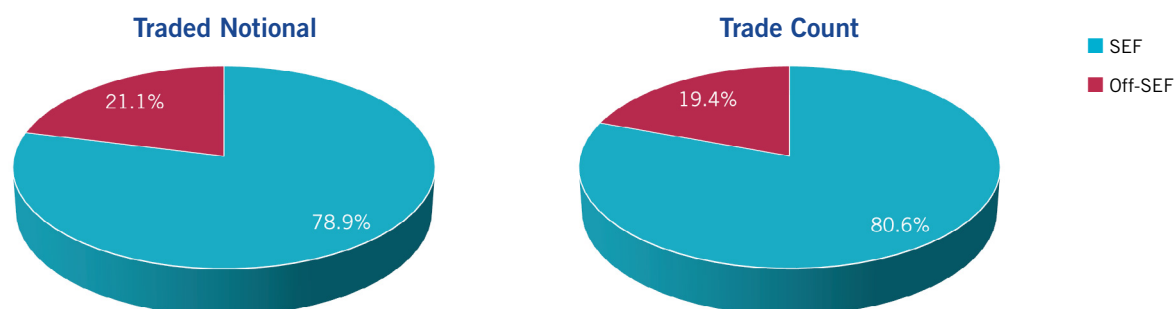
In the first half of 2020, \$1.0 trillion (96.4%) of CDX HY and \$2.5 trillion (96.9%) of CDX IG traded notional was cleared and \$37.1 billion and \$78.1 billion, respectively, was non-cleared. Cleared notional of iTraxx Europe totaled \$978.0 trillion (92.1%) in the first half of 2020. \$649.6 billion (43.4%) of other credit derivatives traded notional was cleared and \$1.0 trillion was non-cleared.

Chart 21: Credit Derivatives Cleared Notional by Product (US\$ trillions)

Source: DTCC and Bloomberg SDRs

Credit Derivatives Trading Venue

SEF-traded credit derivatives represented 78.9% of total traded notional and 80.6% of total trade count in the second quarter of 2020 (see Chart 22). Total credit derivatives traded notional executed on SEFs was \$1.7 trillion, while \$0.5 trillion was executed off-SEF. 53.7 thousand transactions were executed on SEFs and 13.0 thousand transactions were off-SEF.

Chart 22: SEF and Off-SEF Credit Derivatives Traded Notional and Trade Count

Source: DTCC and Bloomberg SDRs

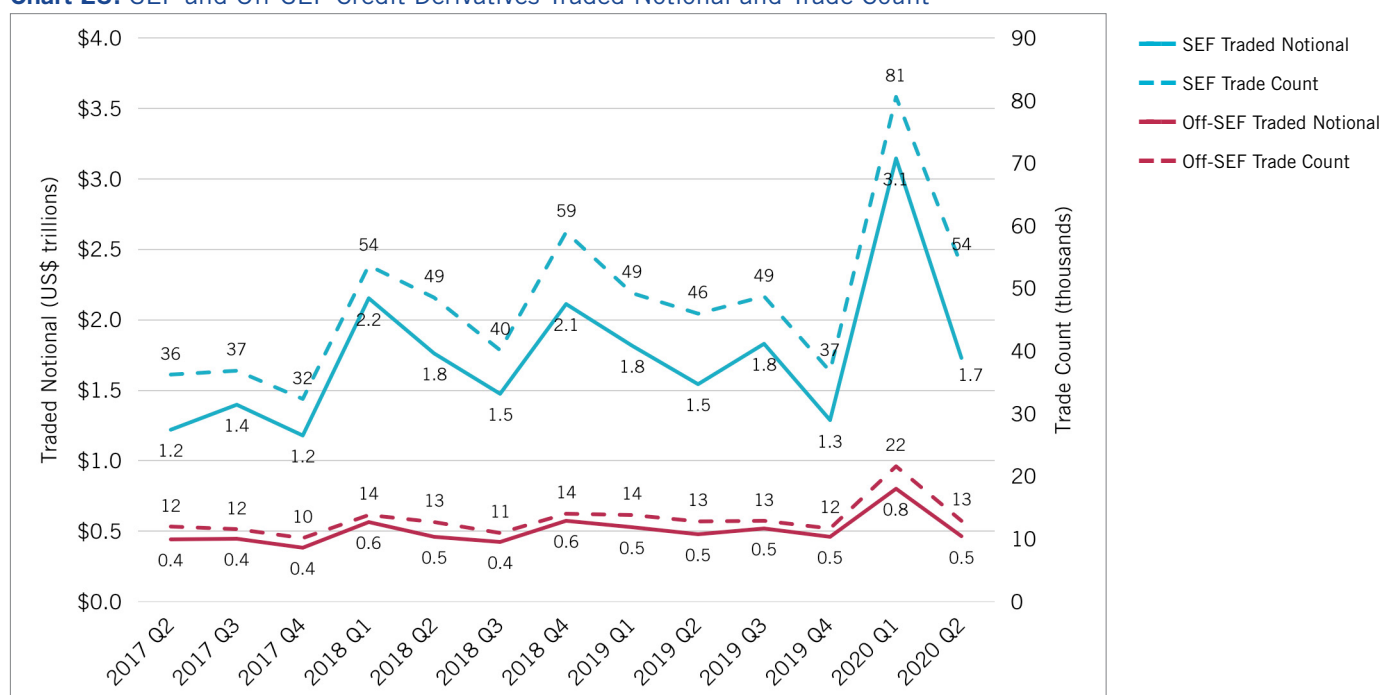
Credit derivatives traded notional executed on SEFs increased by 12.2% to \$1.7 trillion in the second quarter of 2020 from \$1.5 trillion in the second quarter of 2019. The number of trades executed on SEFs increased by 16.7% over the same period (see Chart 23).

