

Introducing ENNs: A Measure of the Size of Interest Rate Swap Markets Update as of December 13, 2019

by

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The tables below provide an update on the notional and entity-netted notional (ENN) size of the CFTC-regulated interest rate market. Entity-netted notionals were introduced in a paper published in the beginning of 2018; ENNs aim to provide a measure for the amount of risk transfer in rate swaps that is comparable to measures used for other interest rate markets.² The tables below represent aggregated interest rate swap position data as of December 13, 2019.

Positions, as measured by notional, generally decreased in the three month period since the September report. Compared to the prior release, total interest rate swap notional decreased by around 13 percent. Also, during this period total ENNs levels decreased slightly. Clearing rates, as well as the distribution of risks within participant groups, remained relatively unchanged.

Table 1: Notional Amounts and ENNs by Sector (\$ Trillions)

Sector (1)	Notional Amounts		Notional Amounts in 5-Year Equivalents				
	Long (2)	Short (3)	Long (4)	Short (5)	ENNs Long (6)	ENNs Short (7)	ENNs Net (8)
Swap Dealer	150.3	151.0	84.4	82.6	8.2	6.5	1.7
Hedge Fund	19.2	17.0	5.3	5.5	0.6	0.8	-0.2
Bank	16.4	17.1	12.5	13.8	1.2	2.5	-1.3
Other Financial	6.5	6.4	4.9	4.6	0.8	0.5	0.3
Asset Manager	3.1	2.9	1.8	2.2	0.7	1.0	-0.3
Pension	1.7	1.5	2.6	2.0	1.0	0.3	0.7
Govt/Quasi-Govt	1.5	1.5	1.1	1.5	0.3	0.7	-0.4
Nonfinancial	0.3	1.5	0.2	0.9	0.2	0.9	-0.7
Insurance	1.0	0.9	2.1	1.4	0.9	0.2	0.7
Unclassified	0.4	0.8	0.3	0.5	0.1	0.4	-0.3
CCP Adj	0.5	0.3	0.1	0.3	0.1	0.3	-0.2
Total	200.9	200.9	115.3	115.3	14.1	14.1	0.0

¹This research was produced in each author's official capacity. The report was cleared for public distribution by the Office of the Chief Economist. The analyses and conclusions expressed in this report are those of the author(s) and do not necessarily reflect the views of other Commission staff, the Office of the Chief Economist, or the Commission.

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

Table 2: Notional Amounts and ENNs by product type (\$ Trillions)³

Product	Notional	Notional 5-Year Equivalents	
	Long	Long	ENNs Long
Fixed-for-Floating Swaps	116.1	101.5	12.3
FRAs	34.8	1.5	0.2
OIS	33.6	7.2	0.9
Swaptions	9.8	4.9	0.6
Cap/Floor	6.1	0.1	0.0
CCP Adj	0.5	0.1	0.1
Total	200.9	115.3	14.1

Table 3: Notional Amounts and ENNs by currency (\$ Trillions)

Currency	Notional	Notional 5-Year Equivalents	
	Long	Long	ENNs Long
USD	75.9	38.3	6.6
EUR	56.7	44.0	4.1
GBP	19.2	11.8	1.4
AUD	11.0	3.0	0.2
JPY	7.8	6.2	0.5
CAD	7.0	2.9	0.2
Other	23.3	9.1	1.1
Total	200.9	115.3	14.1

Table 4: Clearing percentages by sector (\$ Trillions), including clearing ratios

Sector	Notional Amounts				Notional Amounts in 5-Year Equivalents			
	Long	Cleared Percent	Short	Cleared Percent	ENNs Long	Cleared Percent	ENNs Short	Cleared Percent
Swap Dealer	150.3	86	151.0	87	8.2	36	6.5	22
Hedge Fund	19.2	88	17.0	90	0.6	56	0.8	70
Bank	16.4	91	17.1	92	1.2	54	2.5	76
Other Financial	6.5	89	6.4	88	0.8	40	0.5	47
Asset Manager	3.1	83	2.9	82	0.7	74	1.0	84
Pension	1.7	66	1.5	73	1.0	41	0.3	61
Govt/Quasi-Govt	1.5	64	1.5	71	0.3	17	0.7	52
Nonfinancial	0.3	7	1.5	2	0.2	3	0.9	1
Insurance	1.0	67	0.9	63	0.9	65	0.2	47
Unclassified	0.4	55	0.8	31	0.1	61	0.4	18
CCP Adj	0.5	.	0.3	.	0.1	.	0.3	.
Total	200.9	86	200.9	86	14.1	42	14.1	42

