

# SwapsInfo First Half of 2021 and Second Quarter of 2021 Review

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The ISDA SwapsInfo Quarterly Review provides analysis of interest rate derivatives (IRD) and credit derivatives trading. The report provides a breakdown of cleared and non-cleared activity, 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](http://swapsinfo.org)), using information from the Depository Trust & Clearing Corporation (DTCC) and Bloomberg swap data repositories (SDRs). This report covers only trades required to be disclosed under US regulations.

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## KEY HIGHLIGHTS FOR THE FIRST HALF OF 2021 AND THE SECOND QUARTER OF 2021

### Interest Rate Derivatives

IRD traded notional fell by 16.0% and trade count increased by 9.8% in the first half of 2021 compared to the first half of 2020. Fixed-for-floating interest rate swaps (IRS) traded notional increased by 43.1%, while forward rate agreements (FRAs) and overnight index swaps (OIS) traded notional decreased by 30.6% and 52.9%, respectively.

#### In the first half of 2021:

- IRD traded notional decreased by 16.0% to \$121.0 trillion in the first half of 2021 from \$144.0 trillion in the first half of 2020. Trade count grew by 9.8% to 981.0 thousand from 893.4 thousand over the same period.
- Single currency fixed-for-floating IRS traded notional increased to \$50.4 trillion in the first half of 2021 from \$35.2 trillion in the first half of 2020. FRA traded notional declined to \$37.4 trillion from \$53.8 trillion and OIS traded notional decreased to \$18.9 trillion from \$40.0 trillion.
- Single currency fixed-for-floating IRS accounted for 64.3% of total IRD trade count but represented only 41.7% of total IRD traded notional. FRAs and OIS represented 30.9% and 15.6% of total traded notional and 13.5% and 8.6% of total trade count, respectively.
- Cleared IRD transactions represented 75.7% of total traded notional and 71.5% of total trade count. 91.4% of fixed-for-floating IRS, 98.8% of FRA, 81.4% of OIS and 38.3% of other IRD traded notional was cleared in the first half of 2021<sup>1</sup>.
- SEF-traded IRD represented 69.8% of total traded notional and 67.3% of total trade count. 72.9% of fixed-for-floating IRS, 92.7% of FRA, 41.7% of OIS and 36.0% of other IRD traded notional was executed on SEFs.

<sup>1</sup> A planned system upgrade by the DTCC SDR on November 21, 2020 changed reporting logic for the cleared status of trades. Following the upgrade, the percentage of IRD trades indicated to be cleared appears lower in 2021 compared to historical averages as firms switched to the new reporting logic

- IRD contracts denominated in US dollars contributed 56.4% of total traded notional and 45.4% of total trade count. Euro-denominated transactions accounted for 20.1% of total traded notional and 19.6% of total trade count. Sterling-denominated transactions comprised 12.1% and 9.7% of total IRD traded notional and trade count, respectively.
- Fixed-for-floating IRS traded notional denominated in US dollars increased by 80.3% compared to the first half of 2020, while US dollar-denominated FRAs and OIS decreased by 50.4% and 58.3%, respectively. Euro-denominated IRS and FRA traded notional increased by 29.4% and 110.5%, respectively, while euro-denominated OIS decreased by 46.6%. Sterling-denominated IRS traded notional increased by 20.3%, while sterling-denominated FRA and OIS traded notional decreased by 24.8% and 31.6%, respectively.

#### **In the second quarter of 2021:**

- IRD traded notional decreased by 10.6% to \$50.8 trillion in the second quarter of 2021 from \$56.8 trillion in the second quarter of 2020. Trade count grew by 7.5% to 442.1 thousand from 411.2 thousand over the same period.
- Single currency fixed-for-floating IRS traded notional increased by 48.2% to \$23.4 trillion in the second quarter of 2021 from \$15.8 trillion in the second quarter of 2020. FRA traded notional fell by 46.6% to \$13.0 trillion from \$24.4 trillion and OIS traded notional declined by 19.9% to \$7.9 trillion from \$9.9 trillion.
- Single currency fixed-for-floating IRS accounted for 65.8% of total IRD trade count but represented only 46.1% of total IRD traded notional. FRAs and OIS represented 25.7% and 15.6% of total traded notional and 10.9% and 9.8% of total trade count, respectively.
- Cleared IRD transactions represented 76.2% of total traded notional and 72.1% of total trade count. 83.4% of fixed-for-floating IRS, 96.6% of FRA, 66.2% of OIS and 21.4% of other IRD traded notional was cleared.
- SEF-traded IRD represented 70.9% of total traded notional and 67.7% of total trade count. 75.2% of fixed-for-floating IRS, 94.2% of FRA, 47.6% of OIS and 36.9% of other IRD traded notional was executed on SEFs.

- IRD contracts denominated in US dollars contributed 58.6% of total traded notional and 46.2% of total trade count. Euro-denominated transactions accounted for 21.0% of total traded notional and 19.8% of trade count. Sterling-denominated transactions comprised 9.2% and 8.4% of total IRD traded notional and trade count, respectively.
- Fixed-for-floating IRS traded notional denominated in US dollars increased by 111.2% compared to the second quarter of 2020, while US dollar-denominated FRAs and OIS decreased by 60.2% and 11.2%, respectively. Euro-denominated IRS and FRA traded notional increased by 33.3% and 56.0%, respectively, while euro-denominated OIS decreased by 51.6%. Sterling-denominated IRS and OIS traded notional increased by 1.8% and 12.9%, respectively, while sterling-denominated FRA traded notional decreased by 73.6%.

## Credit Derivatives

Credit derivatives traded notional and trade count decreased by 26.1% and 29.8%, respectively, in the first half of 2021 compared to the first half of 2020<sup>2</sup>. There was less trading activity across all major indices, including CDX HY, CDX IG and iTraxx Europe.

### In the first half of 2021:

- Credit derivatives traded notional decreased by 26.1% to \$4.5 trillion in the first half of 2021 from \$6.1 trillion in the first half of 2020. Trade count dropped by 29.8% to 118.7 thousand from 169.1 thousand over the same period.
- CDX HY traded notional decreased by 33.7% to \$693.5 billion from \$1.1 trillion, while CDX IG traded notional decreased by 35.9% to \$1.6 trillion from \$2.5 trillion. iTraxx Europe traded notional dropped by 4.5% to \$1.0 trillion in the first half of 2021 from \$1.1 trillion in the first half of 2020.
- CDX HY and CDX IG represented 15.3% and 35.9% of total traded notional and 27.1% and 25.1% of total trade count, respectively. iTraxx Europe accounted for 22.3% of total credit derivatives traded notional and 15.8% of total trade count.
- Cleared credit derivatives transactions represented 80.4% of total traded notional and 83.8% of total trade count in the first half of 2021. 96.1% of CDX HY, 96.5% of CDX IG, 92.7% of iTraxx Europe and 39.4% of other credit derivatives traded notional was cleared.
- SEF-traded credit derivatives represented 80.1% of total traded notional and 83.5% of total trade count. 96.1% of CDX HY, 96.1% of CDX IG, 92.4% of iTraxx Europe and 39.0% of other credit derivatives traded notional was executed on SEFs.
- Credit derivatives contracts denominated in US dollars represented 63.3% of total traded notional and 64.7% of total trade count. Euro-denominated transactions accounted for 36.4% and 34.9% of total traded notional and trade count, respectively.

<sup>2</sup> 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

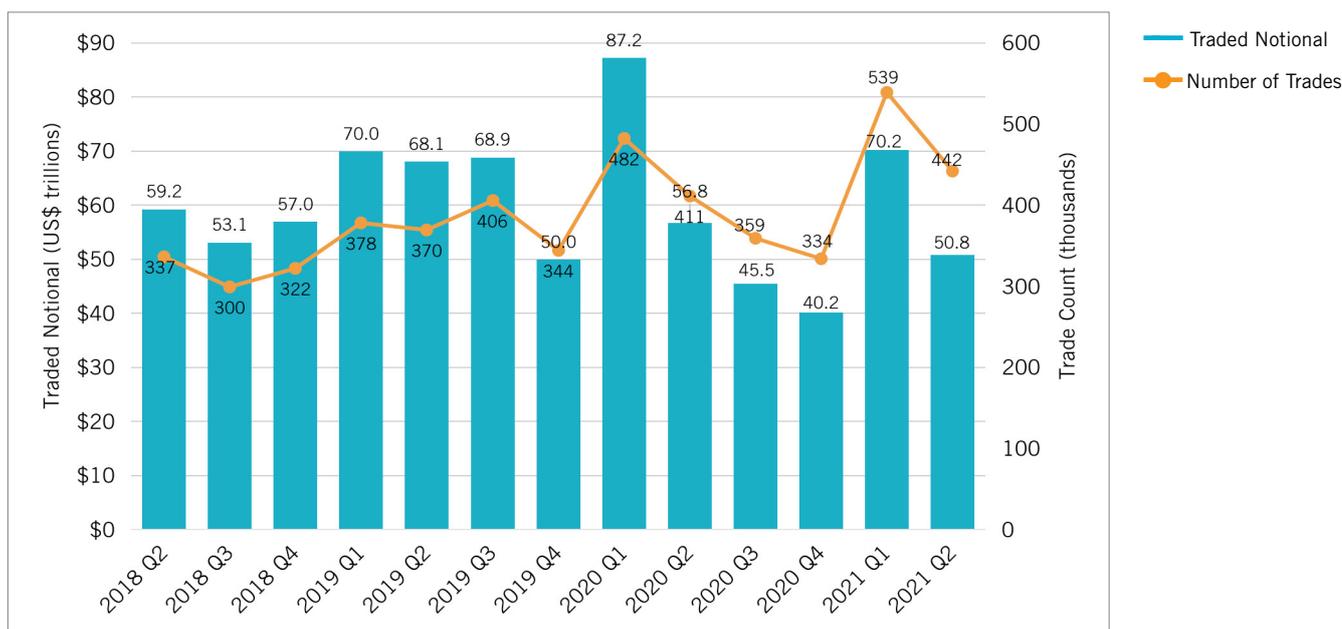
**In the second quarter of 2021:**

- Credit derivatives traded notional decreased by 13.7% to \$1.9 trillion in the second quarter of 2021 from \$2.2 trillion in the second quarter of 2020. Trade count fell by 26.8% to 48.8 thousand from 66.8 thousand over the same period.
- CDX HY traded notional decreased by 32.4% to \$277.0 billion in the second quarter of 2021 from \$409.8 billion in the second quarter of 2020. CDX IG traded notional decreased by 29.2% to \$642.9 billion from \$908.1 billion. iTraxx Europe traded notional grew by 29.8% to \$441.9 billion in the second quarter of 2021 from \$340.3 billion in the second quarter of 2020.
- CDX HY and CDX IG represented 14.7% and 34.0% of total traded notional and 27.0% and 24.3% of total trade count, respectively. iTraxx Europe accounted for 23.4% of total credit derivatives traded notional and 16.2% of total trade count.
- Cleared credit derivatives transactions represented 78.5% of total traded notional and 83.1% of total trade count in the second quarter of 2021. 95.6% of CDX HY, 96.7% of CDX IG, 93.6% of iTraxx Europe and 34.7% of other credit derivatives traded notional was cleared.
- SEF-traded credit derivatives represented 78.2% of total traded notional and 82.7% of total trade count. 95.4% of CDX HY, 95.9% of CDX IG, 93.0% of iTraxx Europe and 35.1% of other credit derivatives traded notional was executed on SEFs.
- Credit derivatives contracts denominated in US dollars represented 62.1% of total traded notional and 64.6% of total trade count. Euro-denominated transactions accounted for 37.6% and 34.9% of total traded notional and trade count, respectively.