Credit derivatives traded notional executed off-SEF decreased by 3.1% to \$463.4 billion in the second quarter of 2020 from \$478.4 billion in the second quarter of 2019. The number of off-SEF transactions increased by 1.0% over the same period.

In the first half of 2020, credit derivatives traded notional executed on SEFs grew by 45.2% to \$4.9 trillion from \$3.4 trillion in the first half of 2019. Trade count rose by 40.9% to 134.4 thousand from 95.4 thousand over the same period.

Credit derivatives traded notional executed off-SEF increased by 25.4% to \$1.3 trillion in the first half of 2020. The number of off-SEF transactions increased by 29.8% over the same period.

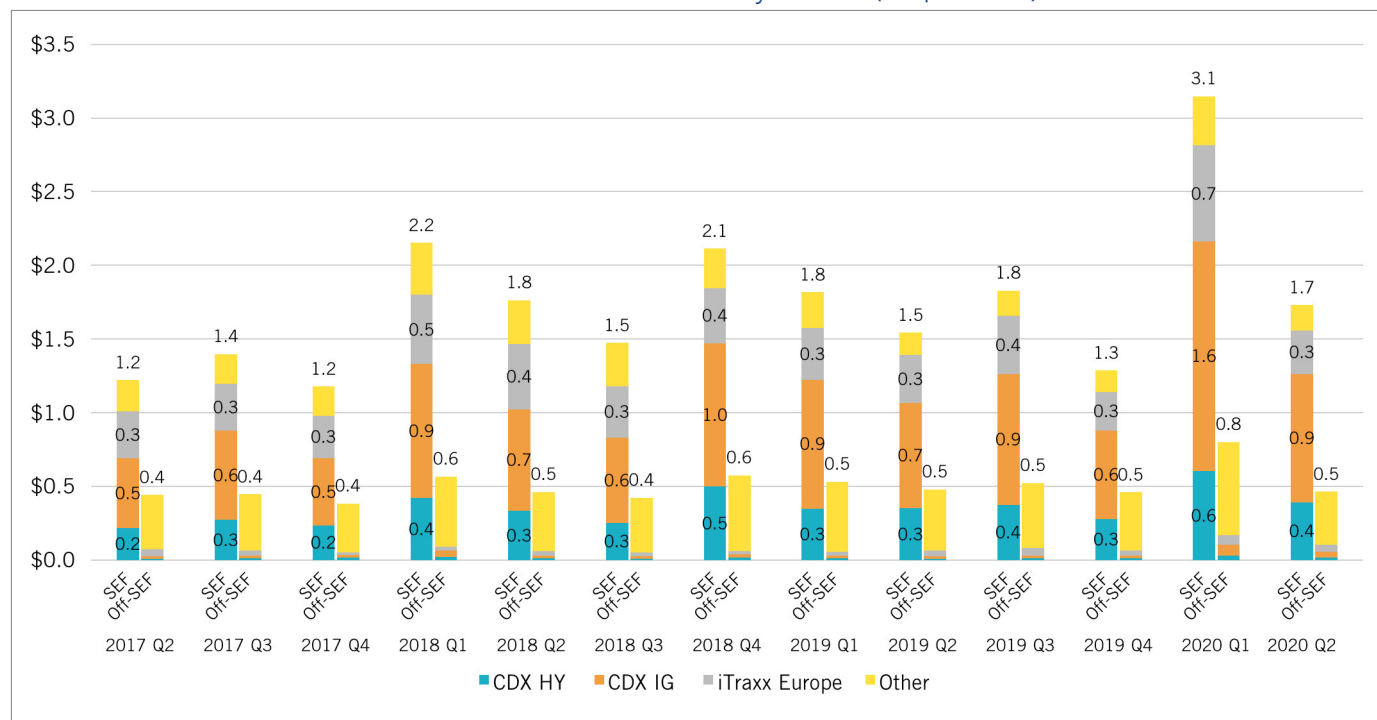
Chart 23: SEF and Off-SEF Credit Derivatives Traded Notional and Trade Count



