



## Research Note

### Interest Rate Derivatives Trading Activity Reported in EU, UK and US Markets: First Half of 2024 and the Second Quarter of 2024

This report analyzes interest rate derivatives (IRD) trading activity reported in Europe. The analysis shows European IRD transactions based on the location of reporting venues (EU versus UK), currency, product taxonomy and execution venue. The report also compares European-reported IRD trading activity to what is reported in the US.

The analysis is based on transactions publicly reported by 30 European approved publication arrangements (APAs) and trading venues (TVs). US trading activity analysis is based on information from the Depository Trust & Clearing Corporation's (DTCC) swap data repository (SDR), which only includes trades that are required to be disclosed under US Commodity Futures Trading Commission (CFTC) regulations.

## EXECUTIVE SUMMARY

### European IRD Trading Activity<sup>1</sup>

#### In the first half of 2024:

- European IRD traded notional reported by APAs and TVs in the EU and UK increased by 9.1% to \$109.1 trillion in the first half of 2024 from \$100.0 trillion in the first half of 2023.
- Euro-denominated IRD traded notional rose by 6.1% to \$60.8 trillion from \$57.3 trillion and accounted for 55.7% of total European IRD traded notional. Contracts denominated in US dollars fell by 16.4% to \$15.9 trillion from \$19.1 trillion, representing 14.6% of European IRD traded notional. Sterling-denominated IRD traded notional grew by 21.5% to \$18.3 trillion from \$15.1 trillion and comprised 16.8% of the European total. Other currencies made up 12.9% of total European IRD traded notional<sup>2</sup>.
- Overnight index swaps (OIS) traded notional climbed by 18.9% to \$73.4 trillion from \$61.7 trillion, accounting for 67.3% of the European total. Fixed-for-floating interest rate swaps (IRS) traded notional grew by 2.1% to \$22.7 trillion from \$22.2 trillion and made up 20.8% of total European IRD traded notional. Forward rate agreement (FRA) traded notional fell by 29.6% to \$8.7 trillion from \$12.4 trillion and represented 8.0% of the European total.
- 36.5% of European IRD traded notional occurred on TVs and 35.5% was executed by systematic internalizers (SIs)<sup>3</sup>. The remaining 28.0% of IRD traded notional was reported as XOFF<sup>4</sup>.

#### In the second quarter of 2024:

- European IRD traded notional reported by APAs and TVs in the EU and UK rose by 8.7% to \$51.3 trillion in the second quarter of 2024 from \$47.2 trillion in the second quarter of 2023.
- Euro-denominated IRD traded notional dropped by 5.2% to \$25.9 trillion from \$27.4 trillion and accounted for 50.5% of total European IRD traded notional. Contracts denominated in US dollars fell by 17.0% to \$7.5 trillion from \$9.0 trillion, comprising 14.5% of European IRD traded notional. Sterling-denominated IRD traded notional transactions grew by 40.6% to \$9.7 trillion from \$6.9 trillion and made up 19.0% of the European total. Other currencies represented 16.0% of total European IRD traded notional.
- OIS traded notional rose by 23.0% to \$34.8 trillion from \$28.3 trillion, accounting for 67.8% of the European total. Fixed-for-floating IRS traded notional grew by 3.0% to \$10.8 trillion from \$10.5 trillion and comprised 21.1% of total European IRD traded notional. FRA traded notional fell by 41.5% to \$3.8 trillion from \$6.4 trillion and represented 7.3% of the European total.
- 38.8% of European IRD traded notional took place on TVs and 33.7% was executed by SIs. The remaining 27.5% of IRD traded notional was reported as XOFF.

<sup>1</sup> European interest rate derivatives (IRD) trading activity is measured by IRD traded notional and trade count reported by approved publication arrangements (APAs) and trading venues (TVs) in the EU and UK. The list of APAs and TVs is included in Appendix 1

<sup>2</sup> Other currencies include Czech koruna, Japanese yen, Norwegian krone, Polish zloty, South African rand, Swedish krona and 'other.' Cross-currency swaps are also included in other currencies

<sup>3</sup> This includes financial instruments admitted to trading or traded on a trading venue, where a transaction on that financial instrument is executed by a systematic internalizer (SI). SIs are investment firms that deal on their own account by executing client orders outside a regulated market (RM) or TV

<sup>4</sup> The XOFF market identifier code is used for financial instruments admitted to trading or traded on a trading venue or for which a request for admission was made, where the transaction on that financial instrument is not executed on a trading venue, SI or organized trading platform outside of the EU and UK, or where an investment firm does not know it is trading with another investment firm acting as an SI

## UK IRD Trading Activity

### In the first half of 2024:

- IRD traded notional reported by APAs and TVs in the UK grew by 3.7% to \$71.8 trillion in the first half of 2024 compared to \$69.3 trillion in the first half of 2023, representing 65.8% of total European IRD traded notional.
- Euro-denominated IRD traded notional declined by 8.3% to \$28.2 trillion from \$30.8 trillion, US-dollar-denominated IRD dropped by 16.9% to \$13.8 trillion from \$16.6 trillion and sterling-denominated IRD traded notional increased by 19.5% to \$17.6 trillion from \$14.7 trillion. Euro-, sterling- and US-dollar-denominated transactions accounted for 39.3%, 24.5% and 19.2% of total UK IRD traded notional, respectively.
- OIS traded notional rose by 11.7% to \$52.7 trillion from \$47.1 trillion. Fixed-for-floating IRS traded notional fell by 2.5% to \$11.6 trillion from \$11.9 trillion, while FRA traded notional dropped by 43.0% to \$4.0 trillion from \$7.0 trillion. OIS accounted for 73.3% of total UK IRD traded notional, fixed-for-floating IRS comprised 16.1% and FRAs represented 5.5%.
- 40.1% of UK IRD traded notional took place on TVs, 35.5% was executed by SIs and 24.4% was reported as XOFF.

### In the second quarter of 2024:

- IRD traded notional reported by APAs and TVs in the UK rose by 13.6% to \$35.5 trillion in the second quarter of 2024 compared to \$31.2 trillion in the second quarter of 2023, accounting for 69.2% of total European IRD traded notional.
- Euro-denominated IRD traded notional dropped by 8.2% to \$12.3 trillion from \$13.4 trillion, US-dollar-denominated IRD declined by 14.4% to \$6.7 trillion from \$7.8 trillion and sterling-denominated IRD traded notional grew by 37.2% to \$9.3 trillion from \$6.8 trillion. Euro-, sterling- and US-dollar-denominated transactions accounted for 34.6%, 26.3% and 18.8% of total UK IRD traded notional, respectively.
- OIS traded notional grew by 25.6% to \$26.4 trillion from \$21.0 trillion, fixed-for-floating IRS traded notional rose by 0.5% to \$5.5 trillion and FRA traded notional fell by 34.3% to \$1.9 trillion from \$2.9 trillion. OIS accounted for 74.3% of total UK IRD traded notional, fixed-for-floating IRS comprised 15.6% and FRAs represented 5.4%.
- 41.8% of UK IRD traded notional occurred on TVs, 32.7% was executed by SIs and 25.5% was reported as XOFF.

## EU IRD Trading Activity

### In the first half of 2024:

- IRD traded notional reported by APAs and TVs in the EU rose by 21.2% to \$37.3 trillion in the first half of 2024 versus \$30.7 trillion in the first half of 2023, accounting for 34.2% of total European IRD traded notional.
- Euro-denominated IRD traded notional increased by 23.0% to \$32.6 trillion from \$26.5 trillion and accounted for 87.4% of total EU IRD traded notional. US-dollar-denominated IRD fell by 13.5% to \$2.1 trillion from \$2.5 trillion, representing 5.7% of EU IRD traded notional. Sterling-denominated IRD comprised 1.8% of EU traded notional, while other currencies accounted for 5.1%.
- OIS traded notional grew by 42.1% to \$20.7 trillion from \$14.6 trillion, fixed-for-floating IRS traded notional grew by 7.4% to \$11.1 trillion from \$10.3 trillion and FRA traded notional declined by 12.4% to \$4.7 trillion from \$5.4 trillion. OIS, fixed-for-floating IRS and FRAs made up 55.6%, 29.8% and 12.7% of total EU IRD traded notional, respectively.
- 29.5% of EU IRD traded notional took place on TVs, 35.3% was executed by SIs and 35.1% was reported as XOFF.

### In the second quarter of 2024:

- IRD traded notional reported by APAs and TVs in the EU dropped by 0.9% to \$15.8 trillion in the second quarter of 2024 versus \$16.0 trillion in the second quarter of 2023, accounting for 30.8% of total European IRD traded notional.
- Euro-denominated IRD traded notional fell by 2.3% to \$13.7 trillion from \$14.0 trillion and accounted for 86.3% of EU IRD traded notional. US-dollar-denominated IRD dropped by 33.7% to \$0.8 trillion from \$1.2 trillion, representing 5.1% of EU IRD traded notional. Sterling-denominated IRD comprised 2.4% of EU traded notional, while other currencies accounted for 6.2%.
- OIS traded notional increased by 15.6% to \$8.4 trillion from \$7.3 trillion, fixed-for-floating IRS traded notional grew by 5.7% to \$5.3 trillion from \$5.0 trillion and FRA traded notional fell by 47.6% to \$1.8 trillion from \$3.5 trillion. OIS, fixed-for-floating IRS and FRAs accounted for 53.2%, 33.3% and 11.6% of total EU IRD traded notional, respectively.
- 32.0% of EU IRD traded notional occurred on TVs, 35.9% was executed by SIs and 32.1% was reported as XOFF.