## INTEREST RATE DERIVATIVES

IRD traded notional declined by 10.6% to \$50.8 trillion in the second quarter of 2021 from \$56.8 trillion in the second quarter of 2020. Trade count grew by 7.5% over the same period to 442.1 thousand from 411.2 thousand (see Chart 1).

**Chart 1: IRD Traded Notional and Trade Count**



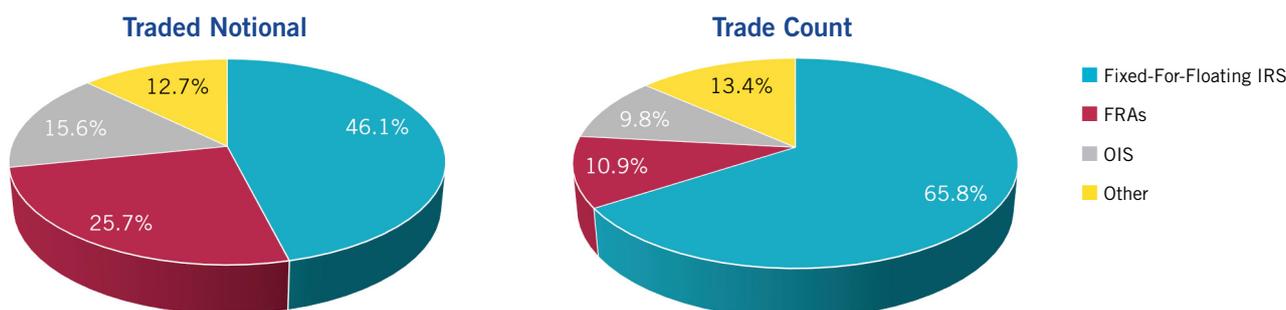
Source: DTCC and Bloomberg SDRs

In the first half of 2021, IRD traded notional decreased by 16.0% to \$121.0 trillion from \$144.0 trillion in the first half of 2020. Trade count increased by 9.8% to 981.0 thousand from 893.4 thousand over the same period.

## IRD Product Taxonomy

Single currency fixed-for-floating IRS accounted for 65.8% of total IRD trade count but represented only 46.1% of total IRD traded notional in the second quarter of 2021. FRAs and OIS comprised 25.7% and 15.6% of total traded notional and 10.9% and 9.8% 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 increased by 48.2% from \$15.8 trillion in the second quarter of 2020 to \$23.4 trillion in the second quarter of 2021. IRS trade count increased by 19.1% from 244.3 thousand to 291.0 thousand over the same period (see Chart 3 and Chart 4).

In the first half of 2021, fixed-for-floating IRS traded notional increased by 43.1% to \$50.4 trillion from \$35.2 trillion in the first half of 2020. Trade count grew by 16.0% from 543.8 thousand to 630.6 thousand over the same interval.

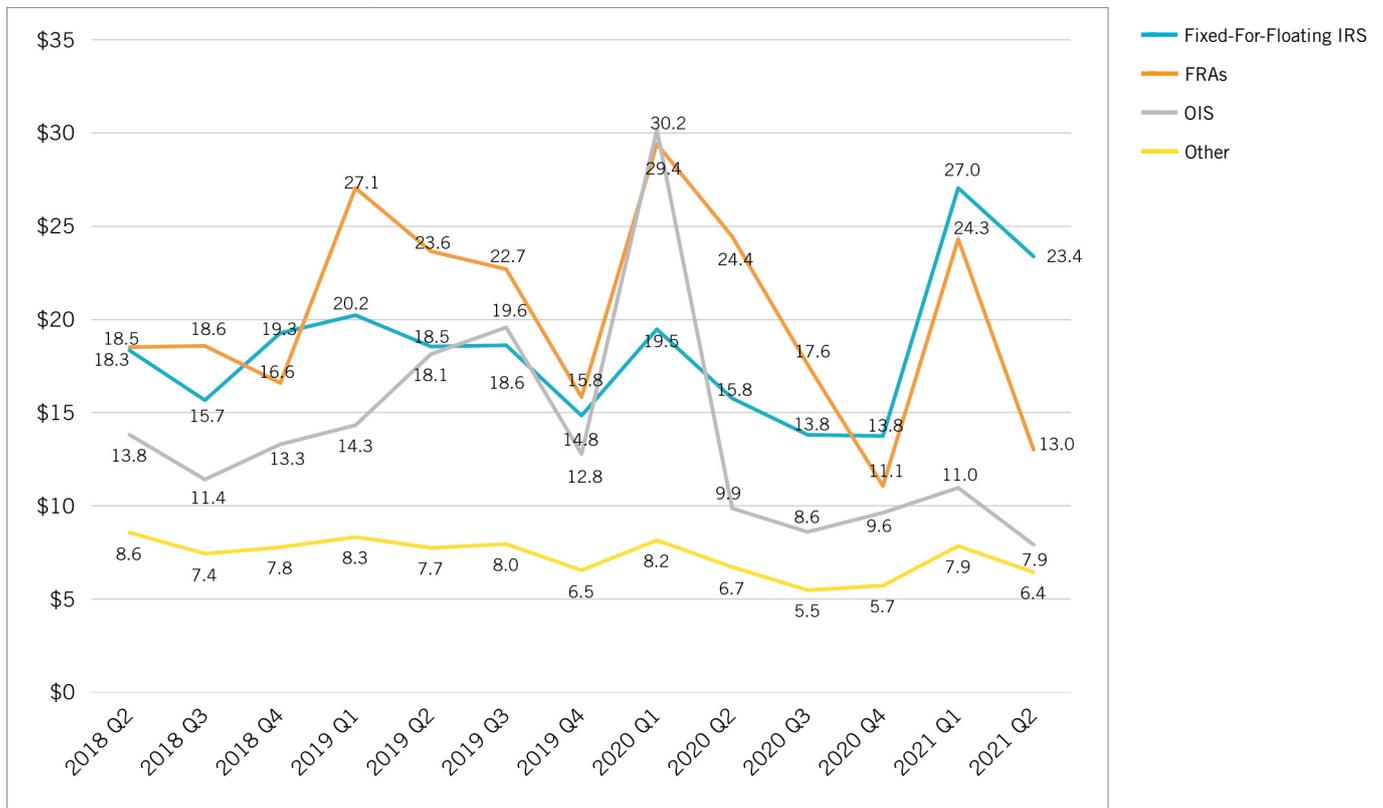
FRA traded notional decreased by 46.6% from \$24.4 trillion in the second quarter of 2020 to \$13.0 trillion in the second quarter of 2021. Trade count decreased by 45.9% from 89.3 thousand to 48.3 thousand over the same period.

In the first half of 2021, FRA traded notional decreased by 30.6% to \$37.4 trillion from \$53.8 trillion in the first half of 2020. Trade count dropped by 19.1% to 132.0 thousand from 163.1 thousand over the same interval.

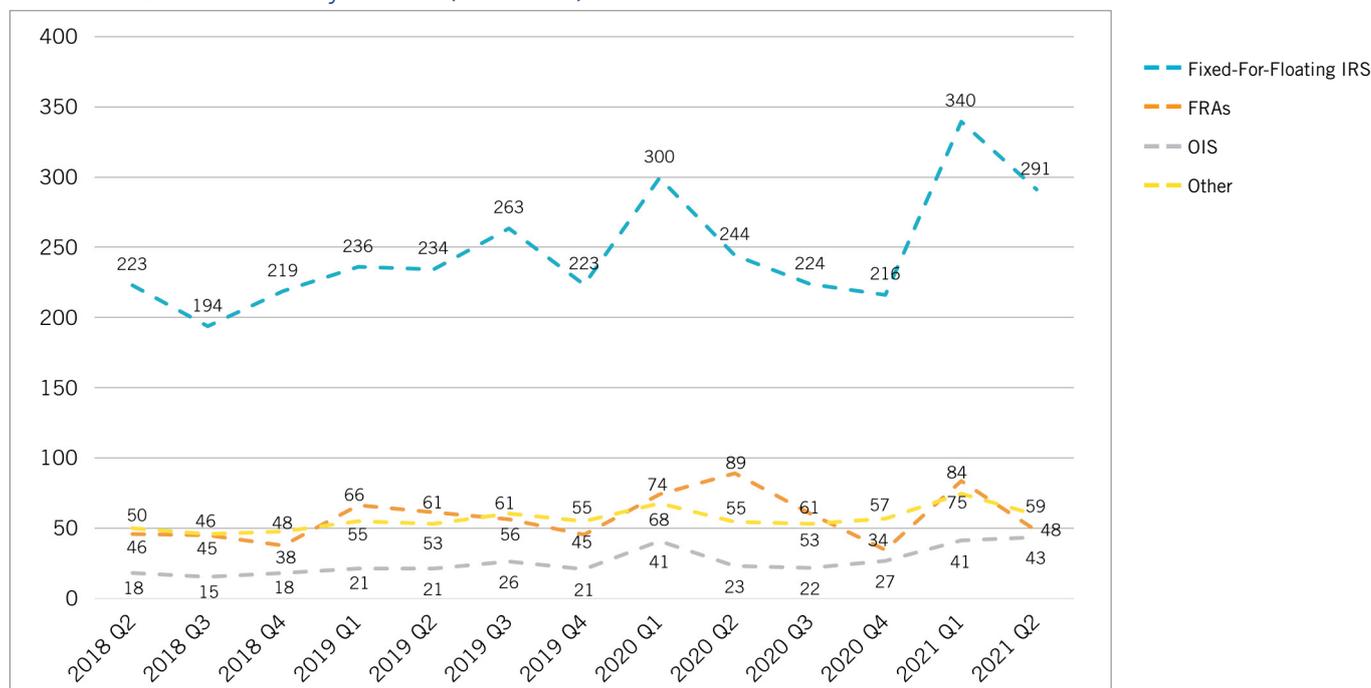
OIS traded notional fell by 19.9% from \$9.9 trillion in the second quarter of 2020 to \$7.9 trillion in the second quarter of 2021. OIS trade count increased by 87.7% to 43.4 thousand in the second quarter of 2021 compared to 23.1 thousand in the second quarter of last year.

In the first half of 2021, OIS traded notional decreased by 52.9% to \$18.9 trillion from \$40.0 trillion in the first half of 2020. Trade count grew by 31.7% to 84.5 thousand from 64.2 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 increased by 48.2% in the second quarter of 2021 versus the second quarter of last year, totaling \$359.8 billion. Fixed-for-floating IRS average daily trade count and average trade size rose by 19.1% and 21.7%, respectively (see Table 1).

FRA average daily traded notional totaled \$207.0 billion in the second quarter of 2021, 45.8% lower than the second quarter of 2020. FRA average daily trade count and average trade size decreased by 45.1% and 1.9%, respectively, over the same period.