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

Figure 1: Histogram of Swap Dealer ENNs

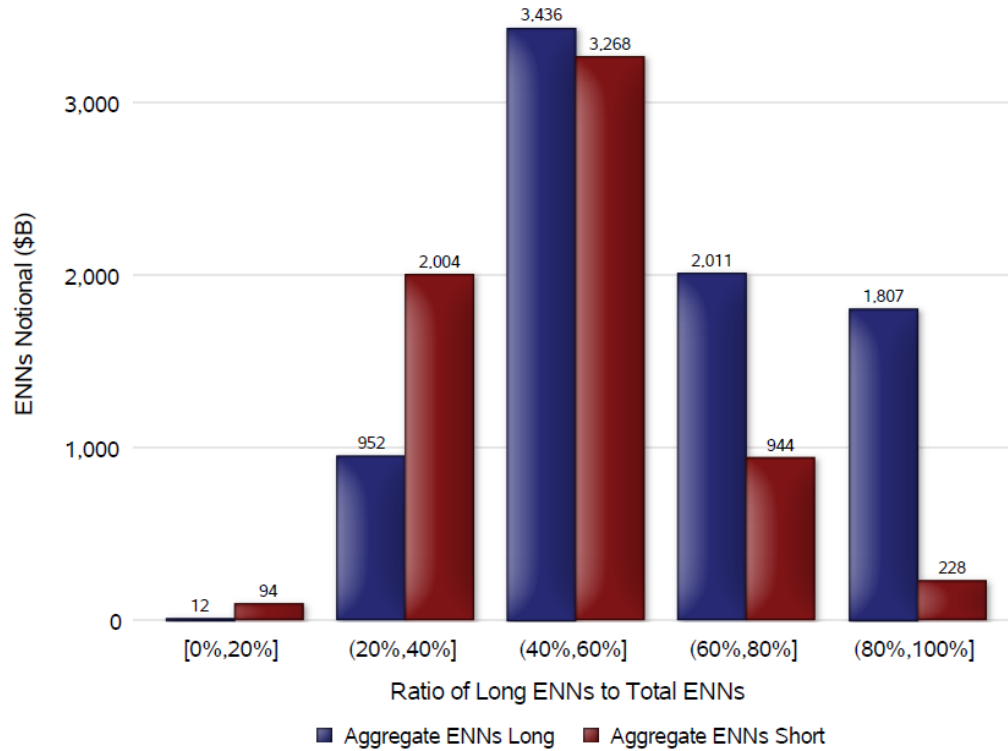


Figure 2: Histogram of Bank ENNs

