

Research Note

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

ISDA is expanding its SwapsInfo dataset to include European credit derivatives trading activity, complementing existing research on credit default swaps (CDS) trading in the US. This addition provides a more comprehensive view of global market trends, offering valuable insights into trading activity across key jurisdictions.

Analysis from the second half of 2021 to the end of 2024 shows that the UK dominated European CDS trading, accounting for 70%-80% of total traded notional, including both index and single-name CDS, while the EU represented 20%-30%. On a global scale, about 30% of CDS trading was reported in the UK, 10% was reported in the EU and 50%-60% was reported in the US. European single-name CDS activity was concentrated in the UK, which accounted for over 96% of total traded notional. The share reported in the EU ranged between 0.5% and 4.0%. Globally, trading in single-name CDS was evenly split between the US and UK, with the EU representing less than 3%.

The analysis is based on transactions publicly reported by 18 European approved publication arrangements (APAs) and trading venues (TVs).

EXECUTIVE SUMMARY

ISDA is expanding its SwapsInfo dataset to include European credit derivatives trading activity¹, complementing existing research on CDS trading reported in the US. This report highlights key findings from ISDA's initial analysis from the second half of 2021 to the end of 2024.

- Between 70% and 80% of CDS traded notional in Europe was reported in the UK, with the EU comprising 20%-30%. Globally, about 30% of total CDS trading was reported in the UK, the EU made up about 10% and the US comprised 50%-60%.
- The UK accounted for the vast majority of single-name CDS trading reported in Europe, consistently totaling more than 96% of European traded notional. The EU-reported share remained small, ranging between 0.5% and 4.0%. Globally, trading in single-name CDS was evenly split between the US and UK, with the EU representing less than 3%.
- Index CDS comprised more than 90% of European CDS traded notional, while single-name CDS accounted for less than 10%. This trend is consistent on a global basis, with index CDS representing the vast majority of traded notional.
- About 70%-80% of European index CDS traded notional was reported in the UK, with the EU accounting for 20%-30%. Globally, 25%-30% of index CDS traded notional was reported in the UK and 10%-15% was reported in the EU. Approximately 55%-65% was reported in the US.
- CDS trading trends in Europe closely mirror those in the US. Index CDS trading peaked in the first half of 2022, while trading in single-name CDS reached its highest point in the first half of 2023. Overall trading volumes remained steady over the period.

The analysis is based on transactions publicly reported by 18 European APAs and TVs. US trading data includes index credit derivatives transactions reported to the Depository Trust & Clearing Corporation's (DTCC) swap data repository (SDR) under US Commodity Futures Trading Commission (CFTC) regulations and security-based credit derivatives reported to the DTCC's security-based swap data repository (SBSDR) and ICE Trade Vault under Securities and Exchange Commission (SEC) requirements.

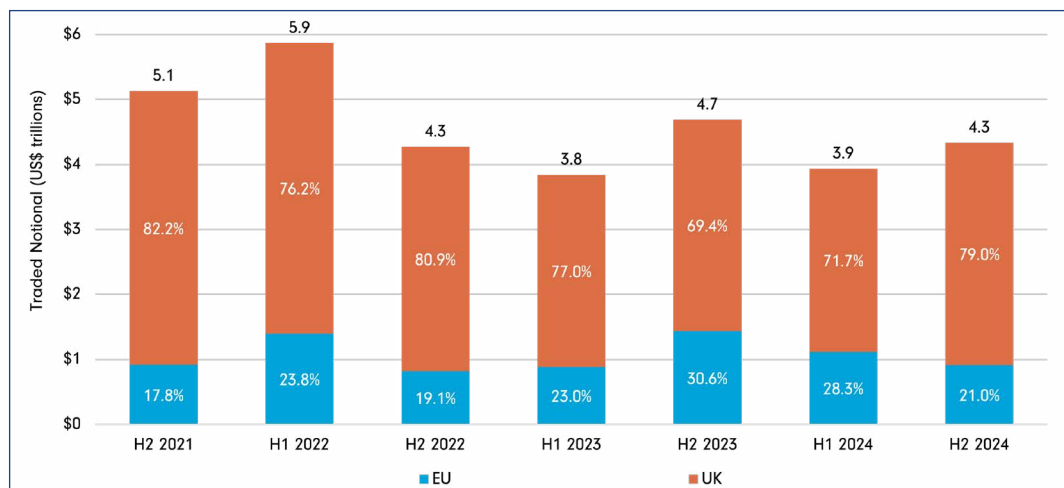
¹ European credit derivatives trading activity is measured by credit derivatives traded notional and trade count reported by approved publication arrangements (APAs) and trading venues (TVs) in the EU and UK. The data is only available from May 2021. The list of APAs and TVs is included in Appendix 1

EUROPEAN CDS TRADING ACTIVITY

The analysis shows the UK plays a dominant role in the European CDS market. Throughout the period reviewed, 70%-80% of European CDS traded notional was reported in the UK and 20%-30% was reported in the EU. In the second half of 2024, UK-reported trades represented 79.0% of total European CDS traded notional and 80.7% of trade count. EU-reported trades comprised 21.0% of traded notional and 19.3% of trade count over the same period (see Charts 1 and 2).

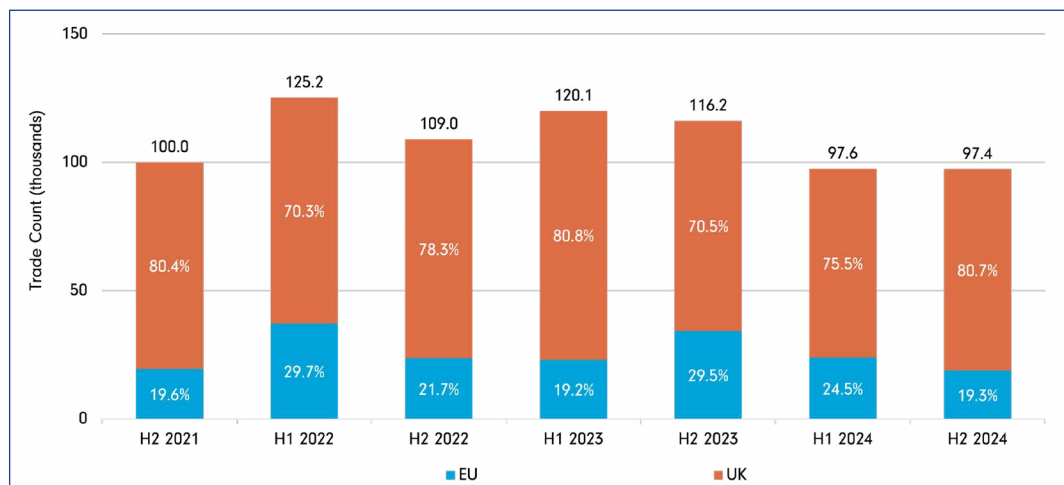
European CDS traded notional peaked at \$5.9 trillion in the first half of 2022 due to heightened activity in index CDS. It fell to a low of \$3.8 trillion in the first half of 2023 and remained relatively stable after that. Trade count reached a high of 125.2 thousand in the first half of 2022, before stabilizing at around 116.2 thousand in the second half of 2023 and dropping to 97.4 thousand in the second half of 2024.