OIS average daily traded notional was \$121.6 billion in the second quarter of 2021, a 19.9% decrease compared to the second quarter of 2020. OIS average daily trade count increased by 87.7%, while average trade size fell by 58.4%.

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

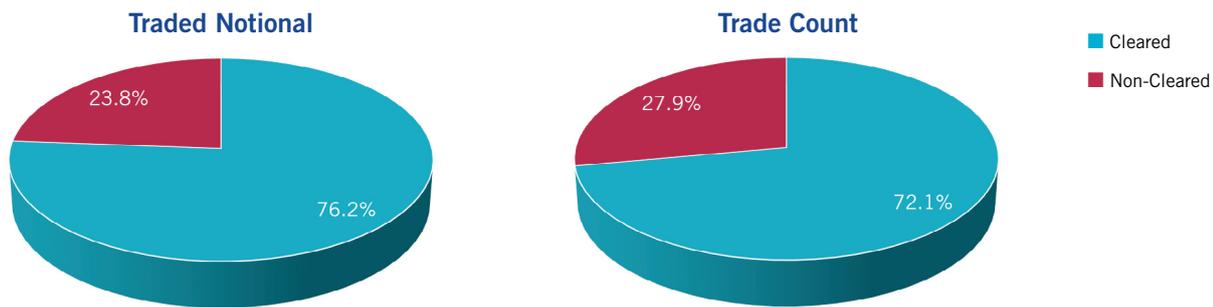
|  | Average Daily Traded Notional (US\$ billions) |        |        | Average Daily Trade Count |        |       | Average Trade Size (US\$ millions) |        |        |
|--|---|--------|--------|---------------------------|--------|-------|------------------------------------|--------|--------|
|  | IRS   | FRAs   | OIS    | IRS                       | FRAs   | OIS   | IRS                                | FRAs   | OIS    |
| <b>2021 Q2</b>                         | 359.8   | 207.0  | 121.6  | 4,477                     | 766    | 668   | 78.4                               | 593.1  | 179.9  |
| <b>2020 Q2</b>                         | 242.8   | 381.7  | 151.8  | 3,758                     | 1,395  | 356   | 64.4                               | 604.3  | 432.8  |
| <b>2021 Q2 vs. 2020 Q2</b>             | 48.2%   | -45.8% | -19.9% | 19.1%                     | -45.1% | 87.7% | 21.7%                              | -1.9%  | -58.4% |
| <b>1st Half 2021</b>                   | 391.2   | 296.4  | 147.8  | 4,891                     | 1,048  | 660   | 78.3                               | 580.5  | 227.8  |
| <b>1st Half 2020</b>                   | 271.1   | 420.6  | 307.9  | 4,183                     | 1,274  | 494   | 64.6                               | 666.3  | 557.3  |
| <b>1st Half 2021 vs. 1st Half 2020</b> | 44.3%   | -29.5% | -52.0% | 16.9%                     | -17.8% | 33.7% | 21.3%                              | -12.9% | -59.1% |

Source: DTCC and Bloomberg SDRs

## IRD Central Clearing

Cleared IRD transactions represented 76.2% of total IRD traded notional and 72.1% of total trade count during the second quarter of 2021 (see Chart 5). IRD cleared notional and trade count equaled \$38.7 trillion and 318.9 thousand, respectively.

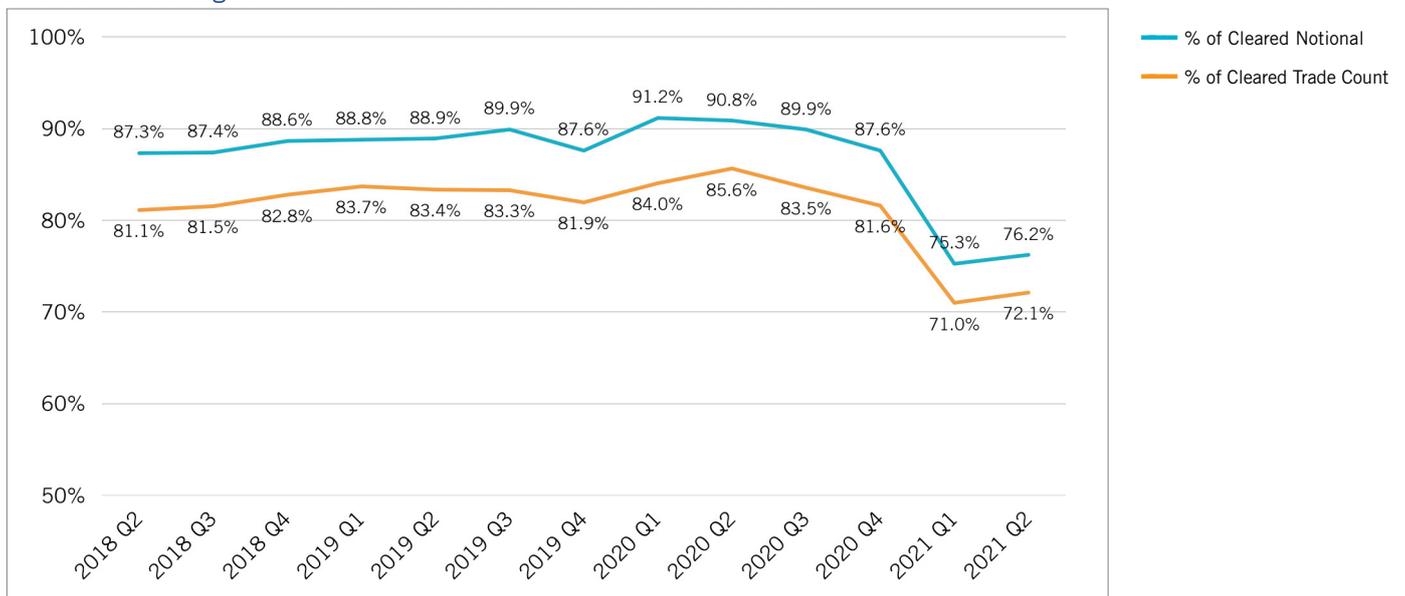
**Chart 5:** IRD Cleared Traded Notional and Trade Count



Source: DTCC and Bloomberg SDRs

The DTCC SDR completed a planned system upgrade on November 21, 2020, which changed the reporting logic for the status of cleared trades. Following the upgrade, the percentage of IRD cleared trades appears to be lower during the first half of 2021 compared to historical averages, as firms switched to the new reporting logic (see Chart 6).

**Chart 6:** Percentage of IRD Cleared Traded Notional and Trade Count

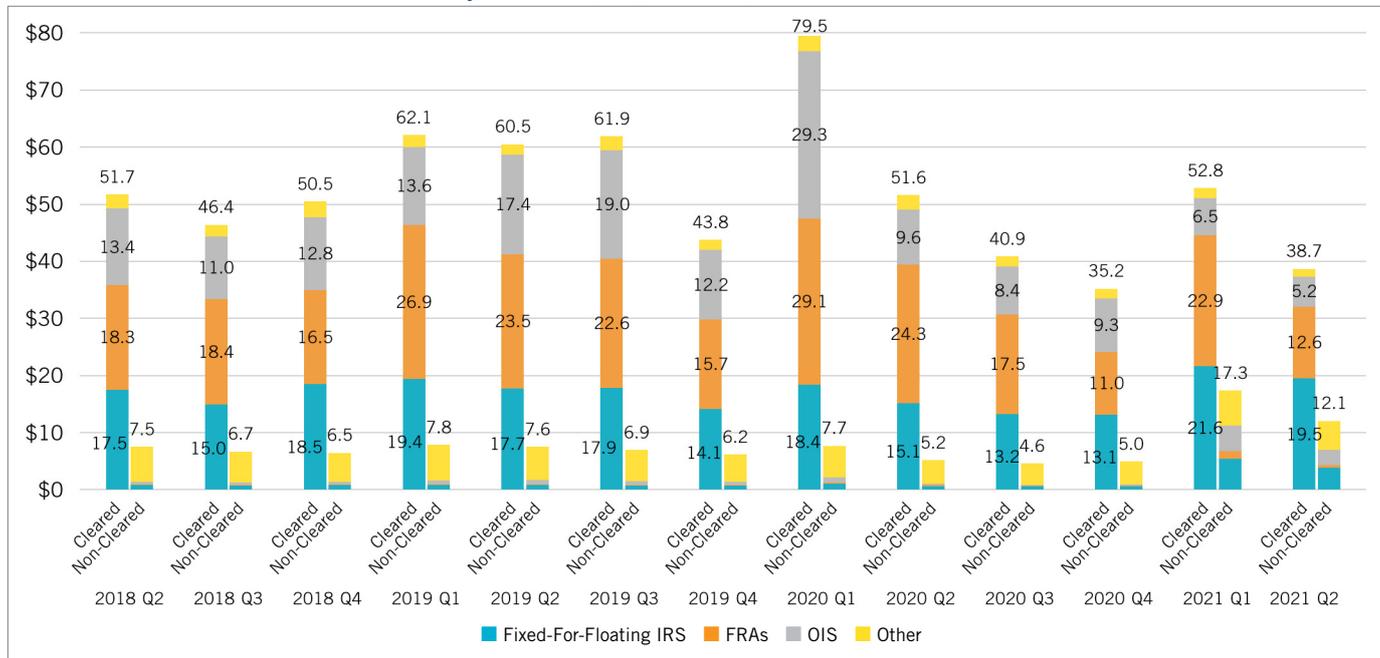


Source: DTCC and Bloomberg SDRs

In the second quarter of 2021, \$19.5 trillion (83.4%) of fixed-for-floating IRS traded notional was cleared and \$3.9 trillion was non-cleared. Traded notional of cleared FRAs and OIS totaled \$12.6 trillion (96.6%) and \$5.2 trillion (66.2%), respectively. \$1.4 trillion (21.4%) of other IRD products notional was cleared and \$5.1 trillion was non-cleared (see Chart 7).

In the first half of 2021, \$41.1 trillion (91.4%) of fixed-for-floating IRS traded notional was cleared and \$3.9 trillion was non-cleared. Traded notional of cleared FRAs and OIS totaled \$35.5 trillion (98.8%) and \$11.7 trillion (81.4%), respectively. \$3.2 trillion (38.3%) of other IRD products notional was cleared and \$5.1 trillion was non-cleared.

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

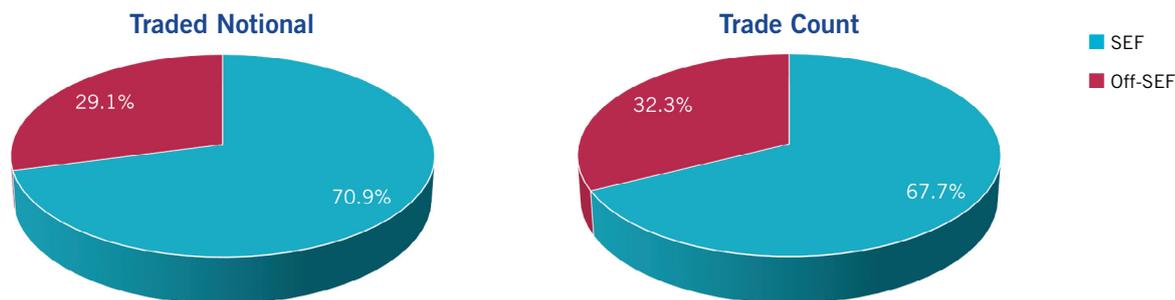


Source: DTCC and Bloomberg SDRs

## IRD Trading Venue

SEF-traded IRD represented 70.9% of total IRD traded notional and 67.7% of total trade count in the second quarter of 2021 (see Chart 8). Total IRD traded notional executed on SEFs was \$36.0 trillion, while \$14.8 trillion was executed off-SEF. In terms of trade count, 299.2 thousand transactions were executed on SEFs and 143.0 thousand occurred off-SEF.