### European and US IRD Trading Activity

#### In the first half of 2024:

- IRD traded notional reported in the US grew by 9.5% to \$197.8 trillion in the first half of 2024 compared to \$180.6 trillion in the first half of 2023<sup>5</sup>. Combined EU, UK and US traded notional increased by 9.4% to \$306.9 trillion from \$280.6 trillion. US-reported traded notional accounted for 64.5% of the combined total, while the EU and UK made up 12.1% and 23.4%, respectively.
- Of the combined \$306.9 trillion in EU, UK and US IRD traded notional, 27.7% was denominated in US dollars, 41.5% was in euros and 13.0% was in sterling. Other currencies accounted for 17.8% of the total, with Australian dollar, Japanese yen and Canadian dollar representing the largest share.
- US-dollar-denominated IRD traded notional fell by 9.8% to \$84.9 trillion from \$94.1 trillion. 81.2% of US-dollar-denominated IRD traded notional was reported in the US, 16.3% was reported in the UK and 2.5% was reported in the EU.
- Euro-denominated IRD traded notional rose by 7.5% to \$127.4 trillion from \$118.5 trillion, of which 22.1% was reported in the UK, 25.6% was reported in the EU and 52.3% was reported in the US.
- Sterling-denominated IRD traded notional rose by 24.6% to \$39.9 trillion from \$32.0 trillion, of which 44.2% was reported in the UK, 54.1% was reported in the US and 1.7% was reported in the EU.
- OIS accounted for 64.2% of total EU, UK and US IRD traded notional, while single currency fixed-for-floating IRS and FRAs made up 19.4% and 6.7%, respectively.

#### In the second quarter of 2024:

- IRD traded notional reported in the US grew by 27.8% to \$97.0 trillion in the second quarter of 2024 compared to \$75.8 trillion in the second quarter of 2023. Combined EU, UK and US traded notional rose by 20.5% to \$148.3 trillion from \$123.0 trillion. US-reported traded notional accounted for 65.4% of the combined total, while the EU and UK made up 10.7% and 23.9%, respectively.

<sup>5</sup> Based on data from the Depository Trust & Clearing Corporation (DTCC) swap data repository (SDR). This data covers only transactions required to be disclosed under US Commodity Futures Trading Commission (CFTC) regulations. Most recent data on US trading activity is available on the ISDA SwapsInfo website <http://swapsinfo.org>

- Of the combined \$148.3 trillion in EU, UK and US IRD traded notional, 26.3% was denominated in US dollars, 38.5% was in euros and 14.7% was in sterling. Other currencies accounted for 20.5% of the total, with Australian dollar, Japanese yen and Canadian dollar representing the largest share.
- US-dollar-denominated IRD traded notional declined by 3.2% to \$38.9 trillion from \$40.2 trillion, of which 80.8% was reported in the US, 17.1% was reported in the UK and 2.1% was reported in the EU.
- Euro-denominated IRD traded notional grew by 10.8% to \$57.1 trillion from \$51.6 trillion, of which 21.5% was reported in the UK, 23.9% was reported in the EU and 54.6% was reported in the US.
- Sterling-denominated IRD traded notional increased by 49.2% to \$21.8 trillion from \$14.6 trillion. 42.9% of sterling-denominated IRD traded notional was reported in the UK, 55.3% was reported in the US and 1.4% was reported in the EU.
- OIS accounted for 63.6% of total EU, UK and US IRD traded notional, while single currency fixed-for-floating IRS and FRAs made up 19.9% and 6.3%, respectively.

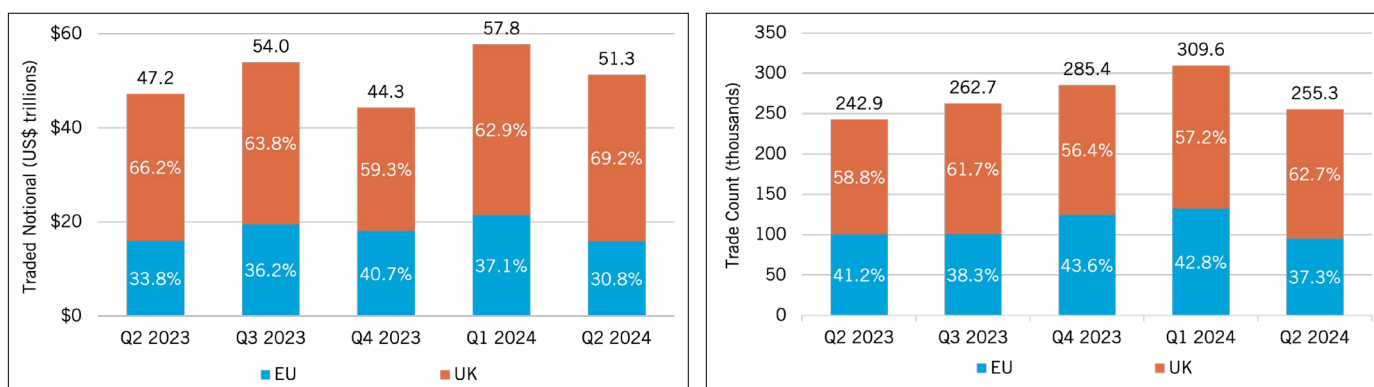
## EUROPEAN IRD TRADING ACTIVITY

### In the second quarter 2024:

European IRD traded notional reported by APAs and TVs in the EU and UK rose by 8.7% to \$51.3 trillion in the second quarter of 2024 versus \$47.2 trillion in the second quarter of 2023. Trade count grew by 5.1% to 255.3 thousand versus 242.9 thousand over the same period.

IRD traded notional reported in the UK accounted for 69.2% of the European total, while EU-reported traded notional comprised 30.8%. UK-reported trade count made up 62.7% of total European trade count and the EU accounted for 37.3% (see Chart 1)<sup>6</sup>.

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



Source: European APAs and TVs

Euro-denominated IRD traded notional dropped by 5.2% to \$25.9 trillion from \$27.4 trillion and accounted for 50.5% of total European traded notional. Euro-denominated contracts made up 47.5% of European trade count (see Chart 2).

US dollar IRD traded notional declined by 17.0% to \$7.5 trillion from \$9.0 trillion, while sterling-denominated IRD traded notional grew by 40.6% to \$9.7 trillion from \$6.9 trillion.

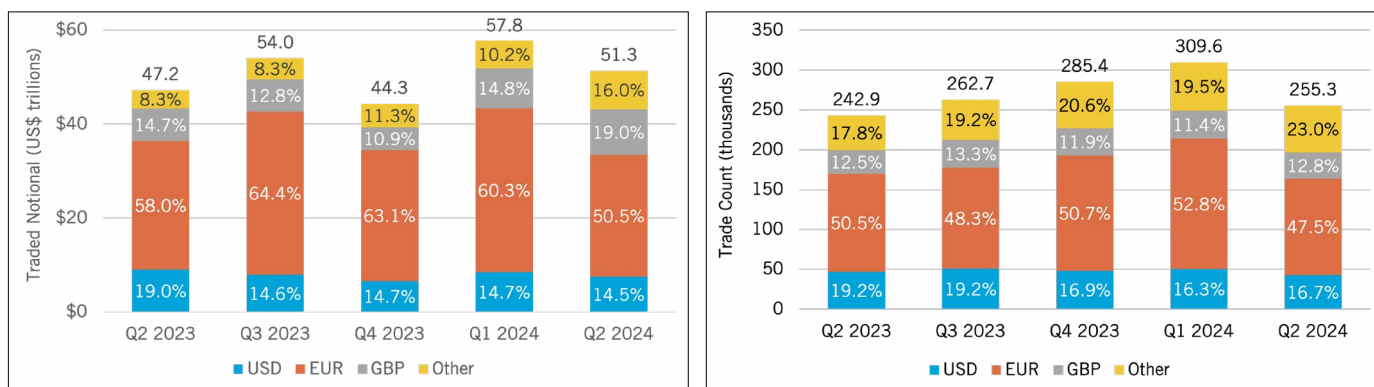
US dollar contracts represented 14.5% of total European IRD traded notional and 16.7% of trade count, while sterling-denominated transactions comprised 19.0% of European traded notional and 12.8% of trade count.

Other currencies accounted for 16.0% of total European IRD traded notional and 23.0% of trade count, with Australian dollar and Japanese yen representing the largest share<sup>7</sup>.