Chart 1: Between 70% and 80% of CDS traded notional in Europe was reported in the UK and 20%-30% was reported in the EU



Source: European APAs and TVs

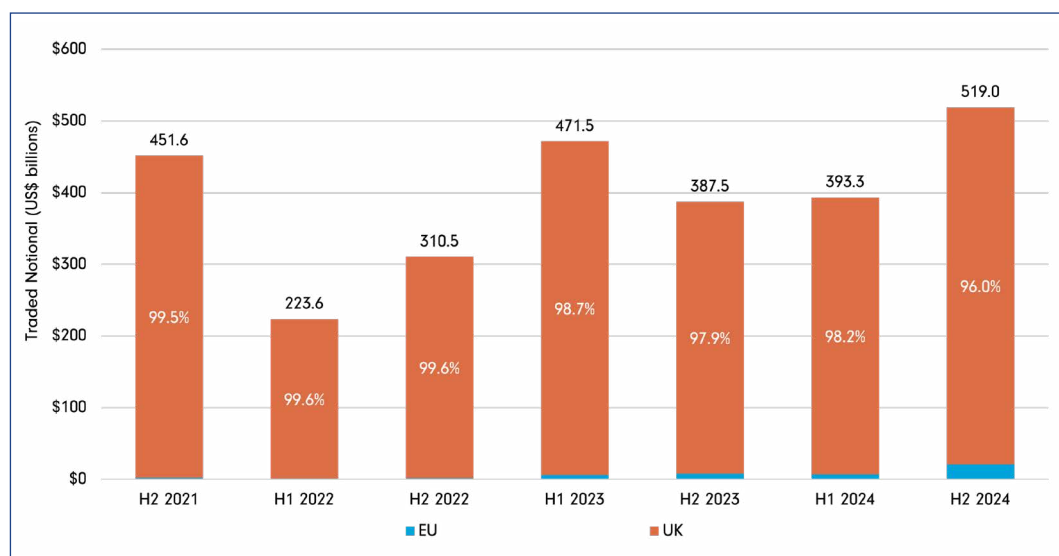
Chart 2: European CDS trade count peaked at 125.2 thousand in the first half of 2022, dropping to 97.4 thousand in the second half of 2024



Source: European APAs and TVs

European single-name CDS reached \$519.0 billion in the second half of 2024, reflecting heightened credit risk concerns. UK-reported trades accounted for 96.0% of European single-name CDS traded notional over the same period, while trades reported in the EU comprised 4.0% (see Chart 3).

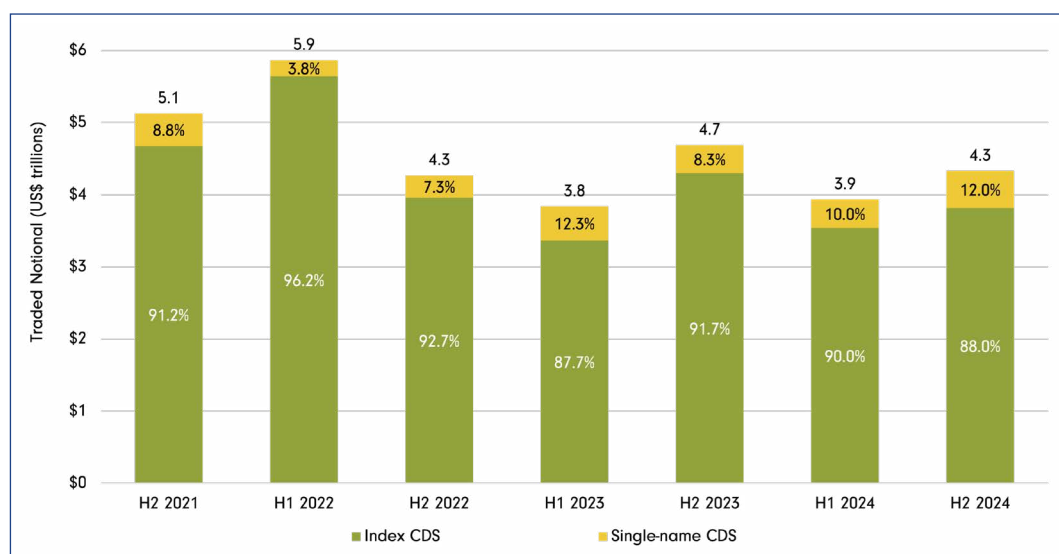
Chart 3: The UK accounted for the majority of single-name CDS trading in Europe, consistently comprising over 96% of traded notional



Source: European APAs and TVs

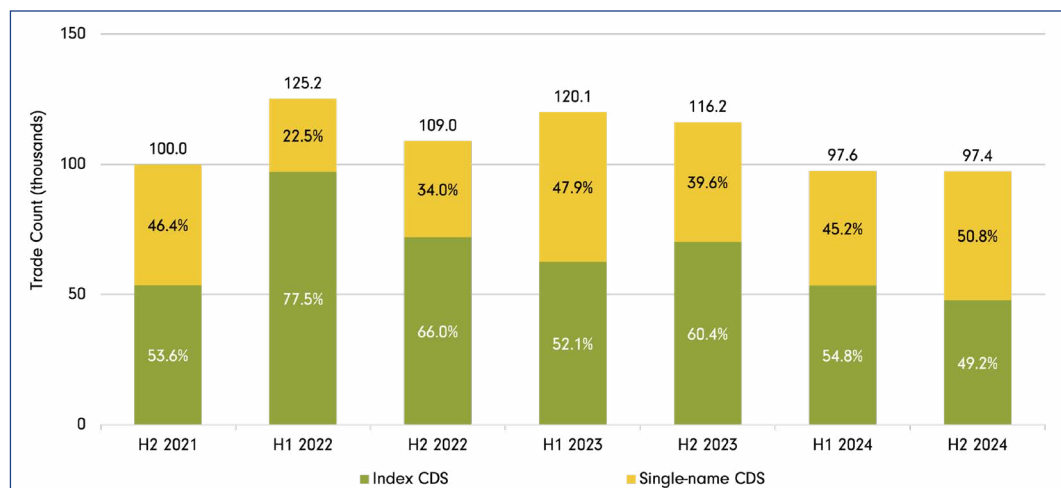
Index CDS consistently accounted for around 90% of European CDS traded notional and more than half of CDS trade count over the period reviewed. In the second half of 2024, index CDS comprised 88.0% of European CDS traded notional and 49.2% of trade count, while single-name CDS transactions made up 12.0% and 50.8%, respectively (see Charts 4 and 5).