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



Source: DTCC and Bloomberg SDRs

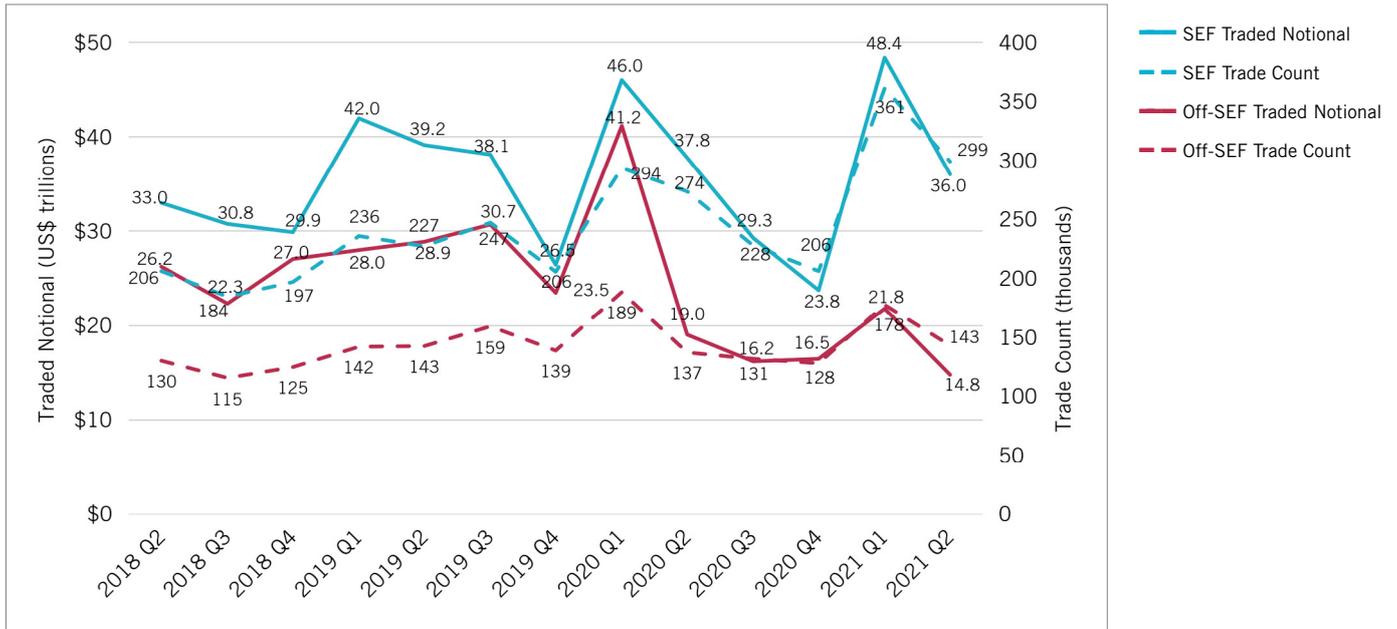
IRD traded notional executed on SEFs declined by 4.6% from \$37.8 trillion in the second quarter of 2020 to \$36.0 trillion in the second quarter of 2021. The number of trades executed on SEFs increased by 9.2% from 274.0 thousand to 299.2 thousand over the same period (see Chart 9).

In the first half of 2021, IRD traded notional executed on SEFs rose by 0.7% to \$84.4 trillion from \$83.8 trillion in the first half of 2020. Trade count increased by 16.4% from 567.5 thousand to 660.5 thousand over the same interval.

IRD traded notional executed off-SEF decreased by 22.3% from \$19.0 trillion in the second quarter of 2020 to \$14.8 trillion in the second quarter of 2021. The number of transactions grew by 4.2% from 137.2 thousand to 143.0 thousand over the same period.

IRD traded notional executed off-SEF declined by 39.3% from \$60.2 trillion in the first half of 2020 to \$36.6 trillion in the first six months of this year. The number of transactions decreased by 1.6% from 325.9 thousand to 320.6 thousand over the same period.

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

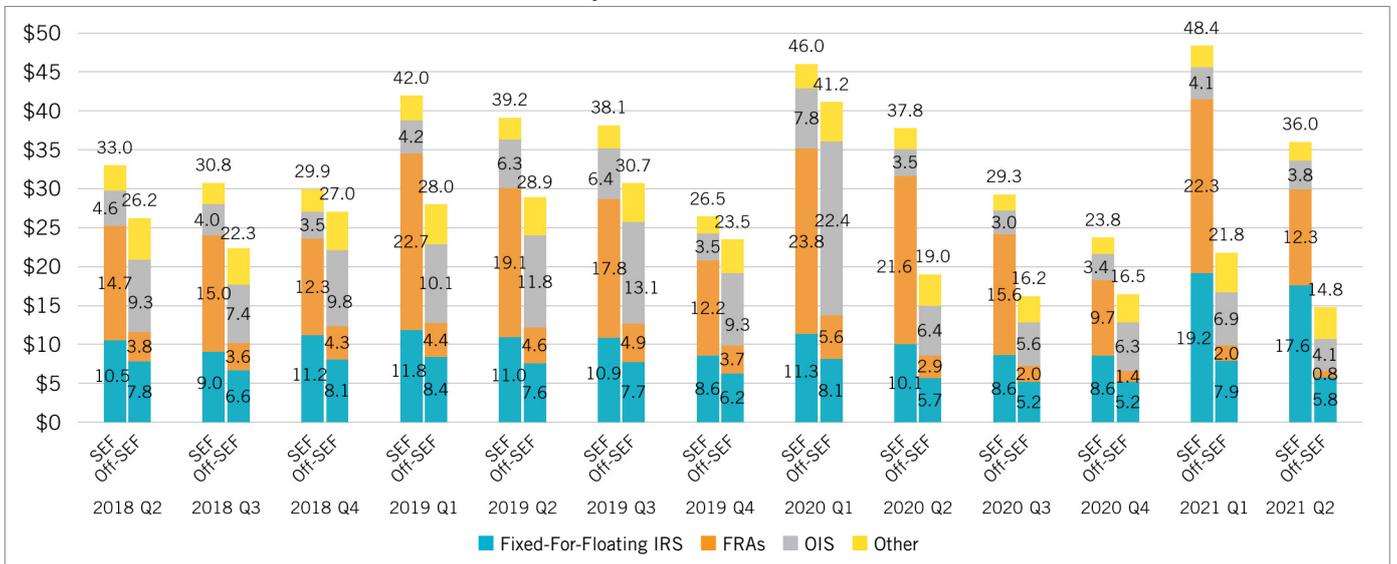


Source: DTCC and Bloomberg SDRs

In the second quarter of 2021, \$17.6 trillion (75.2%) of fixed-for-floating IRS was traded on SEFs and \$5.8 trillion was executed off-SEF. \$12.3 trillion (94.2%) of FRAs was executed on SEFs and \$758.6 billion was traded off-SEF, while \$3.8 trillion (47.6%) of OIS was executed on SEFs and \$4.1 trillion occurred off-SEF (see Chart 10).

In the first half of 2021, \$36.8 trillion (72.9%) of fixed-for-floating IRS was traded on SEFs and \$13.7 trillion was executed off-SEF, \$34.6 trillion (92.7%) of FRAs was executed on SEFs and \$2.7 trillion was traded off-SEF, and \$7.9 trillion (41.7%) of OIS was executed on SEFs and \$11.0 trillion occurred off-SEF.

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

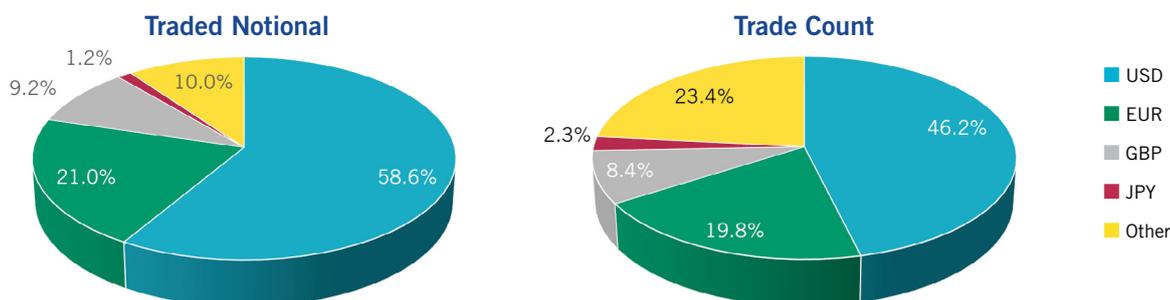


Source: DTCC and Bloomberg SDRs

## IRD by Currency

IRD contracts denominated in US dollars were the most actively traded over the quarter. US dollar-denominated IRD contributed 58.6% of total IRD traded notional and 46.2% of total trade count in the second quarter of 2021. Euro-denominated transactions accounted for 21.0% of total IRD traded notional and 19.8% of trade count. Sterling-denominated transactions totaled 9.2% and 8.4% 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-, sterling- and yen-denominated IRD traded notional decreased by 13.8%, 25.3% and 42.7%, respectively, while euro-denominated IRD traded notional rose by 15.9% in the second quarter of 2021 compared to the second quarter of 2020.

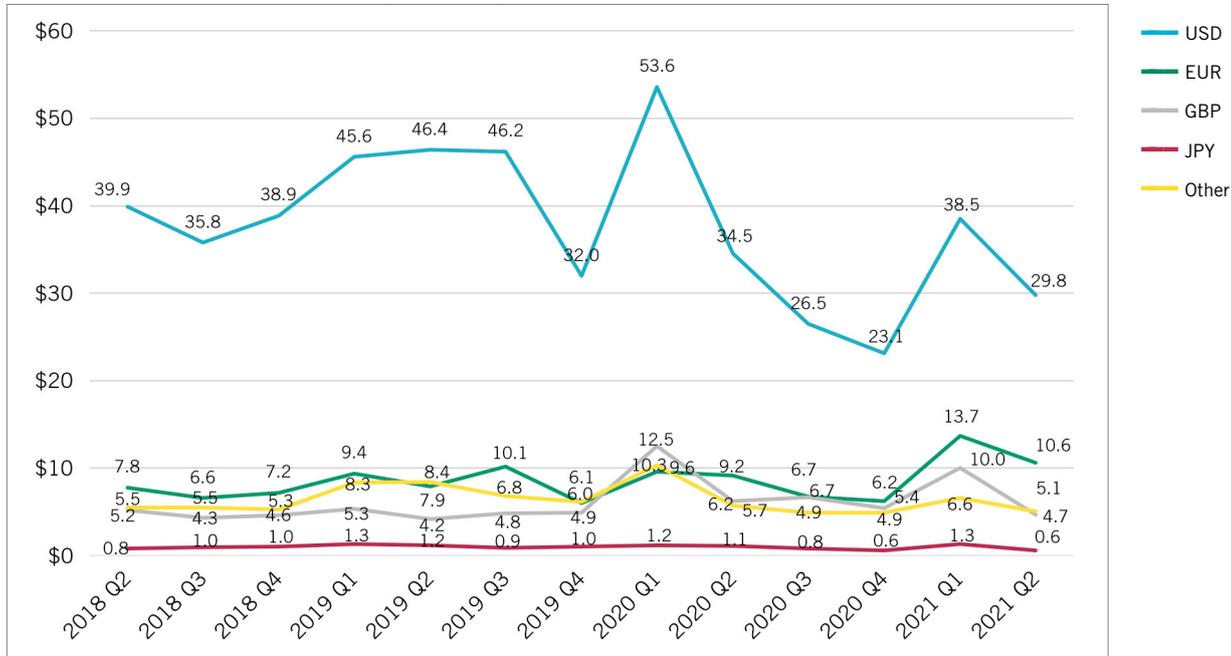
US dollar-denominated IRD traded notional totaled \$29.8 trillion in the second quarter of 2021 versus \$34.5 trillion in the second quarter of 2020. Euro-denominated traded notional grew to \$10.7 trillion in the second quarter of 2021 versus \$9.2 trillion in the second quarter of 2020. Traded notional for sterling- and yen-denominated trades totaled \$4.7 trillion and \$619.3 billion, respectively, in the second quarter of 2021 (see Chart 12).

