

**Introducing ENNs: A Measure of the Size of Interest Rate Swap Markets
Update as of March 16, 2018**

by

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The tables below represent an update to those included in the “Introducing ENNs” paper published earlier this year.² The tables represent aggregated interest rate swap position data as of March 16, 2018. The tables cover the same set of products and counterparties as those included in the original paper, with one exception; these aggregates now include cap/floor interest rate swap products, and therefore represent a slightly larger product set. In aggregate, the total notional amount of interest rate products represented in the tables below is \$210.9tn, an increase from the \$179.1tn in the original report. This notional increase is associated with a smaller ENNs increase from \$15.4tn in the original report to \$15.8tn for the March date.

We plan on providing a similar update to interest rate swap exposures on, roughly, a quarterly basis. It is our hope that, over time, the report will expand to cover a larger set of products and asset classes.

Table 1 (updates original Table 2): Notional Amounts and ENNs for U.S. Reporting Entities of Fixed-for-Floating Swaps, FRAs, OIS, Swaptions, and Cap/Floors by sector, as of March 16, 2018. (\$ Trillions)

(1)	<u>Notional Amounts</u>		<u>Notional Amounts in 5-Year Equivalents</u>				(8)
	(2)	(3)	(4)	(5)	(6)	(7)	
<u>Sector</u>	<u>Long</u>	<u>Short</u>	<u>Long</u>	<u>Short</u>	<u>ENNs (Long)</u>	<u>ENNs (Short)</u>	<u>ENNs (Net)</u>
Bank/Dealer	184.7	184.4	107.5	106.5	11.8	10.9	0.9
Hedge Fund	15.1	14.6	6.4	6.7	0.7	1.0	-0.3
Asset Manager	6.4	6.3	3.3	3.5	1.0	1.2	-0.3
Insurance	0.9	0.8	1.5	1.3	0.7	0.5	0.2
Pension Fund	1.1	0.9	1.4	1.1	0.6	0.2	0.4
Corporate	0.7	1.0	0.7	0.9	0.5	0.8	-0.2
Gov't/Quasi-Gov't	0.8	0.9	0.5	0.8	0.1	0.4	-0.3
Unclassified	1.0	1.5	0.7	0.9	0.3	0.5	-0.3
Total w/ CCP Adjustment	210.9	210.9	122.1	122.1	15.8	15.8	0.0

¹ Office of the Chief Economist, Commodity Futures Trading Commission. While this paper was produced in the authors’ official capacity, the analyses and conclusions expressed here are those of the authors and do not necessarily reflect the views of other Commission staff, the Office of the Chief Economist, or the Commission.

² The link to the original paper can be found [here](#).

Table 2 (updates original Table 4): Notional Amounts and ENNs for U.S. Reporting Entities, by product, as of March 16, 2018. (\$ Trillions)³

Product	<u>Notional Amounts</u>		<u>Notional Amounts in 5-Year Equivalents</u>	
	<u>Long</u>		<u>Long</u>	<u>ENNs (Long)</u>
Fixed-for-Floating Swaps	114.4		99.5	12.9
FRAs	45.5		6.1	0.8
OIS	39.0		9.4	1.2
Swaptions	6.9		7.0	0.9
Cap/Floor	4.8		0.0	0.0
Total w/ CCP Adjustment	210.9		122.1	15.8

Table 3 (updates original Table 5): Notional Amounts and ENNs for U.S. Reporting Entities of Fixed-for-Floating Swaps, FRAs, OIS, Swaptions, and Cap/Floors by currency, as of March 16, 2018. (\$ Trillions)

Currency	<u>Notional Amounts</u>		<u>Notional Amounts in 5-Year Equivalents</u>		<u>ENNs</u>	<u>ENNs</u>
	<u>Long</u>	<u>Short</u>	<u>Long</u>	<u>Short</u>	<u>(Long)</u>	<u>(Short)</u>
USD	84.5	84.3	44.8	44.7	7.4	7.3
EUR	62.4	62.4	43.9	43.9	4.2	4.2
GBP	20.1	20.0	11.8	11.8	1.6	1.6
AUD	8.9	9.0	3.2	3.2	0.3	0.3
JPY	8.3	8.3	6.9	6.9	0.7	0.7
CAD	5.1	5.1	2.3	2.3	0.2	0.2
Other	21.3	21.3	9.0	9.0	1.2	1.2
Total w/ CCP Adjustment	210.9	210.9	122.1	122.1	15.8	15.8

³ Product-level ENNs in this table simply allocate total ENNs in the same proportions as the distribution of product-level notional amounts.

Table 4 (updates original Table 6): Clearing percentages for U.S. Reporting Entities of Fixed-for-Floating Swaps, FRAs, OIS, Swaptions, and Cap/Floor, as of March 16, 2018. (\$ Trillions)

<u>Sector</u>	<u>Notional Amounts</u>				<u>Notional Amounts in 5-Year</u>			
	<u>Long</u>	<u>Cleared</u>	<u>Short</u>	<u>Cleared</u>	<u>ENNs</u>	<u>Cleared</u>	<u>ENNs</u>	<u>Cleared</u>
		(%)		(%)	(Long)	(%)	(Short)	(%)
Bank/Dealer	184.7	90	184.4	90	11.8	44	10.9	41
Hedge Fund	15.1	86	14.6	91	0.7	57	1.0	75
Asset Manager	6.4	78	6.3	79	1.0	67	1.2	78
Insurance	0.9	65	0.8	69	0.7	48	0.5	31
Pension Fund	1.1	69	0.9	78	0.6	36	0.2	45
Corporate	0.7	33	1.0	24	0.5	22	0.8	12
Gov't/Quasi-Gov't	0.8	73	0.9	76	0.1	20	0.4	58
Unclassified	1.0	57	1.5	42	0.3	32	0.5	24
Total w/ CCP Adjustment	210.9	89	210.9	89	15.8	45	15.8	44