Chart 4: Index CDS consistently accounted for over 90% of European CDS traded notional



Source: European APAs and TVs

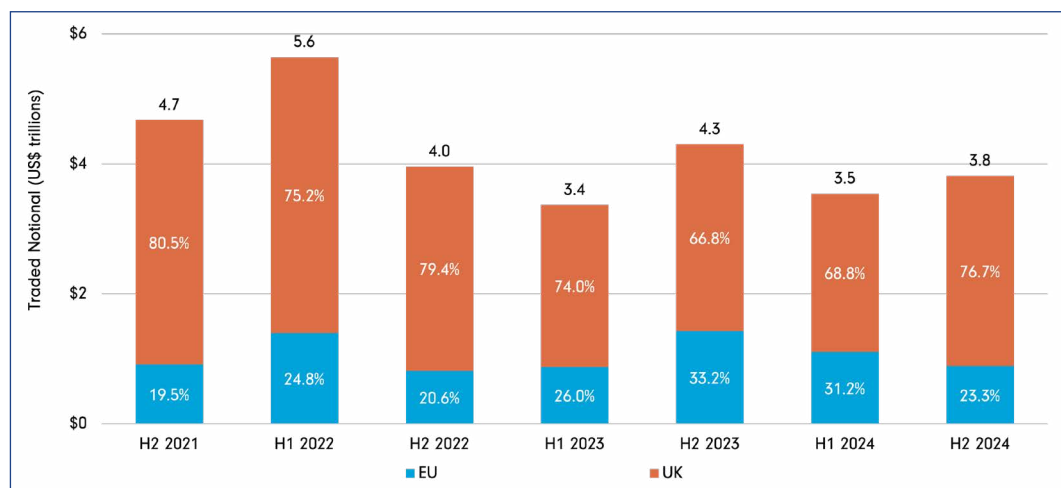
Chart 5: Single-name CDS transactions comprised over 50% of European CDS trade count in the second half of 2024



Source: European APAs and TVs

European index CDS traded notional peaked at \$5.6 trillion in the first half of 2022, followed by a significant decline and fluctuations in subsequent periods. In the second half of 2024, European index CDS traded notional totaled \$3.8 trillion. UK-reported trades comprised 76.7% of European index CDS traded notional and EU-reported trades accounted for 23.3% (see Chart 6).

Chart 6: The UK represented 70%-80% of European index CDS traded notional and the EU accounted for 20%-30%



Source: European APAs and TVs

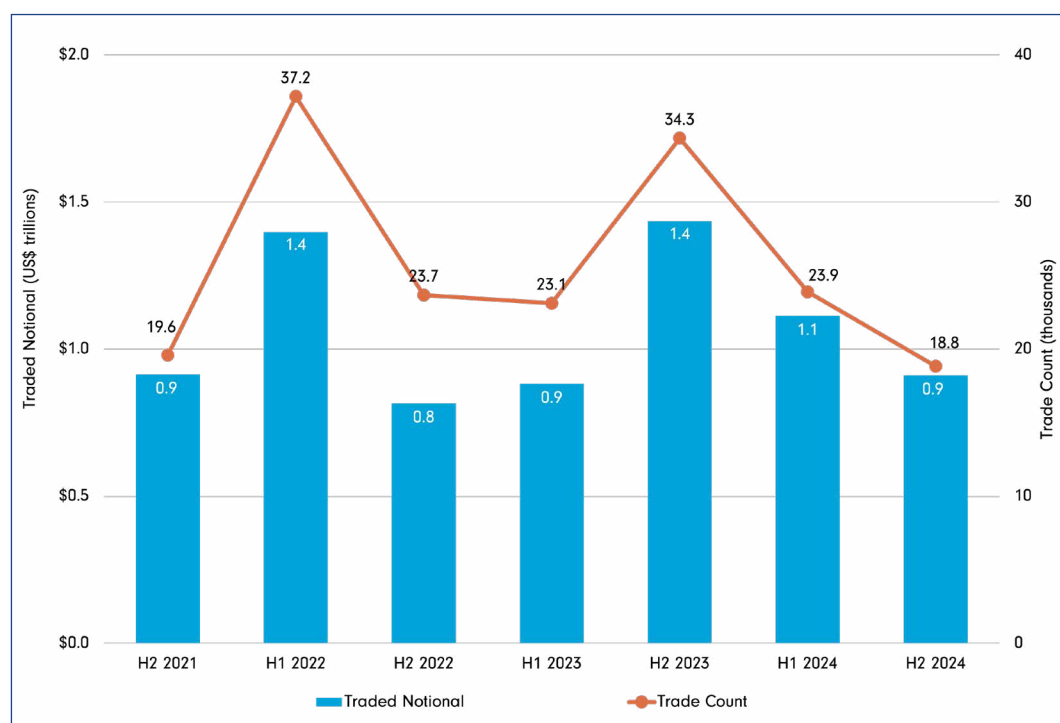
Changes in index CDS trading activity reflect shifting market dynamics as investor priorities and risk perceptions evolved during the period. A surge in the first half of 2022 was likely driven by heightened geopolitical tensions, including the Russia-Ukraine conflict, coupled with economic uncertainty about inflation and central bank policy shifts.

In 2023 and 2024, index CDS trading activity declined as geopolitical risks stabilized and macroeconomic conditions shifted. With inflation concerns easing and central banks signaling a slower pace of interest rate hikes, investor demand for credit hedging fell, leading to reduced trading volumes.

EU CDS TRADING ACTIVITY

CDS traded notional and trade count reported in the EU fluctuated between the second half of 2021 and the end of 2024. Traded notional reached \$1.4 trillion in the first half of 2022, then dropped to \$0.8 trillion in the second half of the year. It rebounded to \$1.4 trillion in the second half of 2023, but declined to \$0.9 trillion in the second half of 2024. Trade count followed a similar trend, reaching 37.2 thousand in the first half of 2022 before settling at 18.8 thousand at the end of 2024 (see Chart 7).

Chart 7: EU CDS traded notional and trade count fluctuated, peaking in the first half of 2022

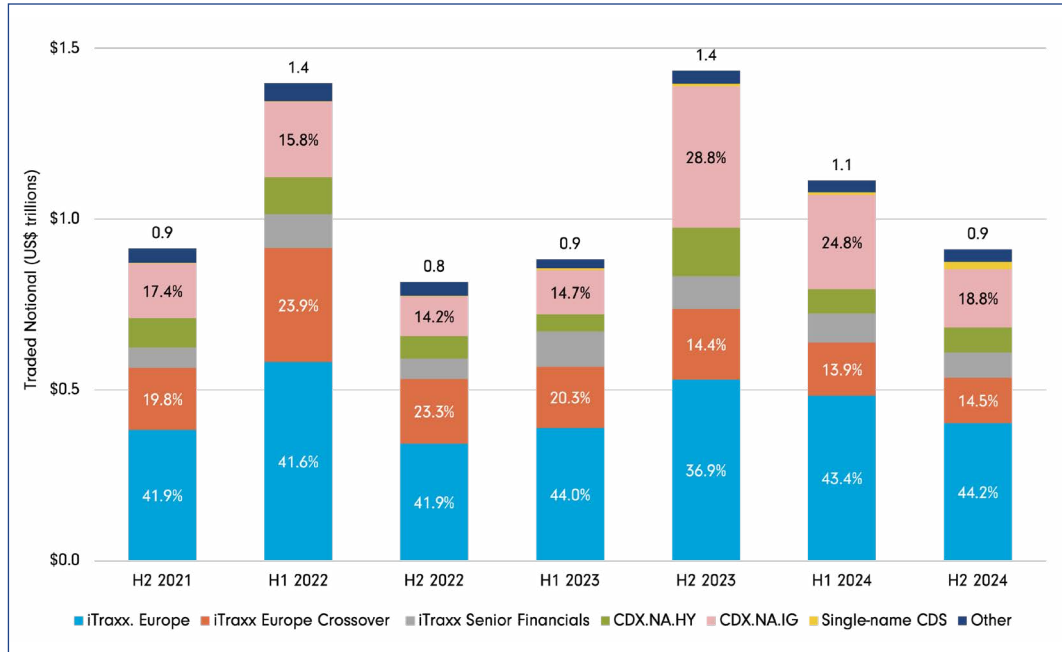


Source: European APAs and TVs

iTraxx Europe accounted for the majority of CDS trading activity reported in the EU, ranging from 36.9% to 44.2% of traded notional. It totaled \$0.4 trillion in the second half of 2024, accounting for 44.2% of traded notional.