Trade count for US dollar-denominated IRD transactions decreased by 3.3% to 204.1 thousand, and declined by 11.0% to 37.1 thousand for sterling-denominated trades. Trade count grew by 51.3% to 87.7 thousand for euro-denominated transactions and increased by 5.7% to 10.0 thousand for yen-denominated trades (see Chart 13).

In the first half of 2021, US dollar-denominated IRD traded notional decreased by 22.5% to \$68.3 trillion from \$88.1 trillion in the first half of 2020. Euro-denominated traded notional increased by 29.5% to \$24.4 trillion from \$18.8 trillion, sterling-denominated traded notional fell by 21.7% to \$14.7 trillion, while yen-denominated traded notional declined by 12.9% to \$2.0 trillion over the same period.

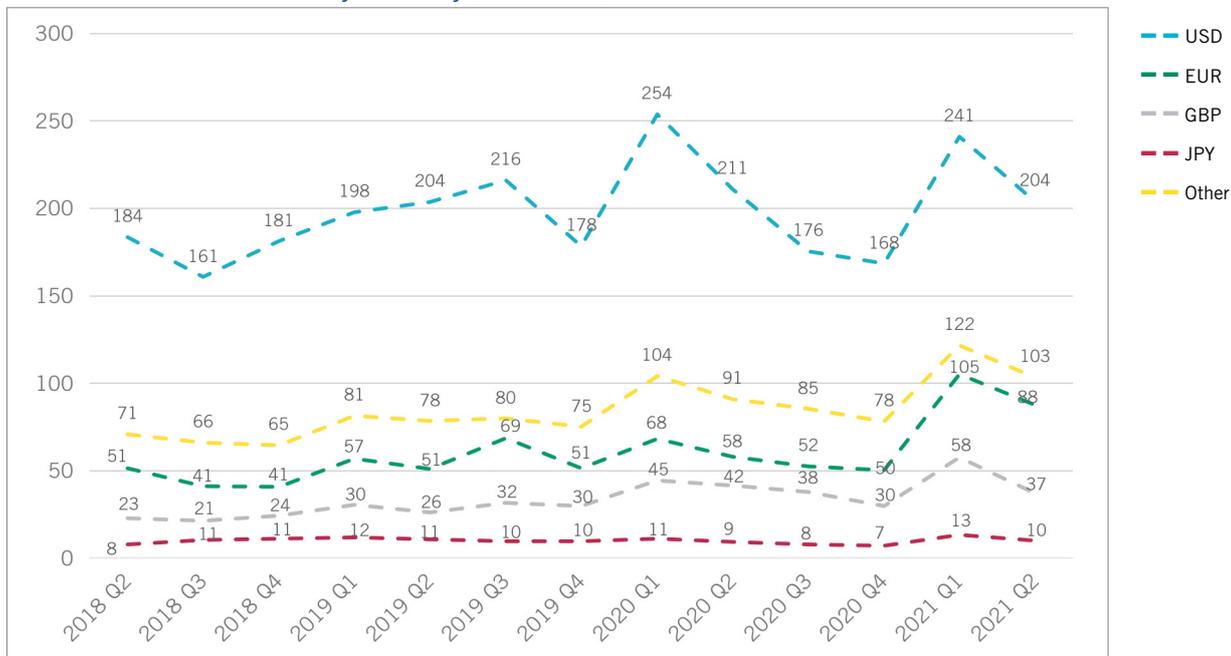
Trade count for US dollar-denominated IRD trades decreased by 4.3% from 465.0 thousand in the first half of 2020 to 445.0 thousand in the first half of 2021. Trade count increased by 52.6% for euro-denominated trades, by 9.9% for sterling-denominated trades and by 13.4% for yen-denominated trades in the first half of 2021 versus the first half of 2020.

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



Source: DTCC and Bloomberg SDRs

**Chart 13: IRD Trade Count by Currency (thousands)**



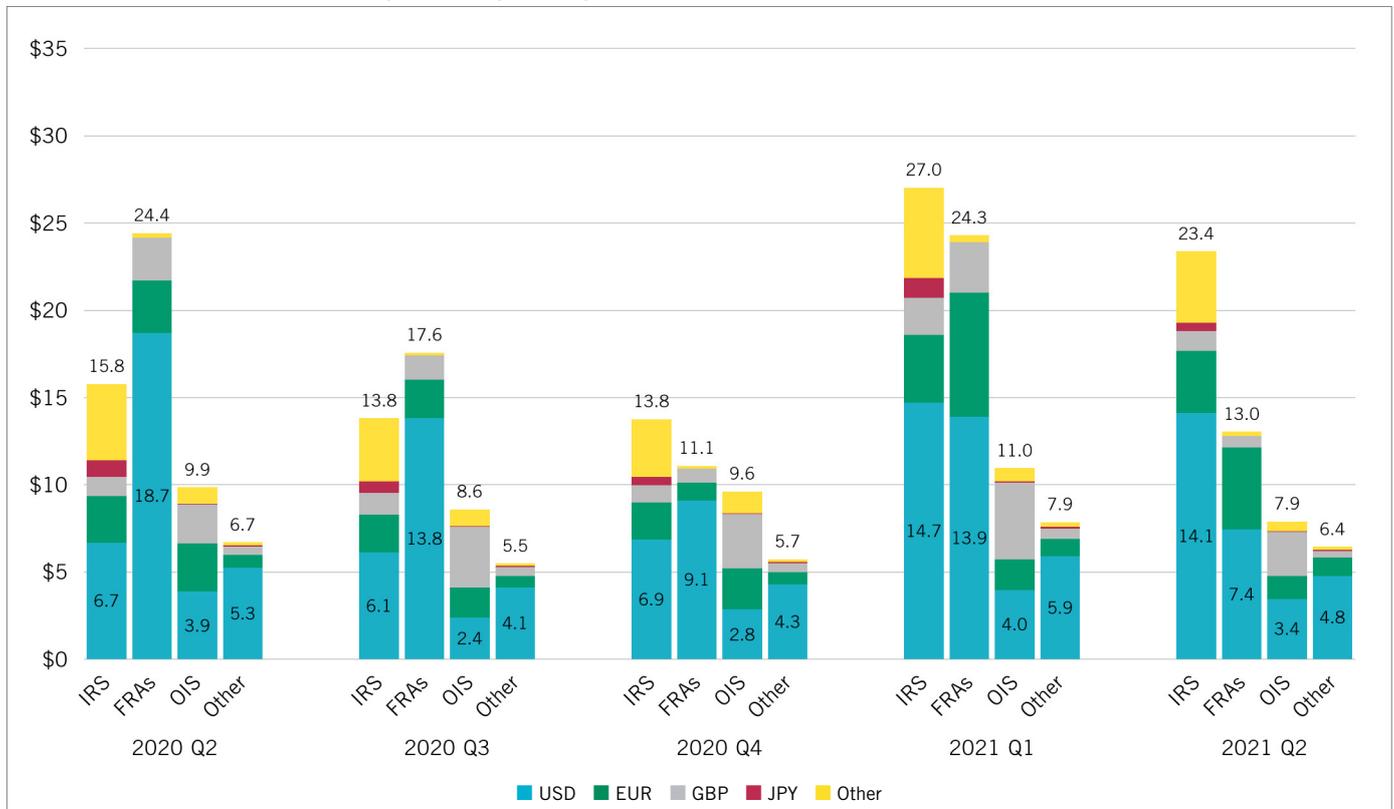
Source: DTCC and Bloomberg SDR

US dollar-denominated fixed-for-floating IRS traded notional rose by 111.2% to \$14.1 trillion in the second quarter of 2021 versus \$6.7 trillion in the second quarter of 2020. Euro-denominated fixed-for-floating IRS grew by 33.3% from \$2.7 trillion to \$3.6 trillion over the same period. Sterling- and yen-denominated IRS traded notional totaled \$1.1 trillion and \$502.2 billion, respectively, in the second quarter of 2021 compared to \$1.1 trillion and \$960.3 billion, respectively, in the second quarter of 2020 (see Chart 14).

US dollar-denominated FRA traded notional decreased by 60.2% to \$7.4 trillion in the second quarter of 2021 from \$18.7 trillion in the second quarter of 2020. Euro-denominated FRAs rose by 56.0% to \$4.7 trillion over the same period. Sterling-denominated FRAs fell by 73.6% to \$644.6 billion in the second quarter of 2021 from \$2.4 trillion in the second quarter of 2020.

US dollar-denominated OIS traded notional decreased by 11.2% to \$3.4 trillion in the second quarter of 2021 from \$3.9 trillion in the second quarter of 2020. Euro-denominated OIS dropped by 51.6% to \$1.3 trillion from \$2.8 trillion over the same interval. Sterling-denominated OIS increased by 12.9% to \$2.5 trillion in the second quarter of 2021 from \$2.2 trillion in the second quarter of 2020.