<sup>6</sup> ISDA's dataset of European data starts in May 2021. See Interest Rate Derivatives Trading Activity Reported in EU, UK and US Markets: May 2021 [www.isda.org/a/h6TgE/Interest-Rate-Derivatives-Trading-Activity-Reported-in-EU-UK-and-US-Markets-May-2021.pdf](http://www.isda.org/a/h6TgE/Interest-Rate-Derivatives-Trading-Activity-Reported-in-EU-UK-and-US-Markets-May-2021.pdf)

<sup>7</sup> Other currencies include South African rand, Japanese yen, Swedish krona, Norwegian krone, Polish złoty, Czech koruna and 'other.' Cross-currency swaps are also included in other currencies

**Chart 2: European IRD Traded Notional and Trade Count by Currency**



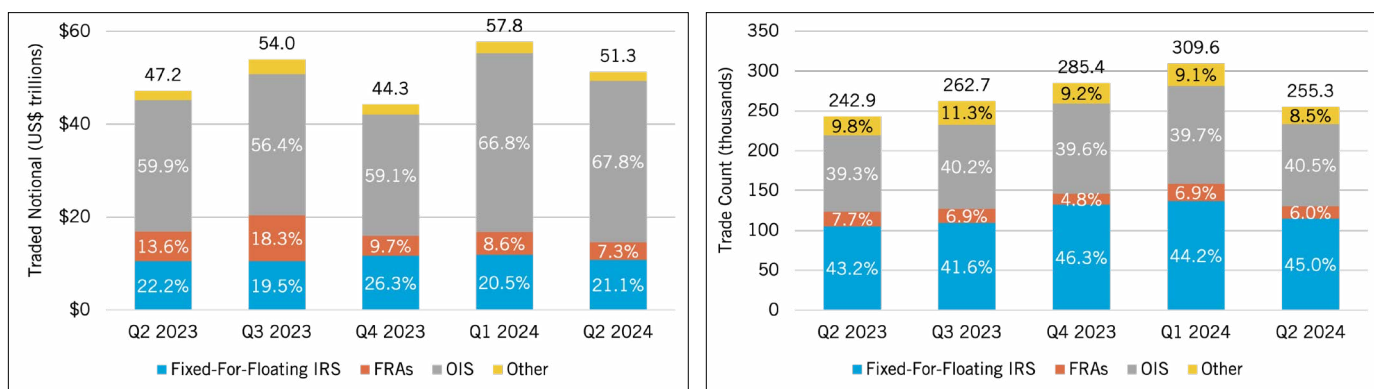
Source: European APAs and TVs

OIS traded notional rose by 23.0% to \$34.8 trillion from \$28.3 trillion, representing 67.8% of total European IRD traded notional. OIS contracts made up 40.5% of European trade count (see Chart 3).

Fixed-for-floating IRS traded notional was up by 3.0% to \$10.8 trillion from \$10.5 trillion, while FRA traded notional dropped by 41.5% to \$3.8 trillion from \$6.4 trillion.

Fixed-for-floating IRS accounted for 21.1% of total European IRD traded notional and 45.0% of trade count, while FRAs represented 7.3% and 6.0% of European traded notional and trade count, respectively.

**Chart 3: European IRD Traded Notional and Trade Count by Product**

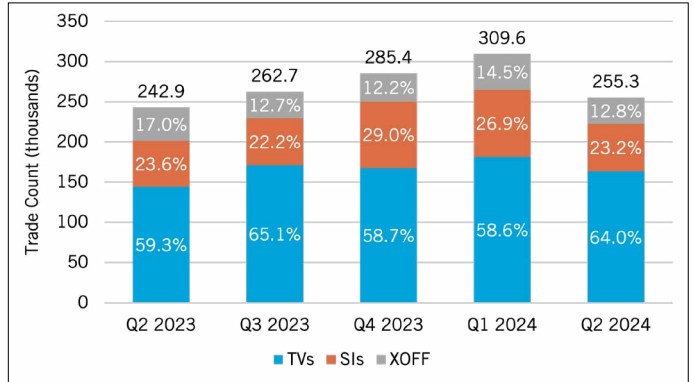
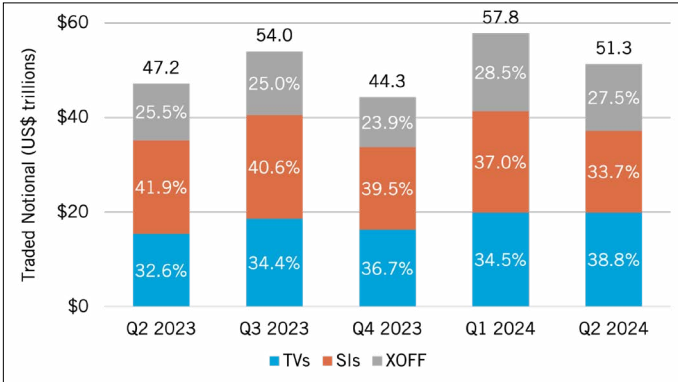


Source: European APAs and TVs

In the second quarter of 2024, 38.8% of European IRD traded notional and 64.0% of trade count took place on TVs, 33.7% of traded notional and 23.2% of trade count was executed by SIs and 27.5% of traded notional and 12.8% of trade count was reported as XOFF<sup>8</sup> (see Chart 4).

<sup>8</sup> The XOFF market identifier code is used for financial instruments admitted to trading or traded on a trading venue or for which a request for admission was made, where the transaction on that financial instrument is not executed on a trading venue, SI or organized trading platform outside of the EU and UK, or where an investment firm does not know it is trading with another investment firm acting as an SI

**Chart 4:** European IRD Traded Notional and Trade Count by Execution Venue



Source: European APAs and TVs

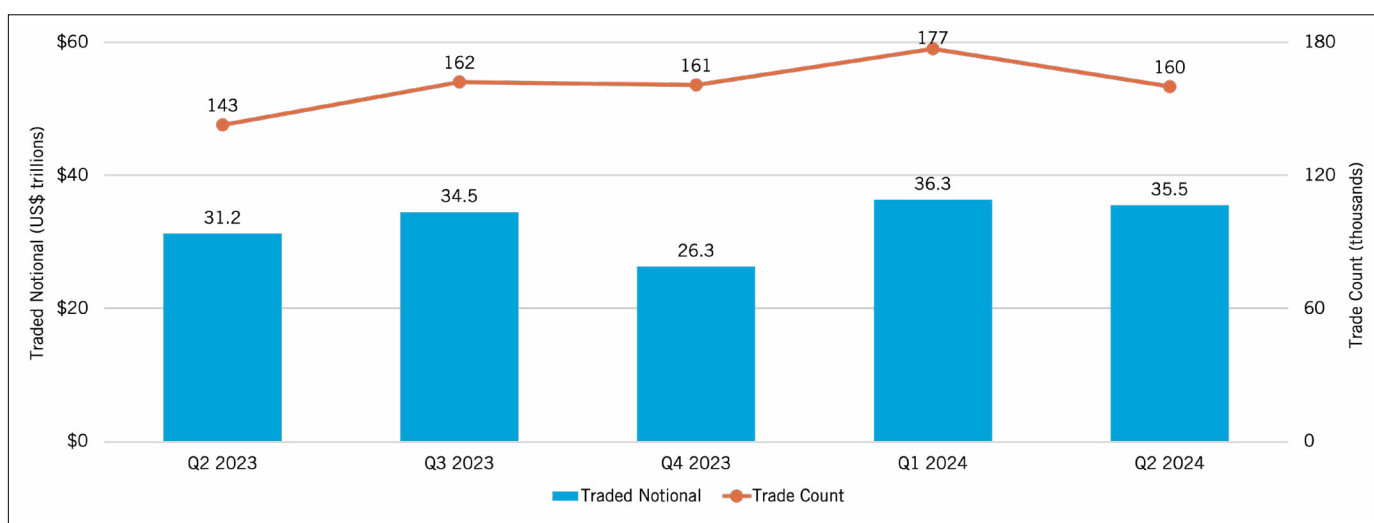


## UK IRD TRADING ACTIVITY

### In the second quarter of 2024:

IRD traded notional reported by APAs and TVs in the UK rose by 13.6% to \$35.5 trillion in the second quarter of 2024 from \$31.2 trillion in the second quarter of 2023. Trade count increased by 12.1% to 160.1 thousand from 142.7 thousand over the same period (see Chart 5).