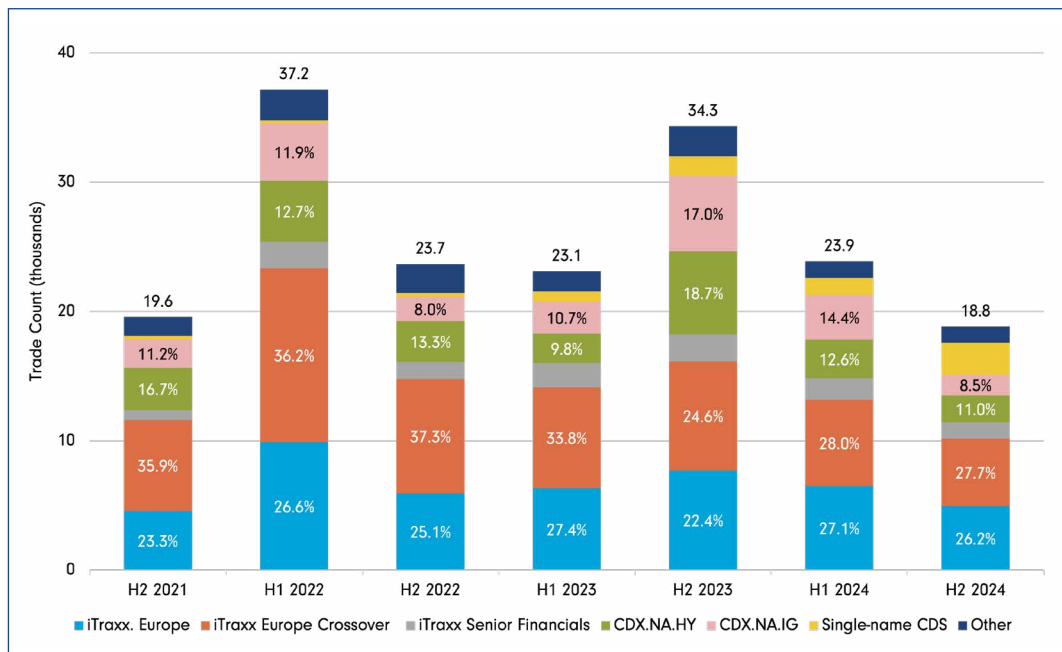
CDX.NA.IG made up 18.8% of CDS traded notional and iTraxx Europe Crossover comprised 14.5%. iTraxx Europe, iTraxx Europe Crossover and CDX.NA.IG accounted for 26.2%, 27.7% and 8.5% of CDS trade count, respectively (see Charts 8 and 9).

Chart 8: iTraxx Europe consistently represented a major portion of CDS traded notional reported in the EU



Source: European APAs and TVs

Chart 9: iTraxx Europe and iTraxx Europe Crossover accounted for the largest share of EU trade count

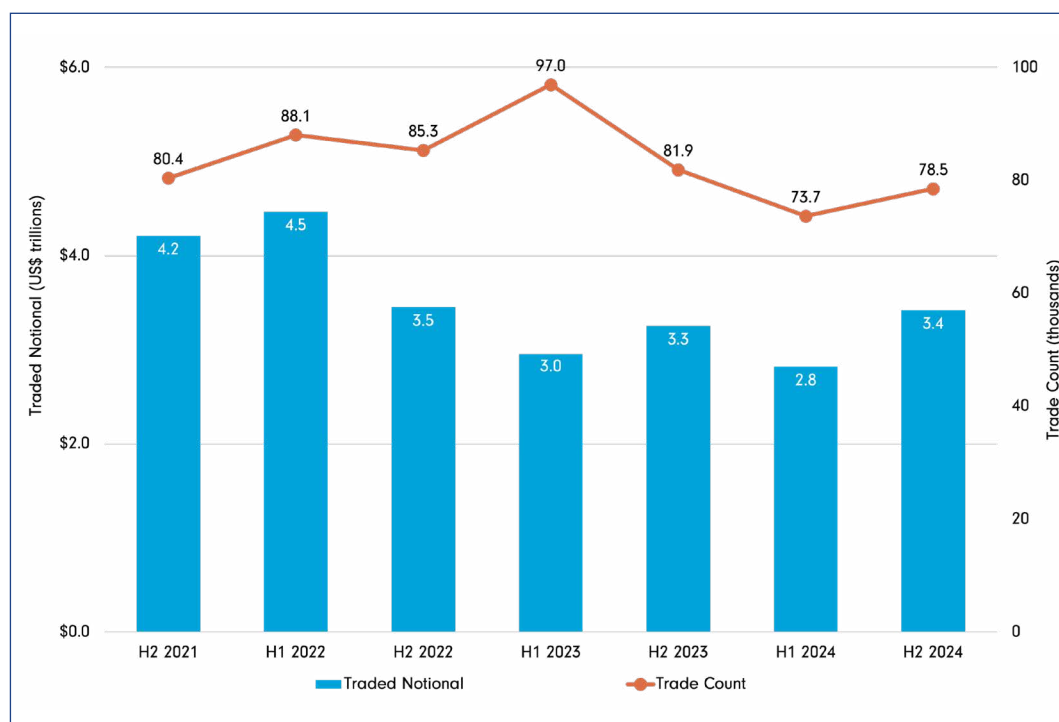


Source: European APAs and TVs

UK CDS TRADING ACTIVITY

CDS traded notional reported in the UK peaked at \$4.5 trillion in the first half of 2022 due to geopolitical and macroeconomic concerns. It then fluctuated between \$2.8 trillion and \$3.5 trillion. Trade count reached a high of 97.0 thousand in the first half of 2023 before declining over the following year. It totaled 78.5 thousand in the second half of 2024 (see Chart 10).

Chart 10: UK CDS traded notional peaked at \$4.5 trillion in the first half of 2022, while trade count reached 97.0 thousand in the first half of 2023