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

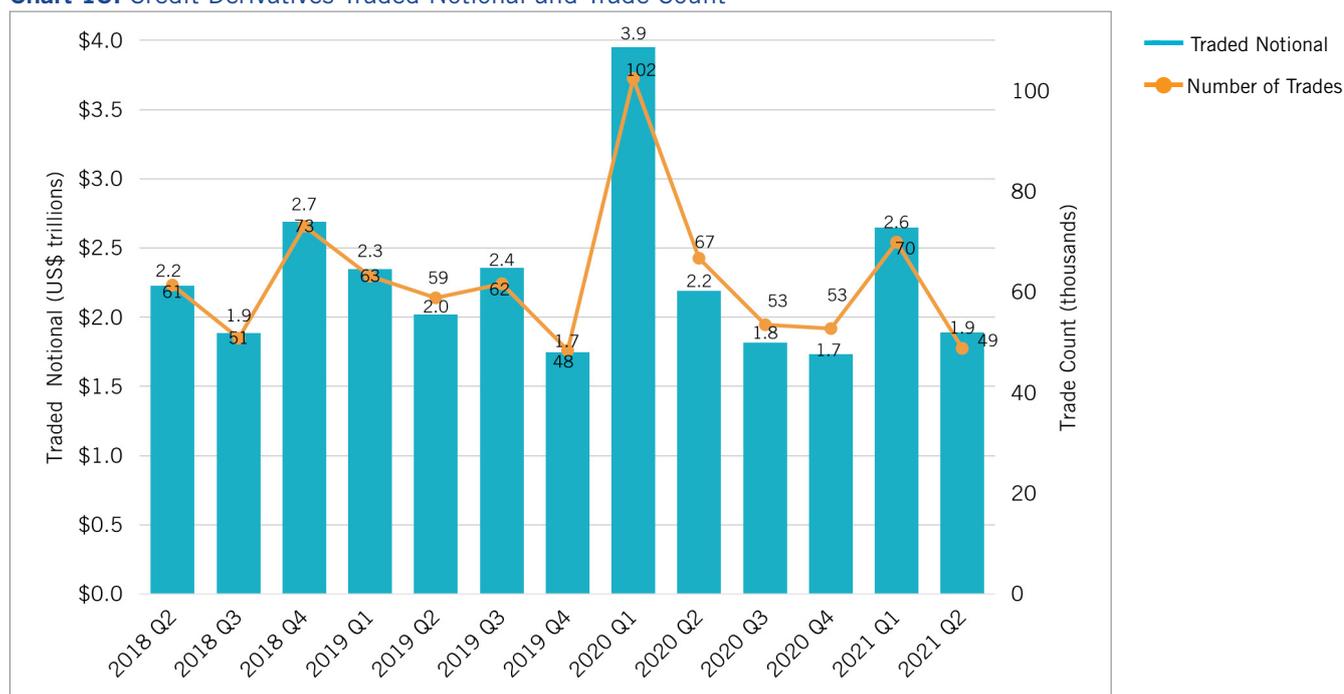


Source: DTCC and Bloomberg SDRs

## CREDIT DERIVATIVES

Credit derivatives traded notional decreased by 13.7% to \$1.9 trillion in the second quarter of 2021 from \$2.2 trillion in the second quarter of 2020. The number of trades fell by 26.8% to 48.8 thousand from 66.8 thousand over the same interval (see Chart 15).

**Chart 15:** Credit Derivatives Traded Notional and Trade Count



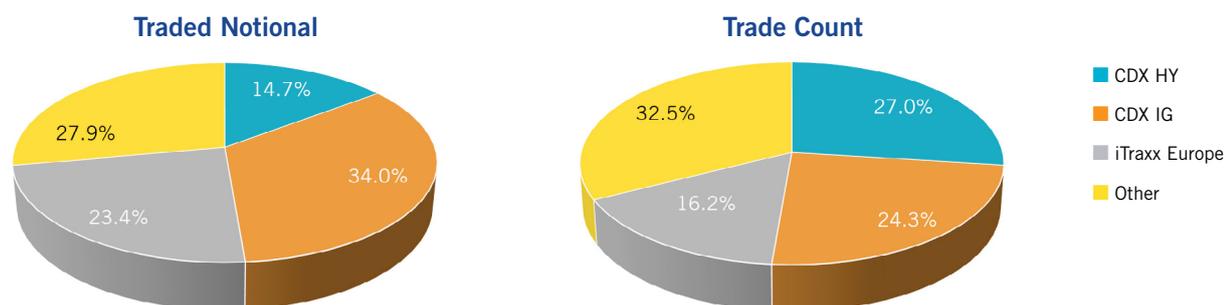
Source: DTCC and Bloomberg SDRs

In the first half of 2021, credit derivatives traded notional decreased by 26.1% to \$4.5 trillion from \$6.1 trillion in the first half of 2020. Trade count declined by 29.8% to 118.7 thousand from 169.1 thousand over the same period.

### Credit Derivatives Product Taxonomy

In the second quarter of 2021, CDX HY and CDX IG represented 14.7% and 34.0% of total traded notional and 27.0% and 24.3% of total trade count, respectively. iTraxx Europe accounted for 23.4% of total traded notional and 16.2% of trade count (see Chart 16).

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



Source: DTCC and Bloomberg SDRs

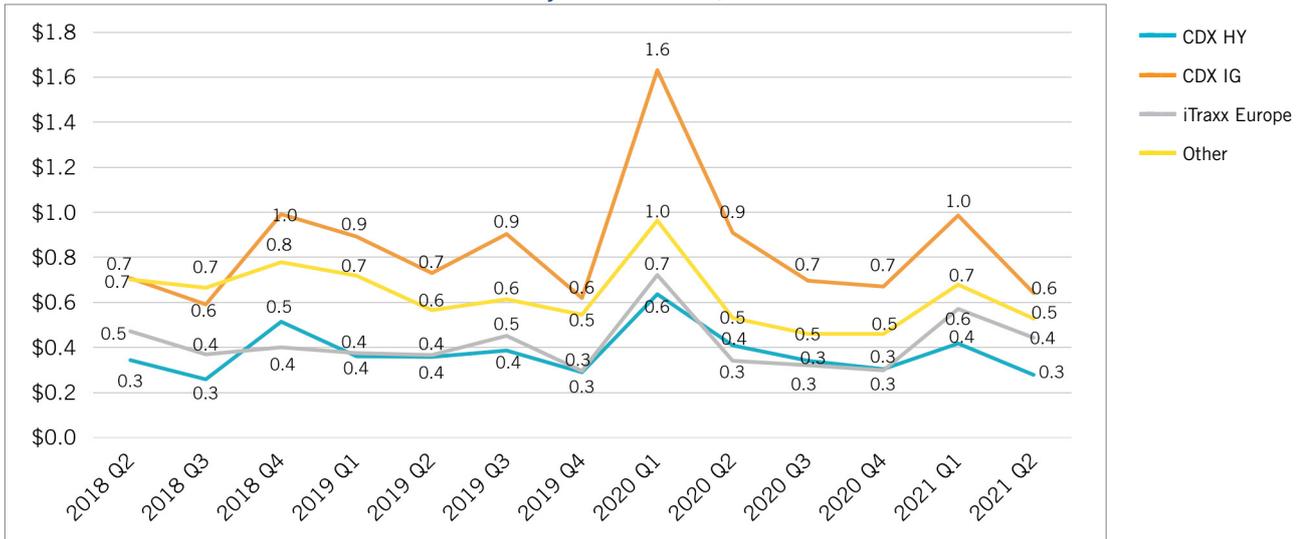
CDX HY and CDX IG traded notional decreased by 32.4% and 29.2%, respectively, in the second quarter of 2021 versus the second quarter of last year. CDX HY dropped to \$277.0 billion from \$409.8 billion, and CDX IG declined to \$642.9 billion from \$908.1 billion. Trade count decreased by 34.0% to 13.2 thousand for CDX HY and by 37.5% to 11.9 thousand for CDX IG (see Chart 17 and Chart 18).

iTraxx Europe traded notional increased by 29.8% to \$441.9 billion in the second quarter of 2021 from \$340.3 billion in the second quarter of 2020. Trade count grew by 4.3% to 7.9 thousand over the same period.

In the first half of 2021, CDX HY traded notional decreased by 33.7% to \$693.5 billion from \$1.1 trillion in the first six months of 2020. CDX IG traded notional fell by 35.9% to \$1.6 trillion from \$2.5 trillion over the same interval. Trade count for CDX HY and CDX IG dropped by 34.0% to 32.2 thousand and by 36.6% to 29.8 thousand, respectively.

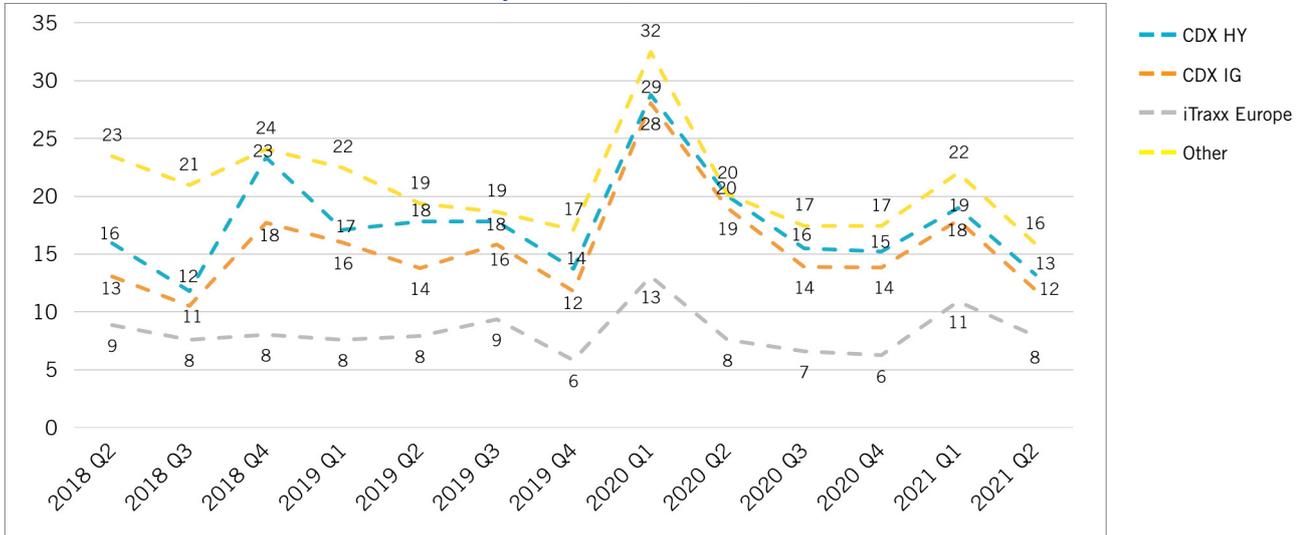
iTraxx Europe traded notional decreased by 4.5% to \$1.0 trillion in the first half of 2021 compared to \$1.1 billion in the first half of 2020. Trade count declined by 8.9% to 18.8 thousand over the same period.

**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

CDX HY and CDX IG average daily traded notional decreased by 32.4% and 30.3% between the second quarter of 2020 and the second quarter of 2021 and totaled \$4.3 billion and \$10.0 billion, respectively. CDX HY average daily trade count fell by 34.0% and totaled 206, while CDX IG declined by 38.5% to 186. CDX HY and CDX IG average trade size was \$20.4 million and \$54.2 million, respectively (see Table 2).

iTraxx Europe average daily traded notional increased by 29.8% to \$7.2 billion and average daily trade count grew by 4.3% to 129. iTraxx Europe average trade size rose by 25.2% to \$55.4 million in the second quarter of 2021 compared to \$44.3 million in the second quarter of 2020.