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



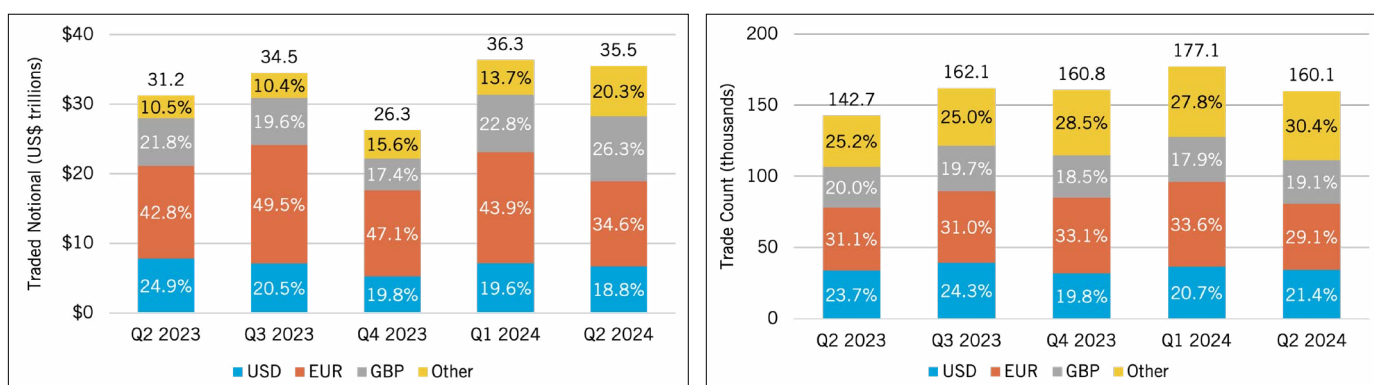
Source: European APAs and TVs

Euro-denominated IRD traded notional fell by 8.2% to \$12.3 trillion from \$13.4 trillion, US-dollar-denominated IRD traded notional dropped by 14.4% to \$6.7 trillion from \$7.8 trillion and sterling-denominated IRD traded notional rose by 37.2% to \$9.3 trillion from \$6.8 trillion.

Euro-denominated transactions represented 34.6% of total UK IRD traded notional and 29.1% of trade count, sterling-denominated transactions accounted for 26.3% of UK IRD traded notional and 19.1% of trade count and US-dollar-denominated IRD made up 18.8% of UK IRD traded notional and 21.4% of trade count (see Chart 6).

Other currencies accounted for 20.3% of total UK IRD traded notional and 30.4% of trade count. Australian dollar and Japanese yen represented the largest share of other currencies.

**Chart 6: UK IRD Traded Notional and Trade Count by Currency**

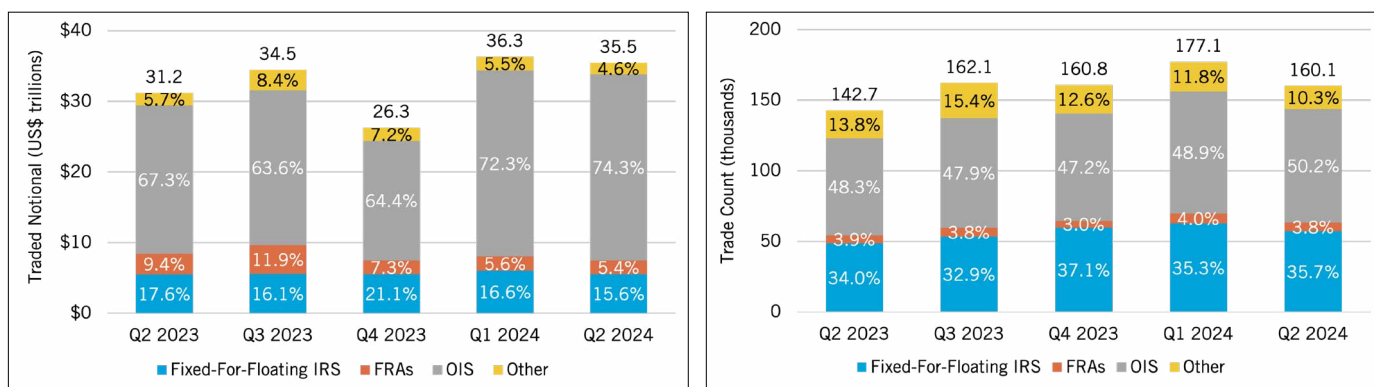


Source: European APAs and TVs

OIS traded notional grew by 25.6% to \$26.4 trillion from \$21.0 trillion, fixed-for-floating IRS traded notional rose by 0.5% to \$5.5 trillion and FRA traded notional declined by 34.3% to \$1.9 trillion.

OIS transactions accounted for 74.3% of total UK IRD traded notional and 50.2% of trade count, while single currency fixed-for-floating IRS comprised 15.6% of traded notional and 35.7% of trade count. FRAs made up 5.4% and 3.8% of UK traded notional and trade count, respectively (see Chart 7).

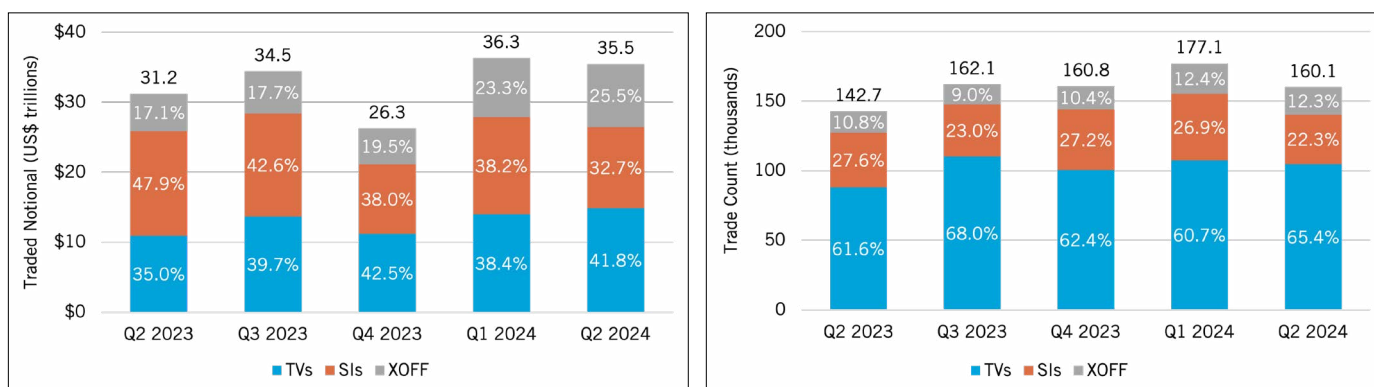
**Chart 7: UK IRD Traded Notional and Trade Count by Product**



Source: European APAs and TVs

In the second quarter of 2024, 41.8% of UK IRD traded notional and 65.4% of trade count occurred on TVs, 32.7% of traded notional and 22.3% of trade count was executed by SIs and 25.5% of traded notional and 12.3% of trade count was reported as XOFF (see Chart 8).

**Chart 8: UK IRD Traded Notional and Trade Count by Execution Venue**



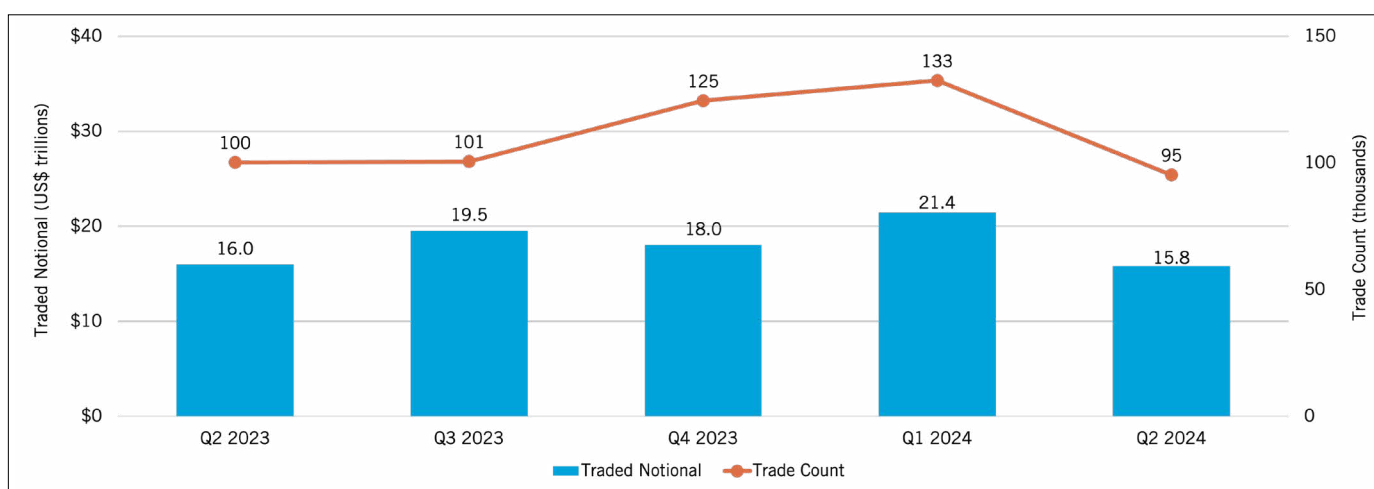
Source: European APAs and TVs

## EU IRD TRADING ACTIVITY

### In the second quarter of 2024:

IRD traded notional reported by APAs and TVs in the EU dropped by 0.9% to \$15.8 trillion in the second quarter of 2024 versus \$16.0 trillion in the second quarter of 2023. Trade count fell by 4.9% to 95.3 thousand from 100.2 thousand over the same period (see Chart 9).