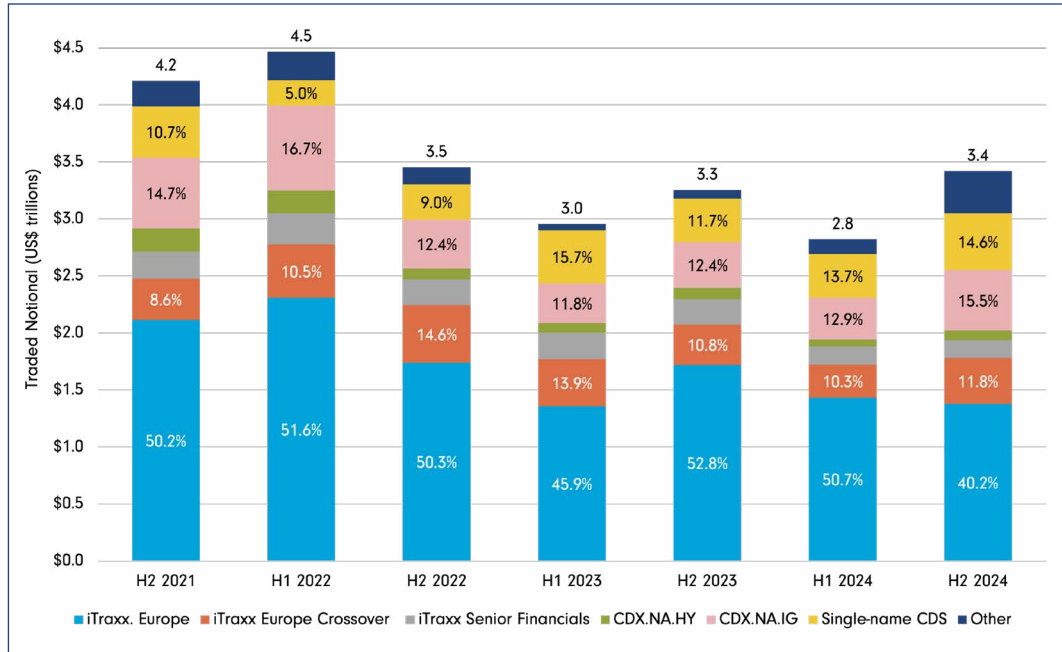


Source: European APAs and TVs

iTraxx Europe accounted for most CDS traded notional reported in the UK, while single-name CDS represented the majority of trade count². In the second half of 2024, iTraxx Europe made up 40.2% of UK CDS traded notional, while single-name CDS and CDX.NA.IG accounted for 14.6% and 15.5%, respectively. Single-name CDS comprised 59.8% of trade count, while iTraxx Europe represented 14.4% (see Charts 11 and 12).

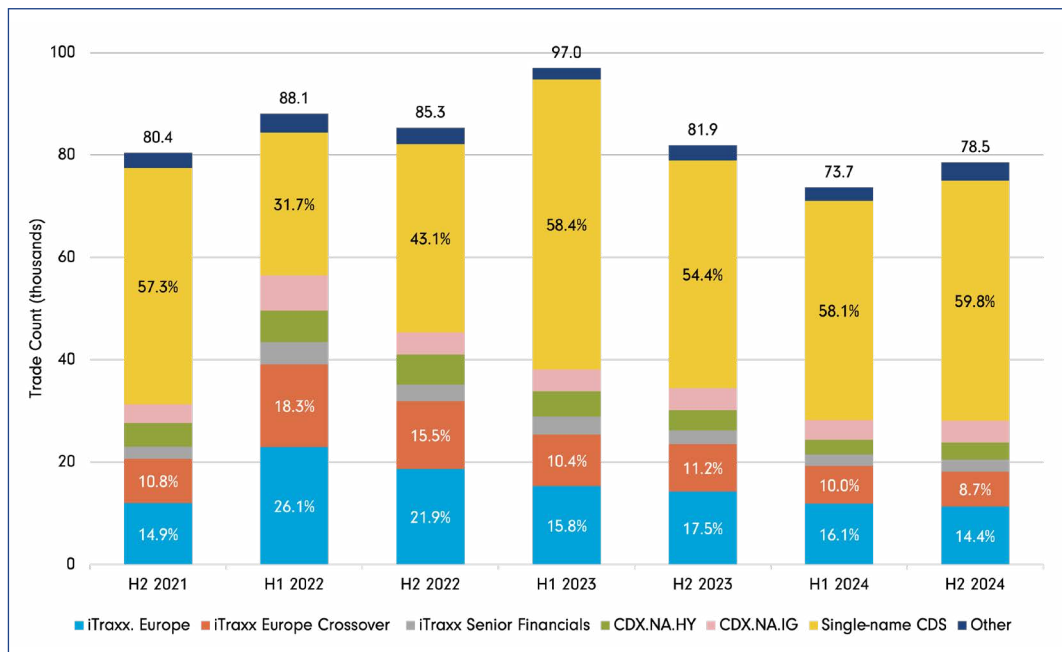
²Single-name credit default swaps (CDS) transactions typically have significantly smaller trade sizes compared to index CDS transactions

Chart 11: iTraxx Europe accounted for more than 40% of CDS traded notional reported in the UK



Source: European APAs and TVs

Chart 12: Single-name CDS comprised approximately 60% of UK trade count in the second half of 2024

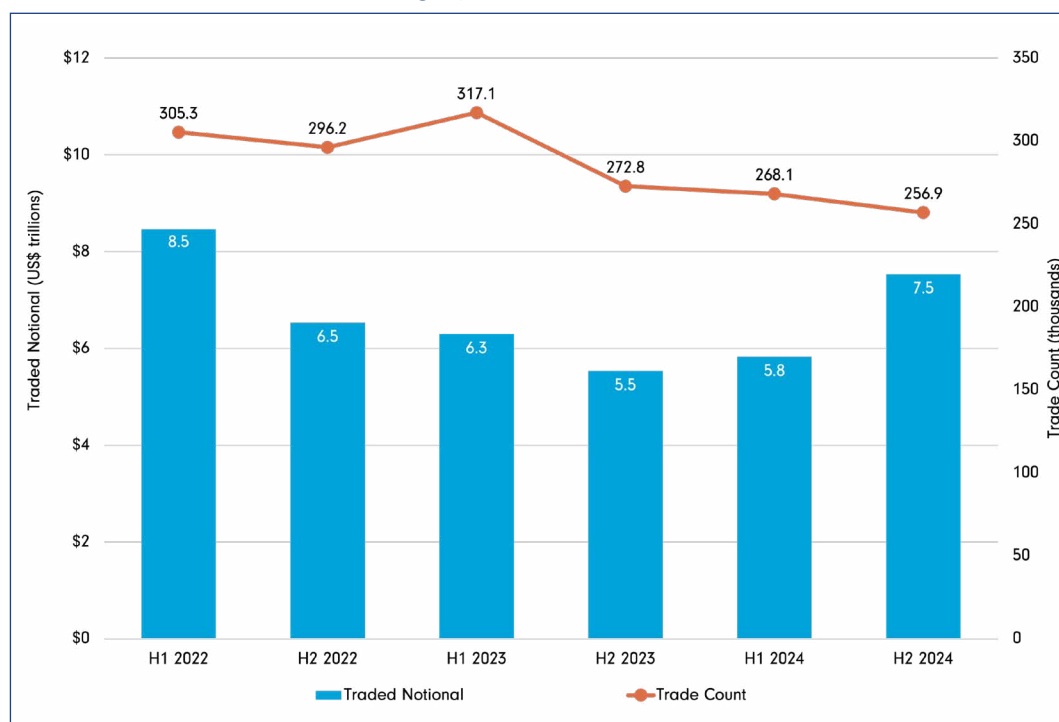


Source: European APAs and TVs

US CDS TRADING ACTIVITY

CDS traded notional reported in the US totaled \$8.5 trillion in the first half of 2022³, declined to \$5.5 trillion in the second half of 2023 and subsequently recovered to \$7.5 trillion in the second half of 2024⁴. Trade count reached a high point of 317.1 thousand in the first half of 2023 and totaled 256.9 thousand in the second half of 2024 (see Chart 13).