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

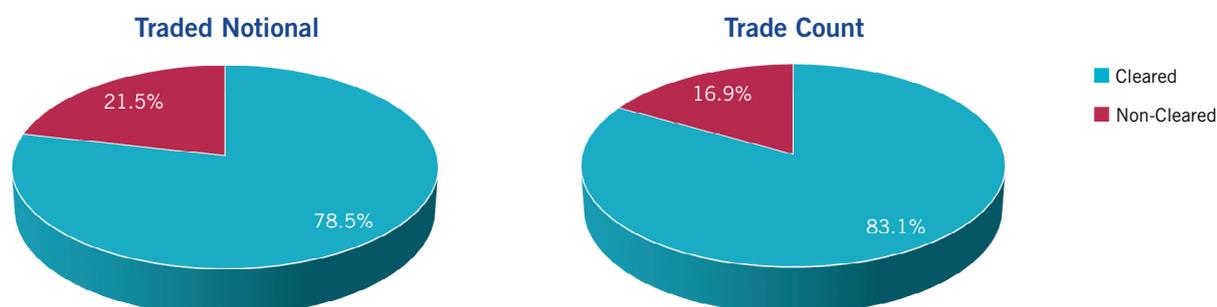
|  | Average Daily Traded Notional (US\$ billions) |        |               | Average Daily Trade Count |        |               | Average Trade Size (US\$ millions) |        |               |
|--|---|--------|---------------|---------------------------|--------|---------------|------------------------------------|--------|---------------|
|  | CDX HY  | CDX IG | iTraxx Europe | CDX HY                    | CDX IG | iTraxx Europe | CDX HY                             | CDX IG | iTraxx Europe |
| <b>2021 Q2</b>                         | 4.3   | 10.0   | 7.2           | 206                       | 186    | 129           | 20.4                               | 54.2   | 55.4          |
| <b>2020 Q2</b>                         | 6.4   | 14.4   | 5.6           | 313                       | 302    | 124           | 20.1                               | 47.6   | 44.3          |
| <b>2021 Q2 vs. 2020 Q2</b>             | -32.4%  | -30.3% | 29.8%         | -34.0%                    | -38.5% | 4.3%          | 1.8%                               | 13.8%  | 25.2%         |
| <b>1st Half 2021</b>                   | 5.6   | 13.1   | 8.2           | 259                       | 240    | 151           | 20.5                               | 53.7   | 53.0          |
| <b>1st Half 2020</b>                   | 8.3   | 20.4   | 8.4           | 388                       | 377    | 164           | 20.7                               | 52.3   | 49.5          |
| <b>1st Half 2021 vs. 1st Half 2020</b> | -33.1%  | -35.7% | -3.1%         | -33.4%                    | -36.4% | -7.8%         | -0.7%                              | 2.5%   | 7.0%          |

Source: DTCC and Bloomberg SDRs

## Credit Derivatives Central Clearing

Cleared transactions represented 78.5% of total credit derivatives traded notional and 83.1% of trade count in the second quarter of 2021 (see Chart 19). Cleared traded notional and trade count totaled \$1.5 trillion and 40.6 thousand, respectively.

**Chart 19:** Credit Derivatives Cleared Traded Notional and Trade Count



Source: DTCC and Bloomberg SDRs

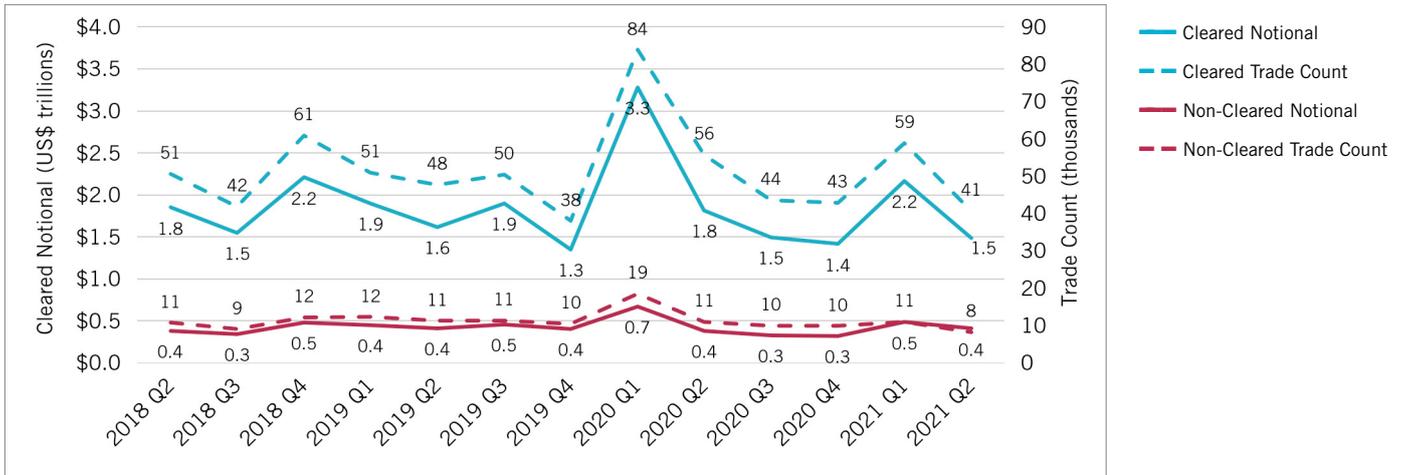
Credit derivatives cleared notional decreased by 18.2% to \$1.5 trillion in the second quarter of 2021 from \$1.8 trillion in the second quarter of 2020. Cleared trade count fell by 27.2% to 40.6 thousand from 55.8 thousand over the same interval (see Chart 20).

Non-cleared traded notional increased by 7.4% to \$406.0 billion in the second quarter of 2021 from \$377.9 billion in the second quarter of 2020. Non-cleared trade count decreased by 25.0% to 8.2 thousand over the same period.

In the first half of 2021, credit derivatives cleared notional declined by 28.3% to \$3.7 trillion from \$5.1 trillion in the first six months of last year. Cleared trade count dropped by 28.8% to 99.5 thousand from 139.7 thousand over the same period.

Non-cleared traded notional declined to \$888.6 billion in the first half 2021, a 15.0% decrease versus \$1.1 trillion in the first half of 2020. Non-cleared trade count fell by 34.9% to 19.2 thousand over the same interval.

**Chart 20: Credit Derivatives Cleared Traded Notional and Trade Count**



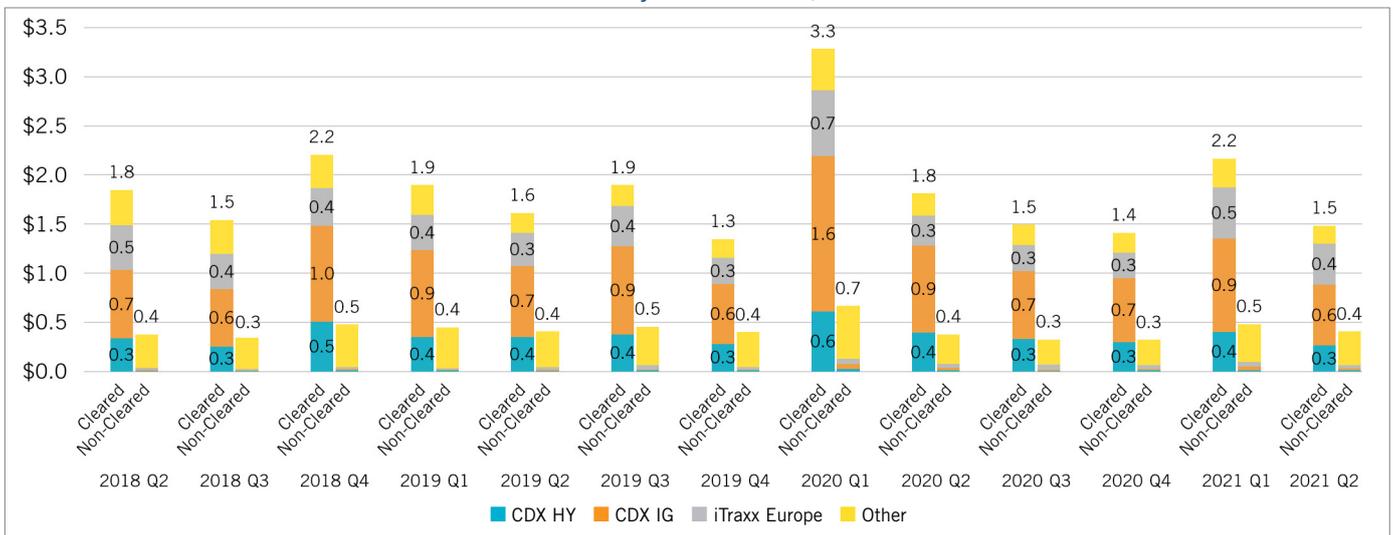
Source: DTCC and Bloomberg SDRs

In the second quarter of 2021, \$264.9 billion (95.6%) of CDX HY and \$621.7 billion (96.7%) of CDX IG traded notional was cleared, while \$12.1 billion and \$21.3 billion, respectively, was non-cleared.

Cleared traded notional of iTraxx Europe totaled \$413.8 billion (93.6%) in the second quarter of 2021, while non-cleared traded notional was \$28.1 billion. \$183.4 billion (34.7%) of other credit derivatives traded notional was cleared and \$344.5 billion was non-cleared (see Chart 21).

In the first half of 2021, \$666.7 billion (96.1%) of CDX HY and \$1.6 trillion (96.5%) of CDX IG traded notional was cleared and \$26.8 billion and \$57.4 billion, respectively, was non-cleared. Cleared traded notional of iTraxx Europe totaled \$938.7 trillion (92.7%). \$475.4 billion (39.4%) of other credit derivatives traded notional was cleared and \$730.3 billion was non-cleared.

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

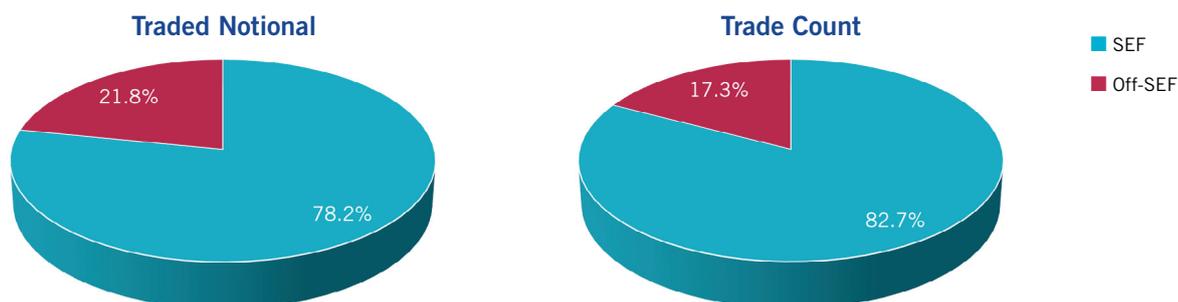


Source: DTCC and Bloomberg SDRs

## Credit Derivatives Trading Venue

SEF-traded credit derivatives represented 78.2% of total traded notional and 82.7% of total trade count in the second quarter of 2021 (see Chart 22). Credit derivatives traded notional executed on SEFs totaled \$1.5 trillion, while \$0.4 trillion was traded off-SEF. 40.4 thousand transactions were executed on SEFs and 8.5 thousand transactions occurred 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 fell by 14.6% to \$1.5 trillion in the second quarter of 2021 from \$1.7 trillion in the second quarter of 2020. The number of trades executed on SEFs decreased by 24.8% to 40.4 thousand over the same period (see Chart 23).