**Chart 9: EU IRD Traded Notional and Trade Count<sup>9</sup>**



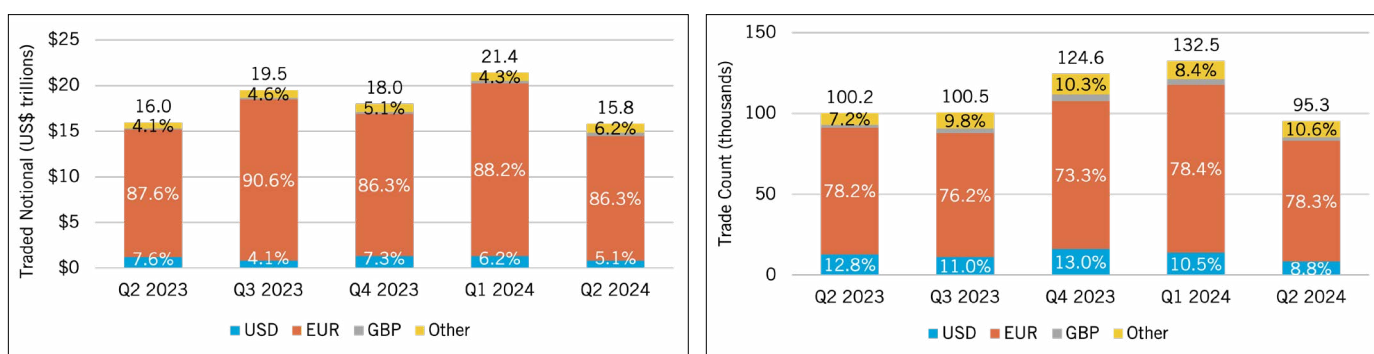
Source: European APAs and TVs

Euro-denominated IRD traded notional declined by 2.3% to \$13.7 trillion from \$14.0 trillion and comprised 86.3% of EU IRD traded notional. The number of contracts denominated in euro dropped by 4.8% to 74.6 thousand from 78.4 thousand, accounting for 78.3% of EU IRD trade count (see Chart 10).

US-dollar-denominated IRD traded notional fell by 33.7% to \$0.8 trillion from \$1.2 trillion and accounted for 5.1% of total EU IRD traded notional. US-dollar-denominated transactions comprised 8.8% of total EU IRD trade count. Sterling-denominated transactions represented 2.4% and 2.3% of EU IRD traded notional and trade count, respectively.

Other currencies accounted for 6.2% of EU IRD traded notional and 10.6% of trade count, with Australian dollar and Swedish krona representing the largest share.

**Chart 10: EU IRD Traded Notional and Trade Count by Currency**



Source: European APAs and TVs

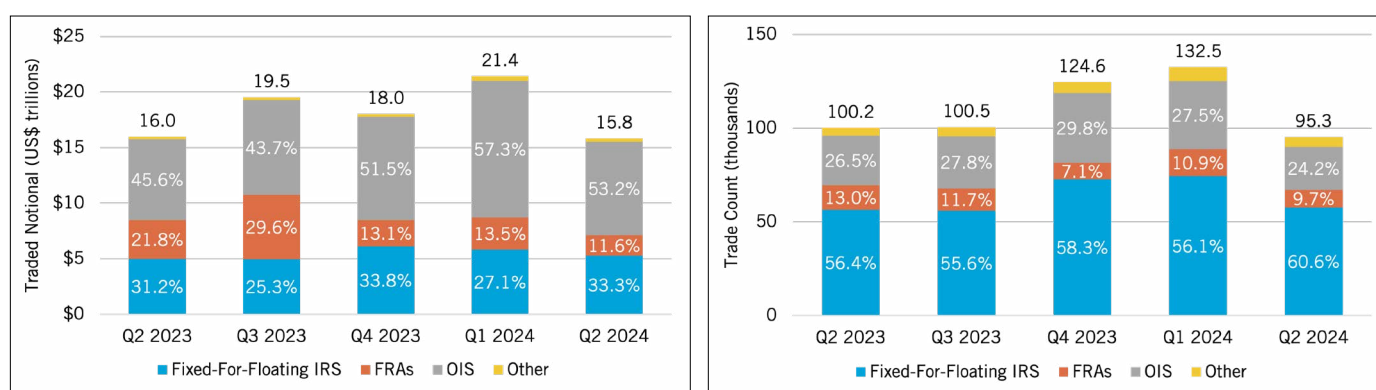
<sup>9</sup> Data for the first quarter of 2024 has been revised from the previously published report. The updated numbers reflect adjustments made based on corrected data for several TVs

The composition of swaps reported in the EU differed from the UK, with a larger share of fixed-for-floating IRS and a smaller share of OIS.

OIS traded notional increased by 15.6% to \$8.4 trillion from \$7.3 trillion and comprised 53.2% of EU IRD traded notional. OIS transactions made up 24.2% of total EU IRD trade count (see Chart 11).

Fixed-for-floating IRS traded notional rose by 5.7% to \$5.3 trillion from \$5.0 trillion and FRA traded notional fell by 47.6% to \$1.8 trillion from \$3.5 trillion. Fixed-for-floating IRS and FRAs accounted for 33.3% and 11.6% of total EU IRD traded notional and 60.6% and 9.7% of EU IRD trade count, respectively.

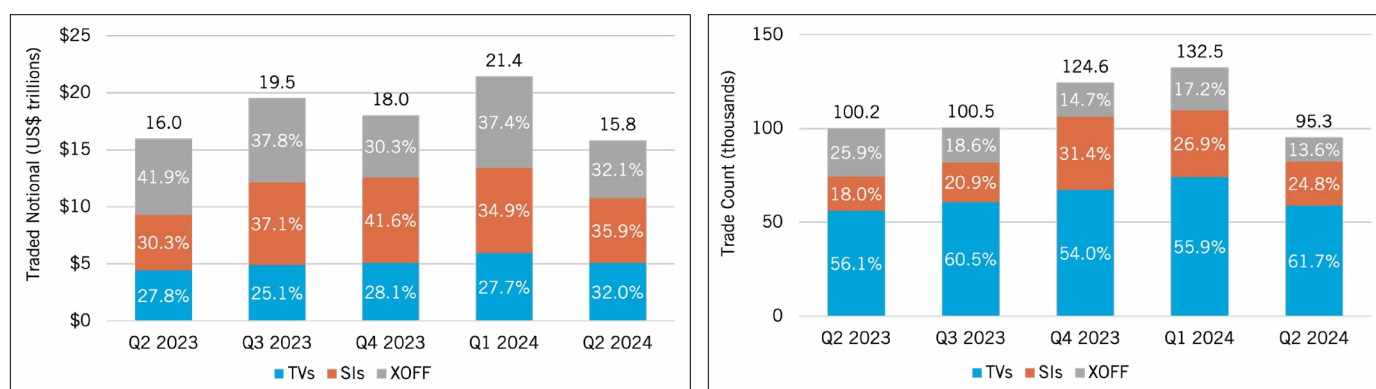
**Chart 11: EU IRD Traded Notional and Trade Count by Product**



Source: European APAs and TVs

In the second quarter of 2024, 32.0% of EU IRD traded notional and 61.7% of trade count took place on TVs, 35.9% of traded notional and 24.8% of trade count was executed by SIs and 32.1% of traded notional and 13.6% of trade count was reported as XOFF (see Chart 12).