Chart 13: US CDS traded notional peaked at \$8.5 trillion in the first half of 2022, while trade count reached a high point of 317.1 thousand in the first half of 2023



Source: DTCC SDR, DTCC and ICE Trade Vault SBSDRs

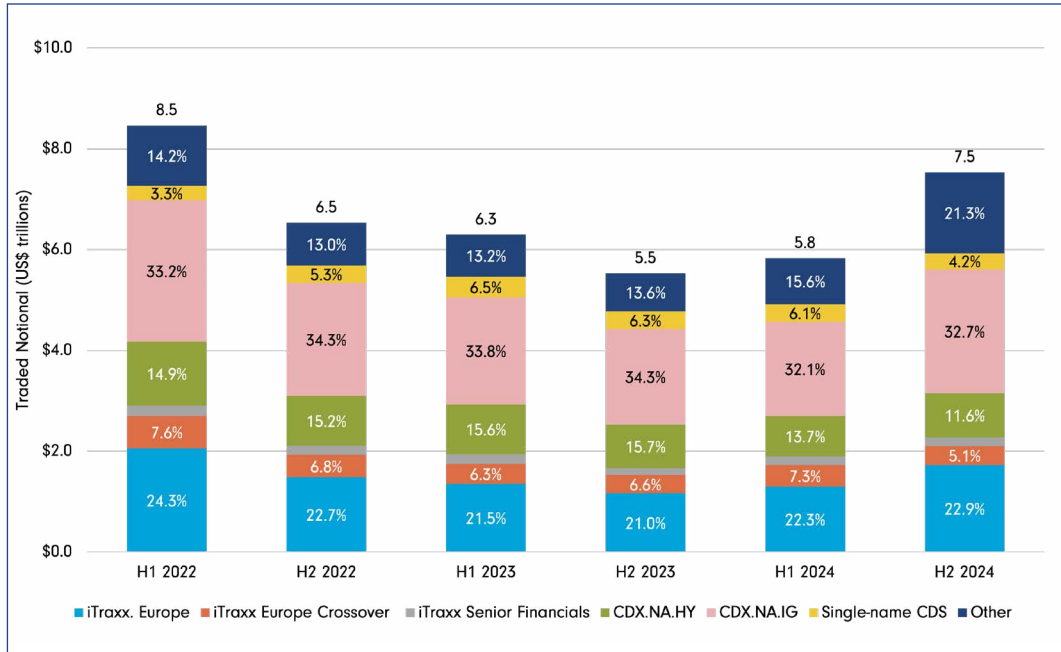
CDX.NA.IG and iTraxx Europe accounted for the largest share of CDS traded notional reported in the US over the period, while single-name CDS comprised the majority of trade count. In the second half of 2024, CDX.NA.IG and iTraxx Europe represented 32.7% and 22.9% of US CDS traded notional, respectively. Single-name CDS accounted for 4.2% of traded notional and 36.8% of trade count⁵ (see Charts 14 and 15).

³ US data includes index credit derivatives transactions reported to the Depository Trust & Clearing Corporation's (DTCC) swap data repository (SDR) under US Commodity Futures Trading Commission (CFTC) regulations and security-based credit derivatives reported to the DTCC's security-based swap data repository (SBSDR) and ICE Trade Vault under US Securities and Exchange Commission (SEC) requirements. The reporting of security-based swap transactions started in February 2022

⁴ The CFTC updated post-initial minimum block and cap sizes, effective October 7, 2024, resulting in higher disclosed traded notional for index credit derivatives

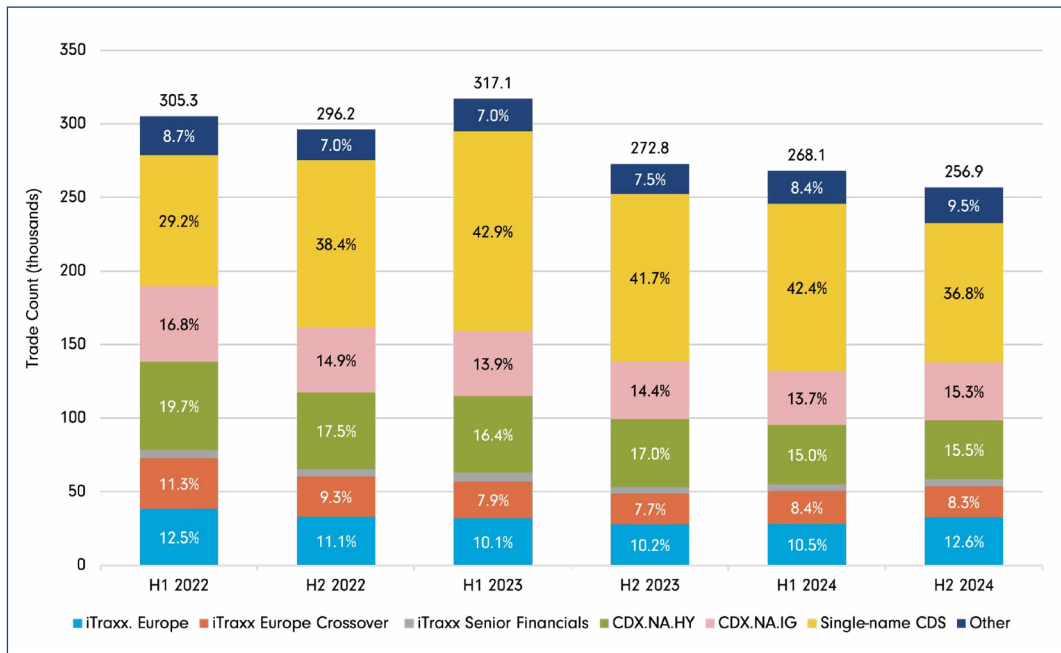
⁵ Index credit derivatives reported in the US mostly comprise CDS indices but also include CDS index tranches, credit swaptions, exotic products, total return swaps and an insignificant amount of single-name CDS. Security-based credit derivatives mostly comprise single-name CDS but also include total return swaps, index, exotic, index tranche, swaptions and other single-name swaps (eg, asset-backed, loan and municipal security-based swaps)

Chart 14: CDX.NA.IG and iTraxx Europe accounted for the majority of CDS traded notional reported in the US



Source: DTCC SDR, DTCC and ICE Trade Vault SBSDRs

Chart 15: Single-name CDS represented more than one-third of US trade count



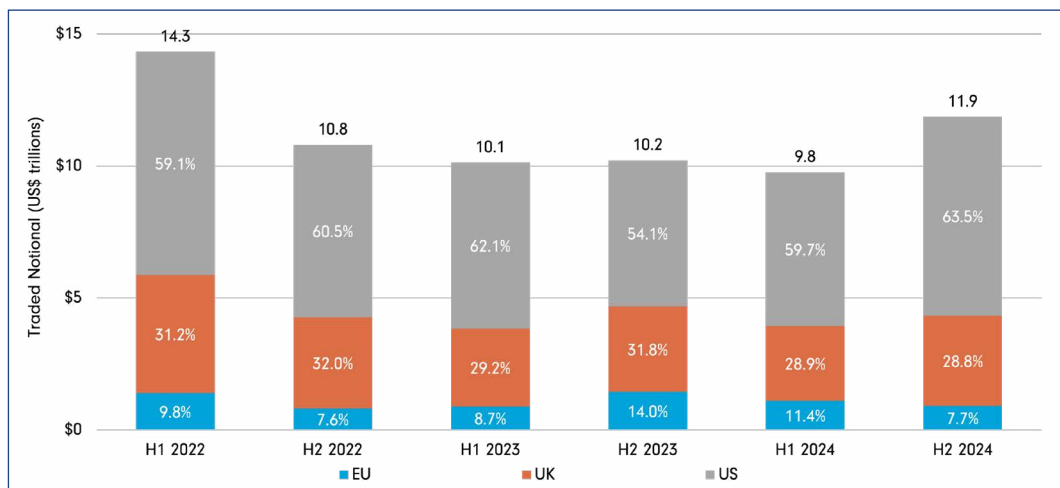
Source: DTCC SDR, DTCC and ICE Trade Vault SBSDRs

EUROPEAN AND US CDS TRADING ACTIVITY

Combined European and US traded notional reached a peak of \$14.3 trillion in the first half of 2022, driven by trading in the US, which contributed 59.1% of the total. Trades reported in the US comprised 63.5% of combined European and US CDS traded notional in the second half of 2024.