Credit derivatives traded notional executed off-SEF declined by 10.4% to \$412.6 billion in the second quarter of 2021 from \$460.5 billion in the second quarter of last year. The number of off-SEF transactions fell by 35.2% to 8.5 thousand over the same interval.

In the first half of 2021, credit derivatives traded notional executed on SEFs dropped by 25.4% to \$3.6 trillion from \$4.9 trillion in the first half of 2020. Trade count declined by 26.3% to 99.1 thousand over the same period.

Credit derivatives traded notional executed off-SEF decreased by 28.5% to \$903.0 billion in the first half of 2021. The number of off-SEF transactions fell by 43.6% to 20.0 thousand over the same period.

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



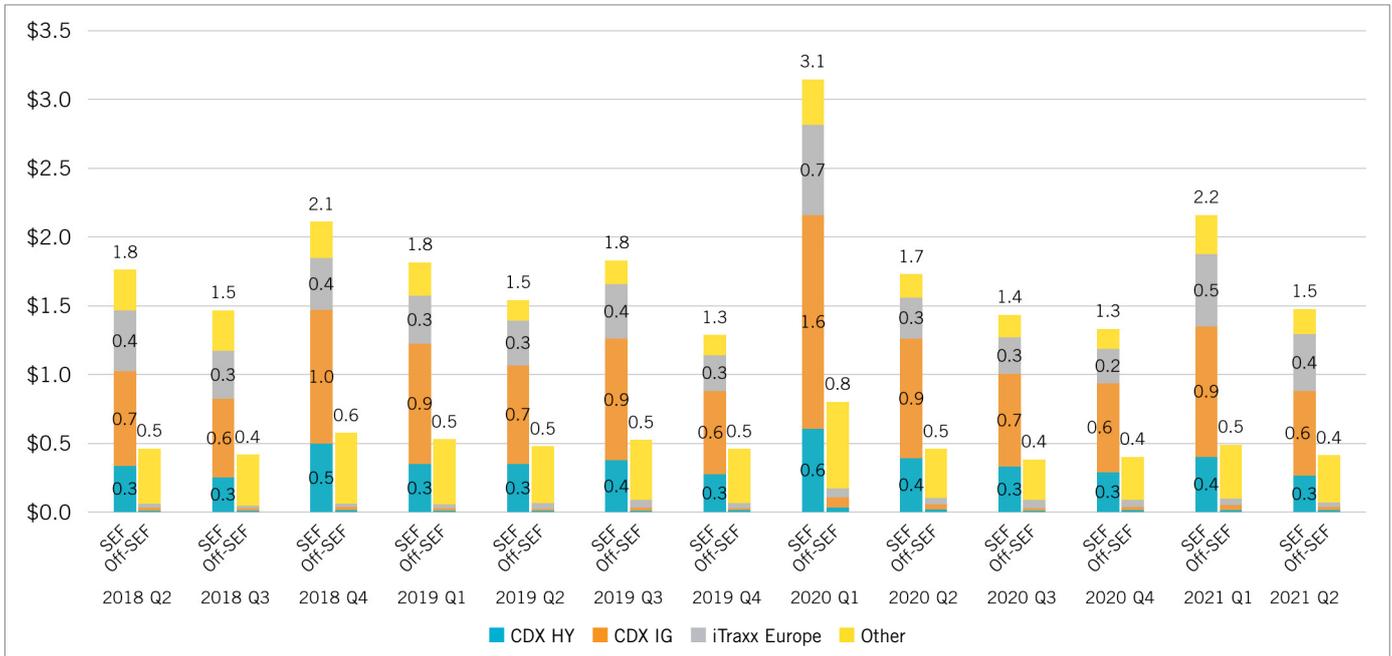
Source: DTCC and Bloomberg SDRs

In the second quarter of 2021, \$264.4 billion (95.4%) of CDX HY and \$616.6 billion (95.9%) of CDX IG traded notional occurred on SEFs, and \$12.6 billion and \$26.4 billion, respectively, was executed off-SEF.

\$411.0 billion (93.0%) of iTraxx Europe traded notional was executed on SEFs and \$30.9 billion occurred off-SEF. Only \$185.1 billion (35.1%) of traded notional for other credit derivatives was executed on SEFs, with \$342.8 billion traded off-SEF (see Chart 24).

In the first half of 2021, \$666.6 billion (96.1%) of CDX HY, \$1.6 trillion (96.1%) of CDX IG and \$935.6 billion (92.4%) of iTraxx Europe traded notional was executed on SEFs. \$469.9 billion (39.0%) of other credit derivatives traded notional was executed on SEFs and \$735.8 billion was traded off-SEF.

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

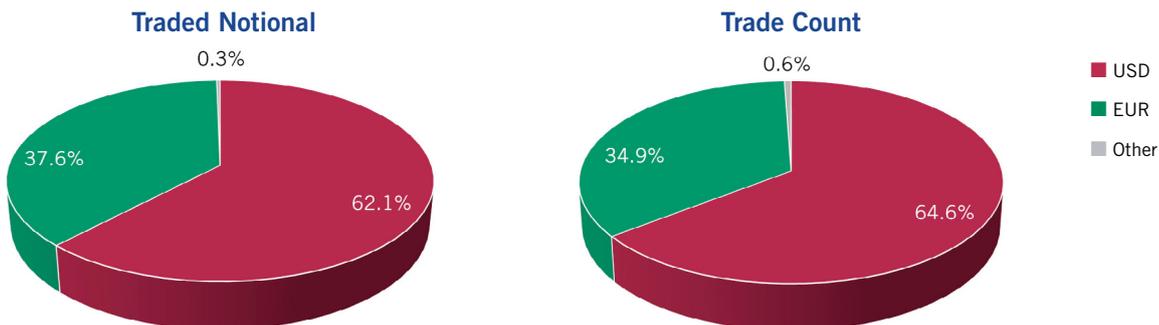


Source: DTCC and Bloomberg SDRs

### Credit Derivatives by Currency

Credit derivatives contracts denominated in US dollars represented 62.1% and 64.6% of total traded notional and trade count, respectively, in the second quarter of 2021. Euro-denominated transactions accounted for 37.6% and 34.9% of total traded notional and trade count, respectively (see Chart 25).

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

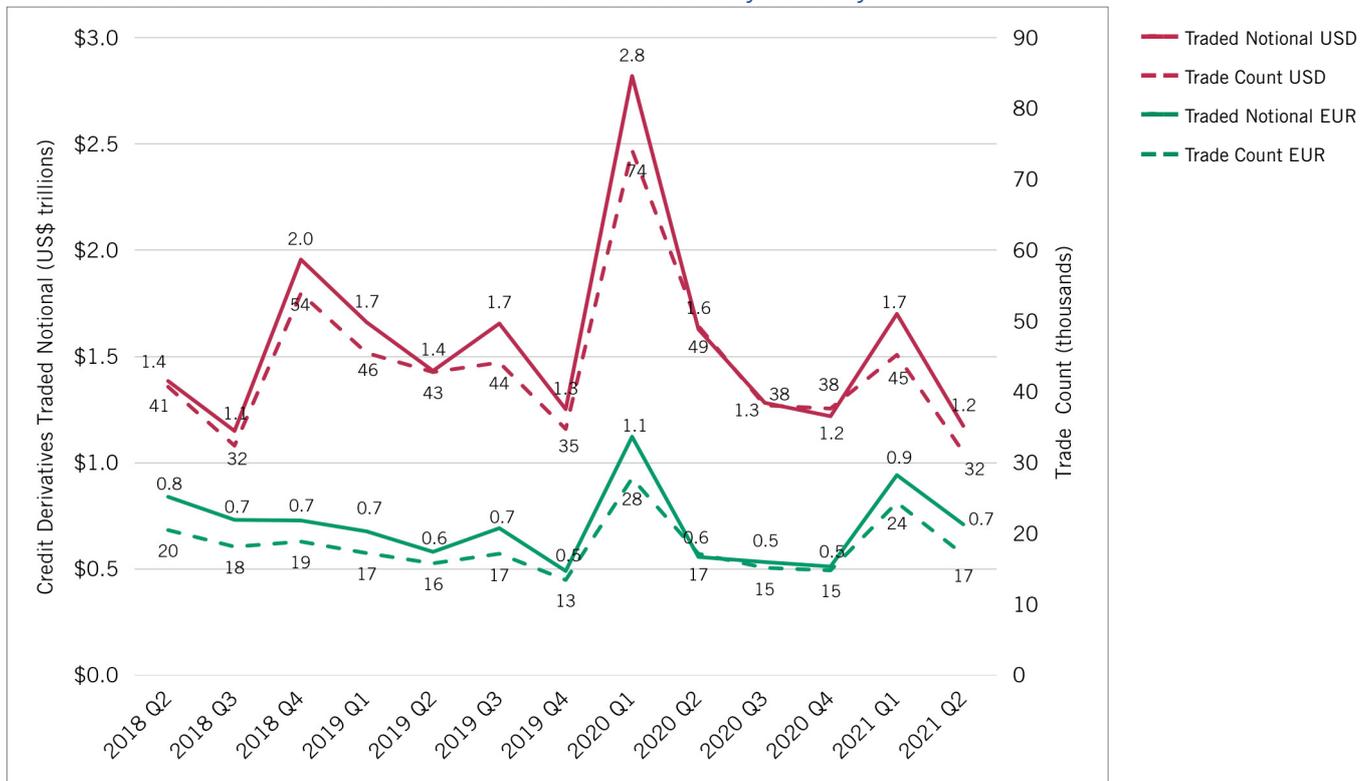


Source: DTCC and Bloomberg SDRs

US dollar-denominated traded notional decreased by 28.0% to \$1.2 trillion in the second quarter of 2021 from \$1.6 trillion in the second quarter of 2020. Euro-denominated traded notional rose by 27.9% to \$711.2 billion in the second quarter of 2021 compared to the second quarter of last year. Trade count fell by 36.0% to 31.5 thousand for US dollar-denominated trades and by 0.8% to 17.0 thousand for euro-denominated trades over the same period (see Chart 26).

In the first half of 2021, US dollar-denominated traded notional decreased by 35.4% to \$2.9 trillion from \$4.4 trillion in the first half of 2020. Euro-denominated traded notional declined by 1.6% to \$1.7 trillion over the same period. Trade count for US dollar- and euro-denominated transactions dropped by 37.9% to 76.7 thousand and by 7.9% to 41.4 thousand, respectively, in the first half of 2021 versus the first half of last year. For other currencies, traded notional and trade count declined by 4.3% and 26.3%, respectively.

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



Source: DTCC and Bloomberg SDRs



ISDA has published other recent research papers:

- ***Interest Rate Derivatives Trading Activity Reported in EU, UK and US Markets, August 2021***

<https://www.isda.org/a/MdMgE/Interest-Rate-Derivatives-Trading-Activity-Reported-in-EU-UK-and-US-Markets.pdf>

- ***Transition to RFRs Review: First Half of 2021 and the Second Quarter of 2021, August 2021***

<https://www.isda.org/a/ImMgE/Transition-to-RFRs-Review-First-Half-of-2021-and-the-Second-Quarter-of-2021.pdf>

- ***ISDA-Clarus RFR Adoption Indicator: July 2021, August 2021***

<https://www.isda.org/a/DCMgE/ISDA-Clarus-RFR-Adoption-Indicator-July-2021.pdf>

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