**Chart 12: EU IRD Traded Notional and Trade Count by Execution Venue**



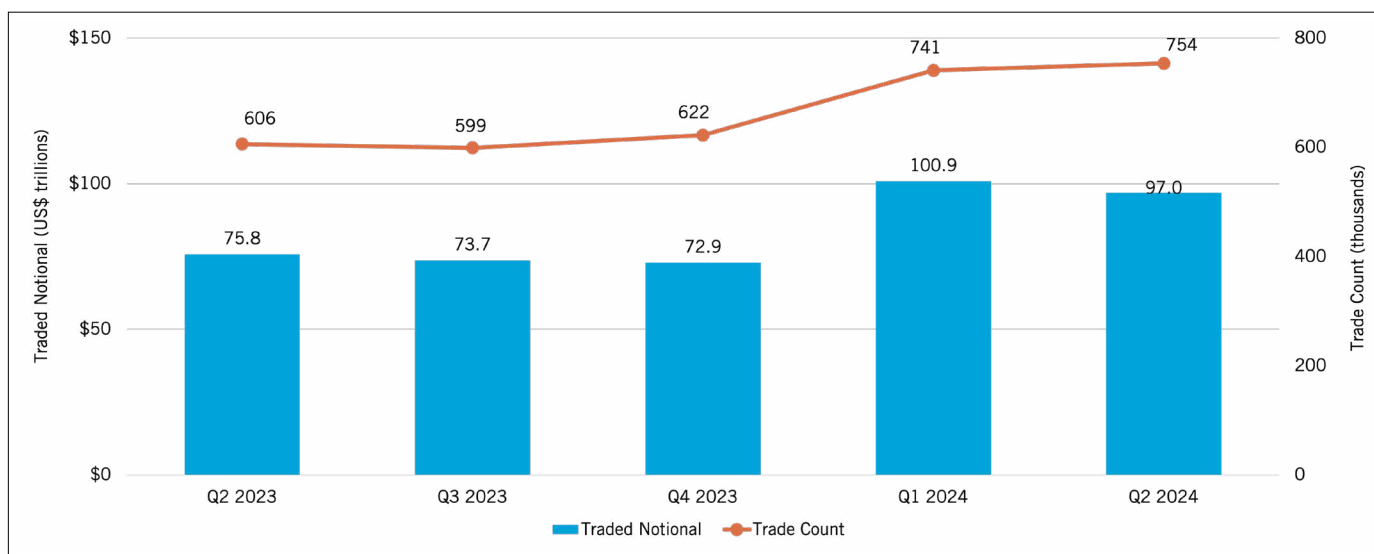
Source: European APAs and TVs

## EUROPEAN AND US IRD TRADING ACTIVITY

### In the second quarter of 2024:

IRD traded notional reported in the US increased by 27.8% to \$97.0 trillion in the second quarter of 2024 from \$75.8 trillion in the second quarter of 2023, while trade count grew by 24.4% to 753.9 thousand from 605.9 thousand (see Chart 13)<sup>10</sup>.

**Chart 13: US IRD Traded Notional and Trade Count**

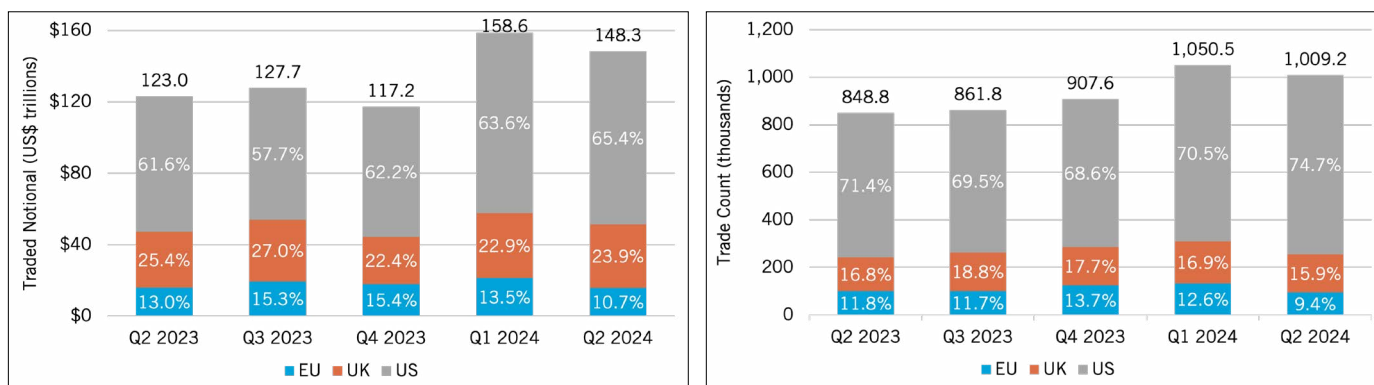


Source: DTCC SDR

Combined EU, UK and US traded notional grew by 20.5% to \$148.3 trillion from \$123.0 trillion and trade count rose by 18.9% to 1.0 million.

US-reported IRD traded notional accounted for 65.4% of combined EU, UK and US traded notional, while the EU and UK comprised 10.7% and 23.9%, respectively. US-reported transactions represented 74.7% of total IRD trade count, the EU made up 9.4% and the UK accounted for 15.9% (see Chart 14).

**Chart 14: EU, UK and US Traded Notional and Trade Count**



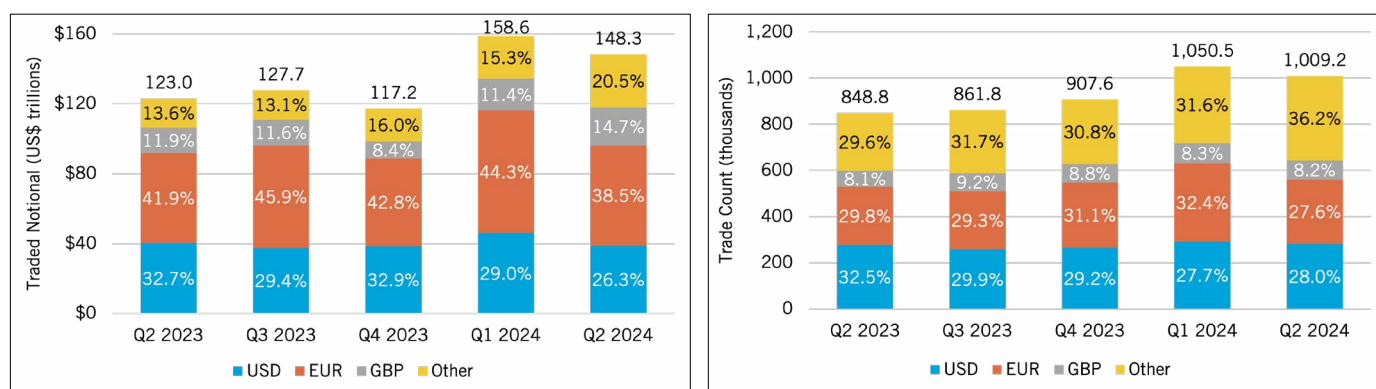
Source: DTCC SDR, European APAs and TVs

<sup>10</sup> Based on data from the DTCC SDR. This data only covers transactions required to be disclosed under US CFTC regulations. Most recent data on US trading activity is available on the ISDA SwapsInfo website <http://swapsinfo.org>

Of the combined \$148.3 trillion in EU, UK and US IRD traded notional, 38.5% was denominated in euros, 26.3% was in US dollars and 14.7% was in sterling. Of the 1.0 million in combined trade count, 27.6% was denominated in euros, 28.0% was in US dollars and 8.2% was in sterling (see Chart 15).

Other currencies accounted for 20.5% of combined IRD traded notional and 36.2% of trade count, with Australian dollar, Japanese yen and Canadian dollar representing the largest share.

**Chart 15: EU, UK and US IRD Traded Notional and Trade Count by Currency**

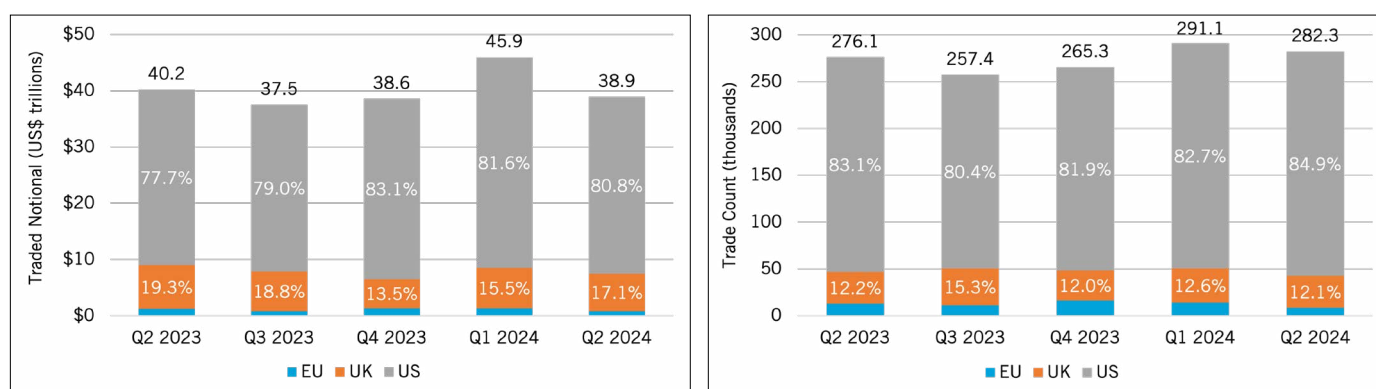


Source: DTCC SDR, European APAs and TVs

US-dollar-denominated IRD traded notional declined by 3.2% to \$38.9 trillion from \$40.2 trillion and trade count increased by 2.2% to 282.3 thousand from 276.1 thousand.

80.8% of US-dollar-denominated IRD traded notional and 84.9% of trade count was reported in the US, while 17.1% of US dollar traded notional and 12.1% of trade count was reported in the UK (see Chart 16).