The share of activity reported in the UK remained steady at around 30% and totaled 28.8% in the second half of 2024. The share of trades reported in the EU fluctuated over the period and rose to 14.0% in the second half of 2023, reflecting a brief surge in activity (see Chart 16).

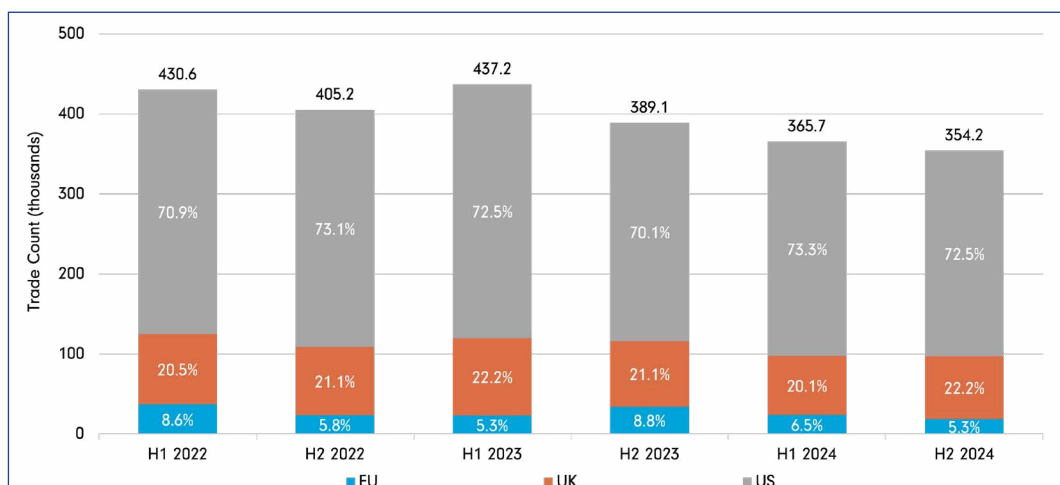
Chart 16: On a global scale, the UK represented approximately 30% of combined CDS traded notional, the EU accounted for about 10% and the US comprised 50%-60%



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

Combined trade count reached its highest point of 437.2 thousand in the first half of 2023 and declined to 354.2 thousand in the second half of 2024. Trades reported in the US represented 72.5% of the combined CDS trade count in the second half of 2024, UK-reported trades made up 22.2% and EU-reported trades accounted for 5.3% (see Chart 17).

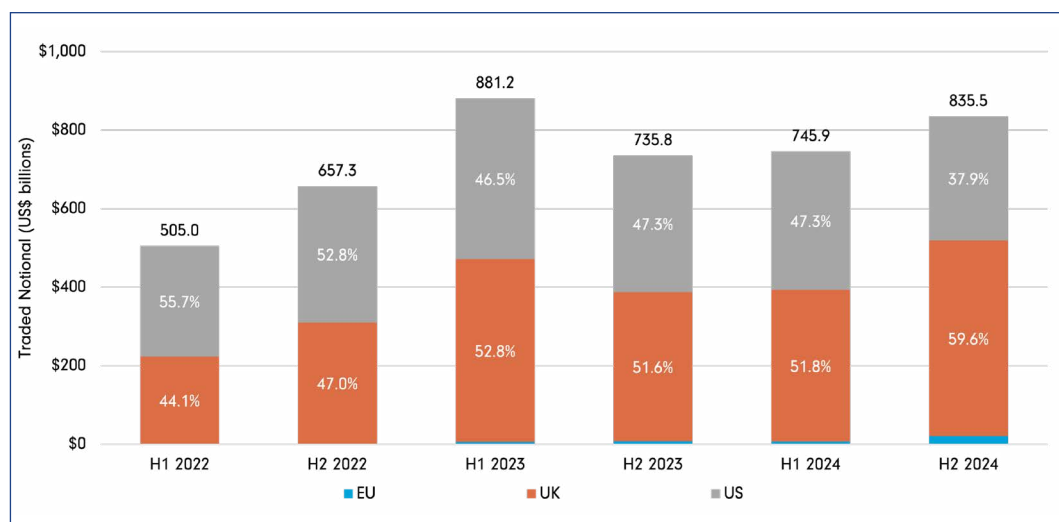
Chart 17: The US contributed more than two-thirds of combined CDS trade count



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

Combined EU, UK and US single-name CDS traded notional reached \$881.2 billion in the first half of 2023, falling to \$835.5 billion in the second half of 2024⁶. Single-name CDS traded notional reported in the UK accounted for 59.6% of the combined total in the second half of 2024, US-reported trades comprised 37.9% and trades reported in the EU made up 1.7% (see Chart 18).

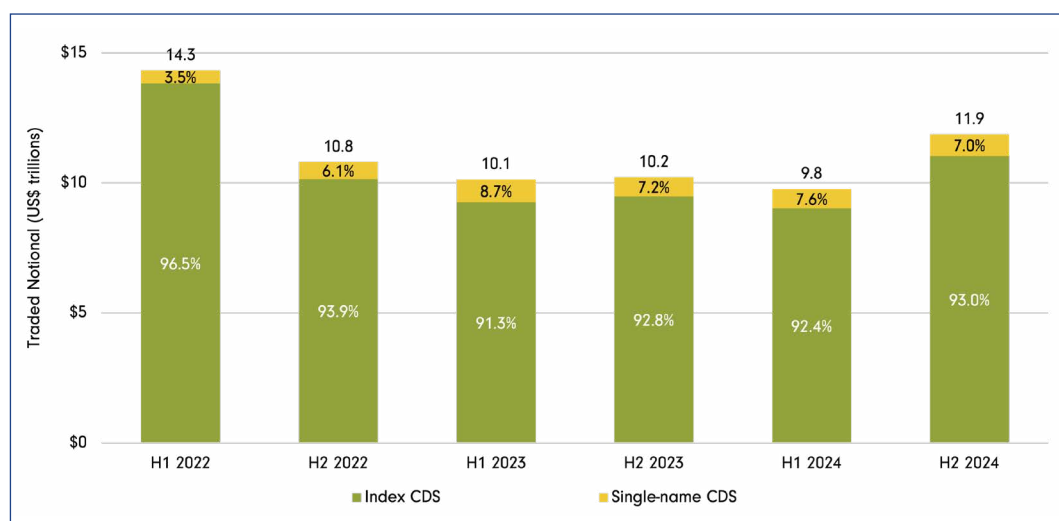
Chart 18: Globally, trading in single-name CDS was evenly split between the US and UK, with the EU representing less than 3%



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

Index CDS consistently accounted for more than 90% of EU, UK and US CDS traded notional and more than half of the combined CDS trade count. In the second half of 2024, index CDS made up 93.0% of combined traded notional and 59.3% of combined trade count, while single-name CDS transactions accounted for 7.0% and 40.7%, respectively (see Charts 19 and 20).