Source: DTCC and Bloomberg SDRs

In the second quarter of 2020, \$391.4 billion (95.5%) of CDX HY and \$870.5 billion (95.9%) of CDX IG notional was traded on SEFs, and \$18.4 billion and \$37.4 billion, respectively, was executed off-SEF. \$295.7 billion (86.5%) of iTraxx Europe traded notional was executed on SEFs and \$46.1 billion occurred off-SEF. Only \$172.6 billion (32.3%) of traded notional for other credit derivatives was executed on SEFs and \$361.5 billion was traded off-SEF (see Chart 24).

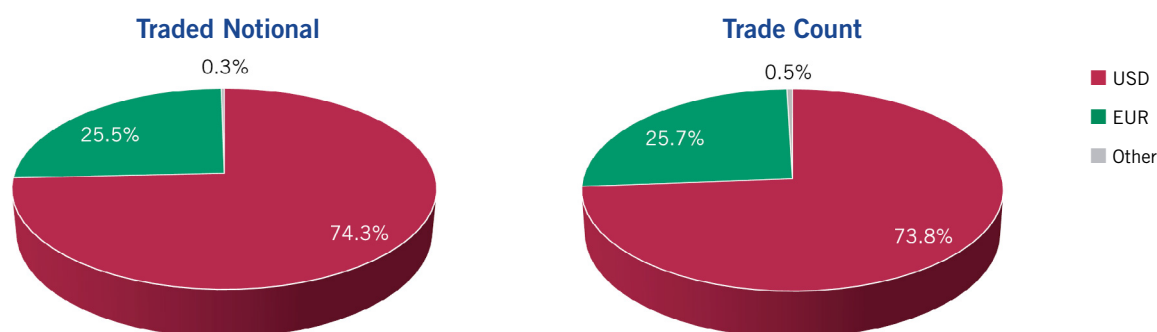
In the first half of 2020, \$1.0 trillion (95.3%) of CDX HY, \$2.4 trillion (95.6%) of CDX IG and \$1.0 trillion (89.5%) of iTraxx Europe notional was traded on SEFs. \$504.4 billion (33.7%) of other credit derivatives traded notional was executed on SEFs and \$1.0 trillion was traded off-SEF.

Chart 24: SEF and Off-SEF Credit Derivatives Traded Notional by Product (US\$ trillions)


Source: DTCC and Bloomberg SDRs

Credit Derivatives by Currency

Credit derivatives contracts denominated in US dollars represented 74.3% and 73.8% of traded notional and trade count, respectively, in the second quarter of 2020. Euro-denominated transactions accounted for 25.5% and 25.7% of traded notional and trade count, respectively (see Chart 25).

Chart 25: Credit Derivatives Traded Notional and Trade Count by Currency


Source: DTCC and Bloomberg SDRs

US dollar-denominated traded notional increased by 13.8% to \$1.6 trillion in the second quarter of 2020 from \$1.4 trillion in the second quarter of 2019. Euro-denominated traded notional decreased by 4.0% to \$558.8 billion in the second quarter of 2020 compared with the second quarter of 2019. Trade count grew by 15.1% for US dollar-denominated trades and 8.8% for euro-denominated trades over the same period (see Chart 26).

In the first half of 2020, US dollar-denominated traded notional increased by 43.9% to \$4.4 trillion from \$3.1 trillion in the first half of 2019. Euro-denominated traded notional increased by 33.6% to \$1.7 trillion from \$1.3 trillion over the same period. Trade count rose by 39.7% and 36.1% for US dollar- and euro-denominated transactions, respectively, in the first half of 2020 versus the first half of 2019. For other currencies, traded notional and trade count declined by 28.8% and 3.5%, respectively, over the same period.

Chart 26: Credit Derivatives Traded Notional and Trade Count by Currency



Source: DTCC and Bloomberg SDRs



ISDA has published other recent research papers:

- ***Key Trends in the Size and Composition of OTC Derivatives Markets in the Second Half of 2019, June 2020***

<https://www.isda.org/a/BAQTE/Key-Trends-in-Size-and-Composition-of-OTC-Derivatives-Markets-in-2H-2019.pdf>

- ***IRD Block Trading Activity in the First Quarter of 2020, June 2020***

<https://www.isda.org/a/qybTE/IRD-Block-Trading-Activity-in-the-First-Quarter-of-2020.pdf>

- ***SwapsInfo First Quarter of 2020 Review, April 2020***

<https://www.isda.org/a/8bOTE/SwapsInfo-Q1-2020-Review-Full-Report.pdf>

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