**Chart 16: Combined US Dollar IRD Traded Notional and Trade Count by Jurisdiction**

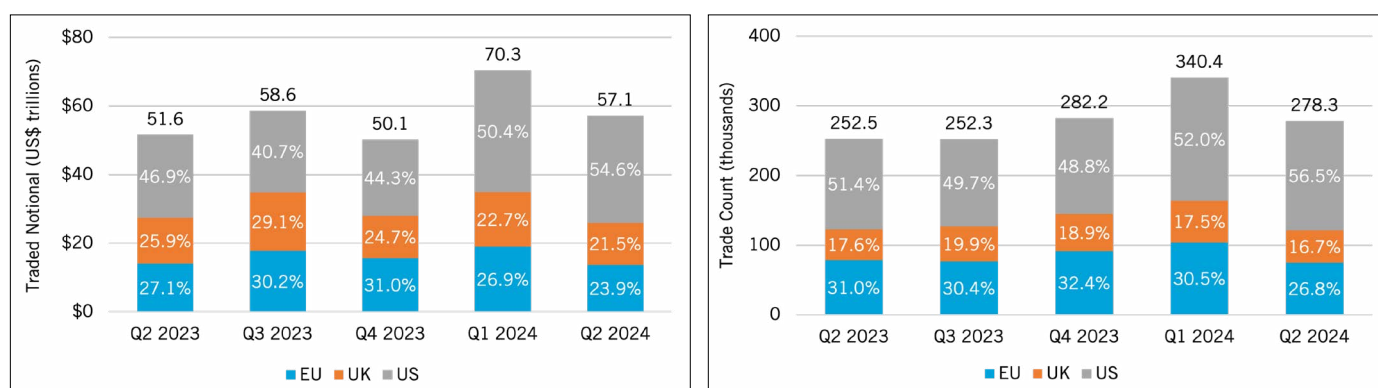


Source: DTCC SDR, European APAs and TVs

Euro-denominated IRD traded notional grew by 10.8% to \$57.1 trillion from \$51.6 trillion and trade count rose by 10.2% to 278.3 thousand from 252.5 thousand.

Reporting of euro-denominated IRD transactions was split between the three jurisdictions: 23.9% of traded notional and 26.8% of trade count was reported in the EU, 21.5% of traded notional and 16.7% of trade count was reported in the UK and 54.6% of traded notional and 56.5% of trade count was reported in the US (see Chart 17).

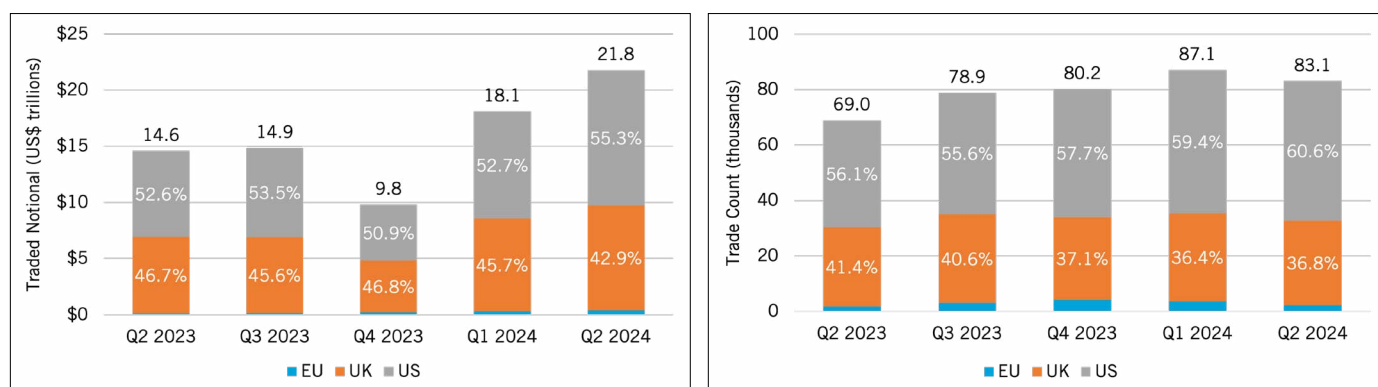
**Chart 17: Combined Euro IRD Traded Notional and Trade Count by Jurisdiction**



Source: DTCC SDR, European APAs and TVs

Sterling-denominated IRD traded notional grew by 49.2% to \$21.8 trillion from \$14.6 trillion and trade count rose by 20.6% to 83.1 thousand from 69.0 thousand. 42.9% of sterling-denominated IRD traded notional and 36.8% of trade count was reported in the UK and 55.3% of traded notional and 60.6% of trade count was reported in the US (see Chart 18).

**Chart 18: Combined Sterling IRD Traded Notional and Trade Count by Jurisdiction**



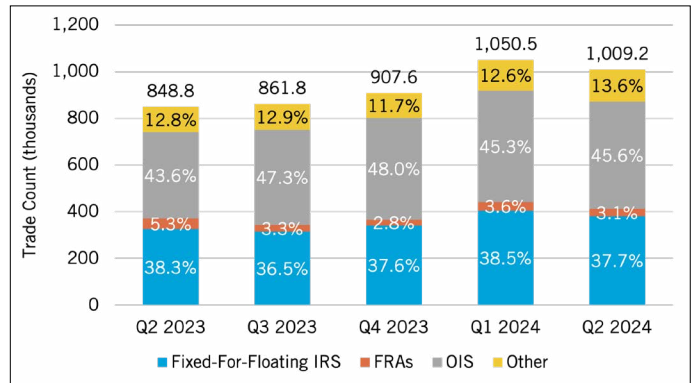
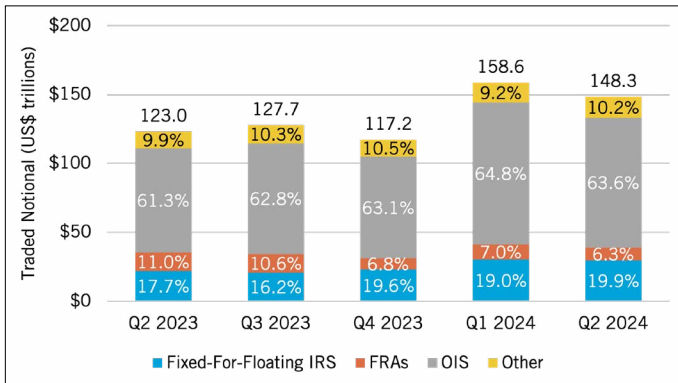
Source: DTCC SDR, European APAs and TVs

OIS traded notional rose by 25.0% to \$94.3 trillion from \$75.5 trillion in the second quarter of 2023, representing 63.6% of combined IRD traded notional. OIS trade count increased by 24.5% to 460.3 thousand from 369.7 thousand and accounted for 45.6% of the combined total (see Chart 19).

Single currency fixed-for-floating IRS traded notional rose by 35.2% to \$29.5 trillion from \$21.8 trillion and trade count rose by 17.0% to 380.7 thousand from 325.3 thousand. Fixed-for-floating IRS represented 19.9% of combined EU, UK and US IRD traded notional and 37.7% of combined trade count.

FRA traded notional declined by 30.6% to \$9.4 trillion from \$13.5 trillion and trade count dropped by 32.0% to 30.8 thousand from 45.3 thousand. FRAs made up 6.3% of combined EU, UK and US IRD traded notional and 3.1% of trade count.

**Chart 19:** EU, UK and US IRD Traded Notional and Trade Count by Product



Source: DTCC SDR, European APAs and TVs



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

Venue Name	Venue Type	MIC	Region
Aurel BGC Paris	OTF	AURO	EU
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 Brokers Limited	OTF	GFBO	UK
GFI Paris	OTF	GFPO	EU
GFI Securities Limited	OTF	GFSO	UK
ICAP EU OTF	OTF	ICOT	EU
ICAP Global Derivatives MTF	MTF	IGDL	UK
ICAP Securities OTF	OTF	IOTF	UK
iSWAP EU MTF	MTF	ISWP	EU
TP ICAP EU MTF	MTF	TPIC	EU
TP ICAP UK MTF	MTF	ICPM	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
Tradition	OTF	TCDS	UK
Trad-X EU	MTF	TRXE	EU
Trad-X UK	MTF	TRDX	UK
Trax APA	APA	TRAX	UK
Trax NL APA	APA	TRNL	EU
TSAF OTC	OTF	TSAF	EU
Tullett Prebon EU OTF	OTF	TPEU	EU
Tullett Prebon Europe MTF	MTF	TPEL	UK
Tullett Prebon Europe OTF	OTF	TPEO	UK

## APPENDIX 2: METHODOLOGY

### European Data

ISDA's analysis of European-reported IRD trading data is based on transactions publicly reported by eight European APAs and 22 TV<sup>11</sup>s.

Under European post-trade reporting requirements, “[i]nvestment firms which, either on own account or on behalf of clients, conclude transactions in bonds, structured finance products, emission allowances and derivatives traded on a trading venue shall make public the volume and price of those transactions and the time at which they were concluded”<sup>12</sup>.

Trade information must be publicly disseminated either through an APA or by a TV through which a transaction was executed<sup>13</sup>. As of August 2022, there were 15 active APAs registered on the European Securities and Markets Authority's (ESMA) website<sup>14</sup>. In the UK, there were five APAs registered by the Financial Conduct Authority (FCA)<sup>15</sup>.