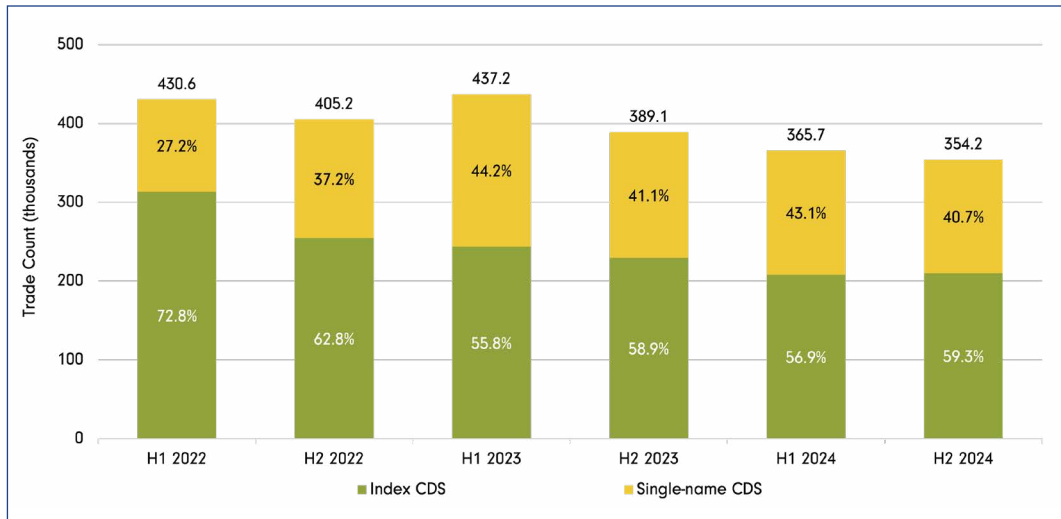
Chart 19: Index CDS consistently accounted for more than 90% of combined CDS traded notional



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

⁶ The reporting of security-based swap transactions in the US started in February 2022

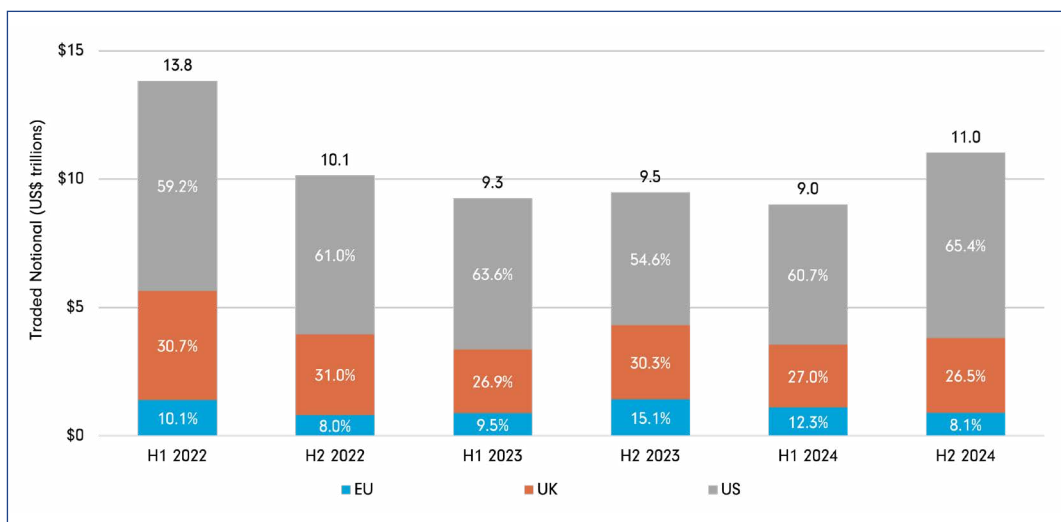
Chart 20: Single-name CDS represented more than one-third of combined trade count



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

Combined EU, UK and US index CDS traded notional peaked at \$13.8 trillion in the first half of 2022 and subsequently fluctuated between \$9.0 trillion and \$11.0 trillion. In the second half of 2024, 65.4% of combined index notional was reported in the US, 26.5% was reported in the UK and 8.1% was reported in the EU (see Chart 21).

Chart 21: Around 55%-65% of index CDS traded notional was reported in the US, 25%-30% was reported in the UK and 10%-15% was reported in the EU



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

APPENDIX 1: LIST OF MAJOR VENUES REPORTING OTC CREDIT DERIVATIVES TRANSACTIONS INCLUDED IN THE ISDA EUROPEAN CREDIT DERIVATIVES MARKETS DATASET

Venue Name	Venue Type	MIC	Region
BGC Brokers LP	OTF	BGCO	UK
Bloomberg BV APA	APA	BAPE	EU
Bloomberg BV MTF	MTF	BTFE	EU
Bloomberg UK APA	APA	BAPA	UK
Bloomberg UK MTF	MTF	BMTF	UK
GFI Securities Limited	OTF	GFSO	UK
GFI Securities Limited	OTF	GFSO	UK
GFI Securities Limited	MTF	GFSM	UK
ICAP EU OTF	OTF	ICOT	EU
ICAP UK OTF	OTF	IOTF	UK
TRADEcho NL	APA	ECEU	EU
TRADEcho UK	APA	ECHO	UK
Tradeweb BV APA	APA	TWEA	EU
Tradeweb BV MTF	MTF	TWEM	EU
Tradeweb UK APA	APA	TREA	UK
Tradeweb UK MTF	MTF	TREU	UK
Trax APA	APA	TRAX	UK
Trax NL APA	APA	TRNL	EU

ISDA HAS RECENTLY PUBLISHED OTHER RESEARCH PAPERS:

SwapsInfo Full Year 2024 and the Fourth Quarter of 2024

www.isda.org/a/jYNgE/SwapsInfo-Full-Year-2024-and-the-Fourth-Quarter-of-2024.pdf

Key Trends in the Size and Composition of OTC Derivatives Markets in the First Half of 2024

www.isda.org/a/GpbgE/Key-Trends-in-the-Size-and-Composition-of-OTC-Derivatives-Markets-in-the-First-Half-of-2024.pdf

CDS Market Dynamics: Analyzing Trends in Single-name CDS and Index CDS Market Activity

www.isda.org/a/U3bgE/CDS-Market-Dynamics-Analyzing-Trends-in-Single-name-CDS-and-Index-CDS-Market-Activity.pdf

ISDA has launched a new SwapsInfo page displaying weekly traded notional and trade count for credit derivatives reported in the EU and UK. This data is sourced from APAs and TVs in these regions and is available from May 2021. To access the expanded SwapsInfo website, [click here](#).

FOR QUESTIONS ON ISDA RESEARCH, PLEASE CONTACT:

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ABOUT ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has more than 1,000 member institutions from 76 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and

international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website: www.isda.org. Follow us on [LinkedIn](#) and [YouTube](#).