While ISDA's data set does not include all APAs and TV<sup>16</sup>s that are registered with ESMA and the FCA, the trades reported by the 30 APAs and TV<sup>17</sup>s included in this analysis are believed to cover most over-the-counter (OTC) IRD activity in Europe.

UK IRD trading activity is measured by IRD traded notional and trade count reported by APAs and TV<sup>18</sup>s located in the UK, while EU IRD trading activity is measured by IRD traded notional and trade count reported by APAs and TV<sup>19</sup>s located in the EU. Of the 30 APAs and TV<sup>20</sup>s covered by this analysis, 17 are located in the UK and 13 are located in the EU.

To collect the data, ISDA set up daily feeds from the eight APAs and 22 TV<sup>21</sup>s<sup>16</sup>. ISDA also set up a data feed from the Association of National Numbering Agencies' Derivatives Service Bureau to download new International Securities Identification Numbers (ISINs) for IRD transactions<sup>17</sup>. By matching IRD ISINs with all daily reported transactions that include various asset classes (equity, fixed income derivatives, etc.), ISDA eliminated all non-IRD transactions and kept only the IRD data.

Using ISIN data, ISDA identified IRD instrument type (swap, option, forward, etc.), IRD product taxonomy (fixed-for-floating IRS, FRAs, OIS, etc.), underlying reference rate and tenor. Using trade details published by APAs and TV<sup>22</sup>s, ISDA identified publication ID, trade data, publication data, venue of execution, notional amount, notional currency, cleared status and supplementary flags.

The ISDA data set includes only new trades. All cancelled transactions are removed and amended trades are updated using the original ID field. Transactions reported with a four-week aggregation flag and volume omission flag are also removed from the data set.

Reported notional is converted to US dollars based on daily foreign exchange (FX) rates. All reported transactions are aggregated on a daily basis. Monthly traded notional referenced in this report represents the sum of converted traded notional of all transactions executed during the month. Monthly trade count represents the number of all transactions executed during the month.

Due to post-trade transparency deferrals, the majority of European transactions are published with a four- to five-week delay.

<sup>11</sup> The list of APAs and TV<sup>23</sup>s is included in Appendix 1

<sup>12</sup> Markets in Financial Instruments Regulation Article 21 [www.esma.europa.eu/publications-and-data/interactive-single-rulebook/mifir/article-21-post-trade-disclosure-0](http://www.esma.europa.eu/publications-and-data/interactive-single-rulebook/mifir/article-21-post-trade-disclosure-0)

<sup>13</sup> See Appendix 2 in the Interest Rate Derivatives Trading Activity Reported in EU, UK and US Markets: May 2021 for more detailed information on post-trade reporting requirements in Europe and US [www.isda.org/a/MdMgE/Interest-Rate-Derivatives-Trading-Activity-Reported-in-EU-UK-and-US-Markets.pdf](http://www.isda.org/a/MdMgE/Interest-Rate-Derivatives-Trading-Activity-Reported-in-EU-UK-and-US-Markets.pdf)

<sup>14</sup> European Securities and Markets Authority (ESMA) List of Registers [https://registers.esma.europa.eu/publication/searchRegister?core=esma\\_registers\\_upreg](https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_upreg)

<sup>15</sup> Financial Conduct Authority, The Financial Services Register [https://register.fca.org.uk/s/resources#Other\\_registers](https://register.fca.org.uk/s/resources#Other_registers)

<sup>16</sup> Most APAs and TV<sup>24</sup>s display data only for a brief period of time and no historical data is available

<sup>17</sup> Most APAs and TV<sup>25</sup>s do not disclose asset class data and publish all transactions ISINs

## US Data

Analysis of US IRD is based on data from the DTCC SDR that only covers transactions required to be disclosed under US CFTC<sup>18</sup>.

In the US, the CFTC swap reporting rules were finalized in December 2011 and required all traded swaps to be reported by the end of 2013. These rules require key swap transaction and pricing data to be reported to US-registered SDRs as soon as technologically practicable after execution.

There are three major SDRs in the US: DTCC SDR (reports all asset classes); CME (reports all asset classes except for equity); and ICE Trade Vault (reports credit, FX and commodities)<sup>19</sup>. Almost all OTC IRD are reported by the DTCC SDR.

The DTCC SDR reports execution time stamp, effective date, expiration date, asset class, product taxonomy, notional amount, notional currency, underlying reference rate, execution venue, cleared status and other trade details<sup>20</sup>.

ISDA analysis includes only new transactions. All cancelled transactions are removed and amended trades are updated using the dissemination ID field. Reported notional is converted to US dollars based on daily FX rates. All reported transactions are aggregated on a daily basis.

Delays in reporting (generally 15 or 30 minutes, with a maximum of 24 business hours) are allowed for block trades (transactions with a notional above the minimum block size for the relevant asset class) and large notional trades.

## Data Limitations

While ISDA believes this data covers the majority of OTC IRD transactions in Europe, it does not capture 100% of the market. First, it does not cover all APAs and TVs that are registered with ESMA and the FCA. Second, it captures only transactions that are subject to post-trade transparency reporting requirements. OTC derivatives that are not traded on TVs are considered 'traded on a trading venue' (TOTV) – and are therefore subject to the reporting and transparency requirements – if they share the same reference data details as derivatives traded on TVs<sup>21</sup>. Therefore, OTC derivatives not traded on TVs that are not TOTV are not captured.

When European counterparties face US entities on a swap execution facility (SEF), ESMA does not require EU firms to systematically republish information in the EU about transactions executed on TVs outside the EU that are subject to transparency provisions similar to those applicable to EU TVs. Under US rules, SEFs are required to send relevant trade details to an SDR for real-time public dissemination<sup>22</sup>. Therefore, these trades will be captured in US trading activity only, resulting in a potential understatement of European traded notional.

Trades executed on multilateral trading facilities (MTFs) and organized trading facilities (OTFs) between EU and US counterparties may be disseminated to the public twice. Since EU and US reporting rules have not been determined equivalent, trades executed on MTFs and OTFs are viewed as off-facility transactions for US real-time reporting purposes and are subject to the CFTC reporting rules. At the same time, MTFs and OTFs have an obligation to send trade details for public dissemination. Therefore, these trades may be double counted in European and US combined trading activity analysis.

<sup>18</sup> CFTC 17 CFR Part 43 Real-Time Public Reporting of Swap Transaction Data [www.cftc.gov/sites/default/files/idc/groups/public/@lrfederalregister/documents/file/2011-33173a.pdf](http://www.cftc.gov/sites/default/files/idc/groups/public/@lrfederalregister/documents/file/2011-33173a.pdf)

<sup>19</sup> Bloomberg SDR was closed in August 2018 and all transactions were moved to DTCC SDR

<sup>20</sup> DTCC SDR services <https://pddata.dtcc.com/ppd/cftcdashboard>

<sup>21</sup> ESMA Clarifies Traded On a Trading Venue Under MIFID II [www.esma.europa.eu/press-news/esma-news/esma-clarifies-traded-trading-venue-under-mifid-ii](http://www.esma.europa.eu/press-news/esma-news/esma-clarifies-traded-trading-venue-under-mifid-ii)

<sup>22</sup> A Practical Guide to Navigating Derivatives Trading on US/EU Recognized Trading Venues [www.isda.org/a/CRmEE/ISDA-Publishes-Guide-to-Trading-on-US-EU-Trading-Venues-FINAL.pdf](http://www.isda.org/a/CRmEE/ISDA-Publishes-Guide-to-Trading-on-US-EU-Trading-Venues-FINAL.pdf)

The majority of block trades and large notional off-facility swaps (LNOFs) are reported to the DTCC SDR with a capped notional. Block trades and LNOFs are transactions above a designated notional threshold (block size). These transactions are reported with a delay at the capped amounts (cap size). As ISDA cleans up DTCC SDR data, all transactions that are reported with a '+' indicating a block trade are counted at the minimum notional. For example, a transaction reported with \$1,000,000+ notional would be counted as \$1,000,000 traded notional. As a result, total DTCC IRD traded notional is likely to be understated.



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[www.isda.org/a/O48gE/SwapsInfo-First-Half-of-2024-and-the-Second-Quarter-of-2024-Review.pdf](http://www.isda.org/a/O48gE/SwapsInfo-First-Half-of-2024-and-the-Second-Quarter-of-2024-Review.pdf)

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[www.isda.org/a/9i8gE/Key-Trends-in-the-Size-and-Composition-of-OTC-Derivatives-Markets-in-the-Second-Half-of-2023.pdf](http://www.isda.org/a/9i8gE/Key-Trends-in-the-Size-and-Composition-of-OTC-Derivatives-Markets-in-the-Second-Half-of-2023.pdf)

**For questions on ISDA Research, please contact:**

**Olga Roman**

Head of Research  
[oroman@isda.org](mailto:oroman@isda.org)

**Adam Perlaky**

Director of Research  
[aperlaky@isda.org](mailto:aperlaky@isda.org)

**Melissa Yu**

Assistant Director of Research  
[hyu@isda.org](mailto:hyu@isda.org)

## ABOUT ISDA

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