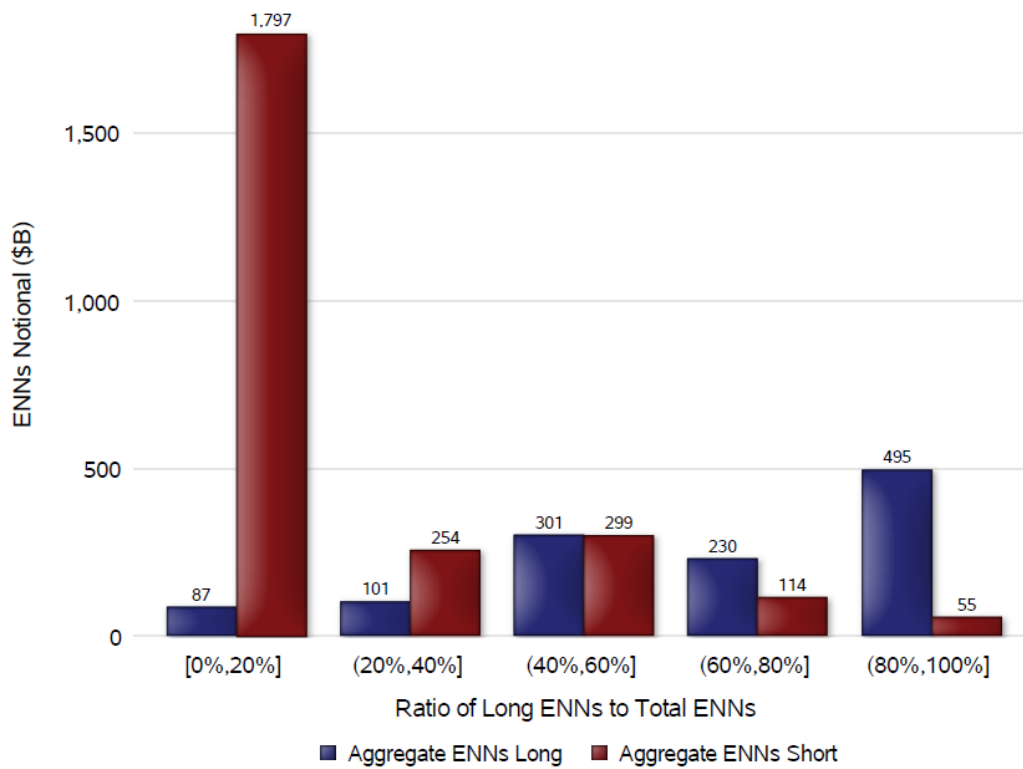


Figure 3: Histogram of Asset Manager ENNs

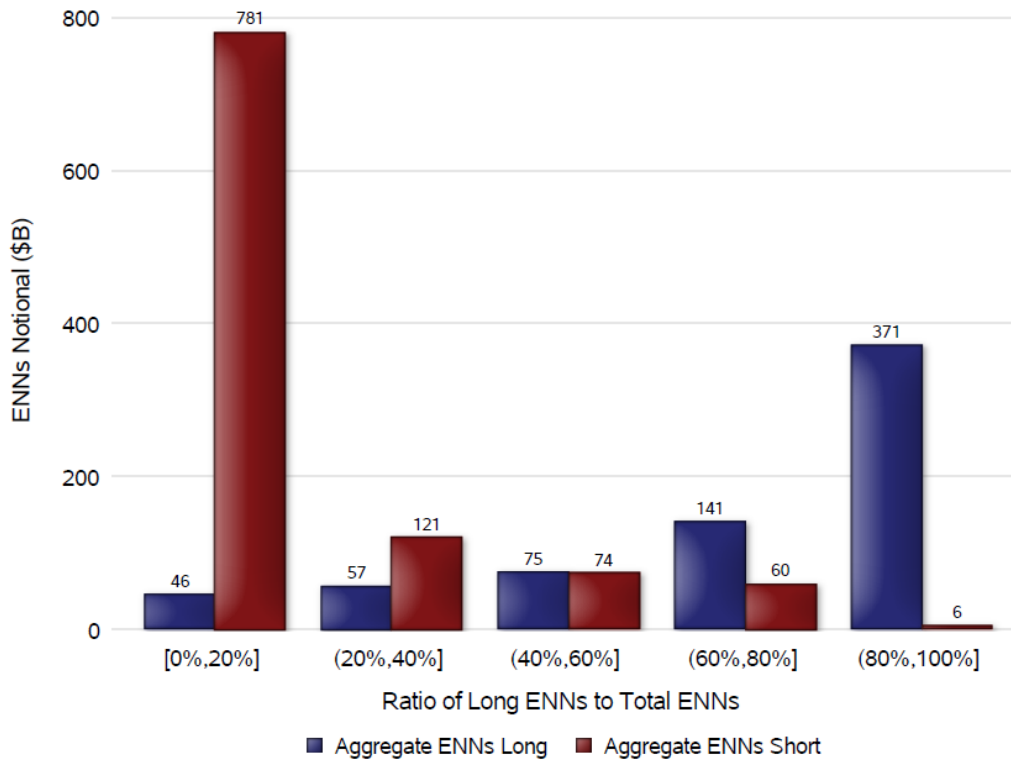


Figure 4: Histogram of Hedge Fund ENNs

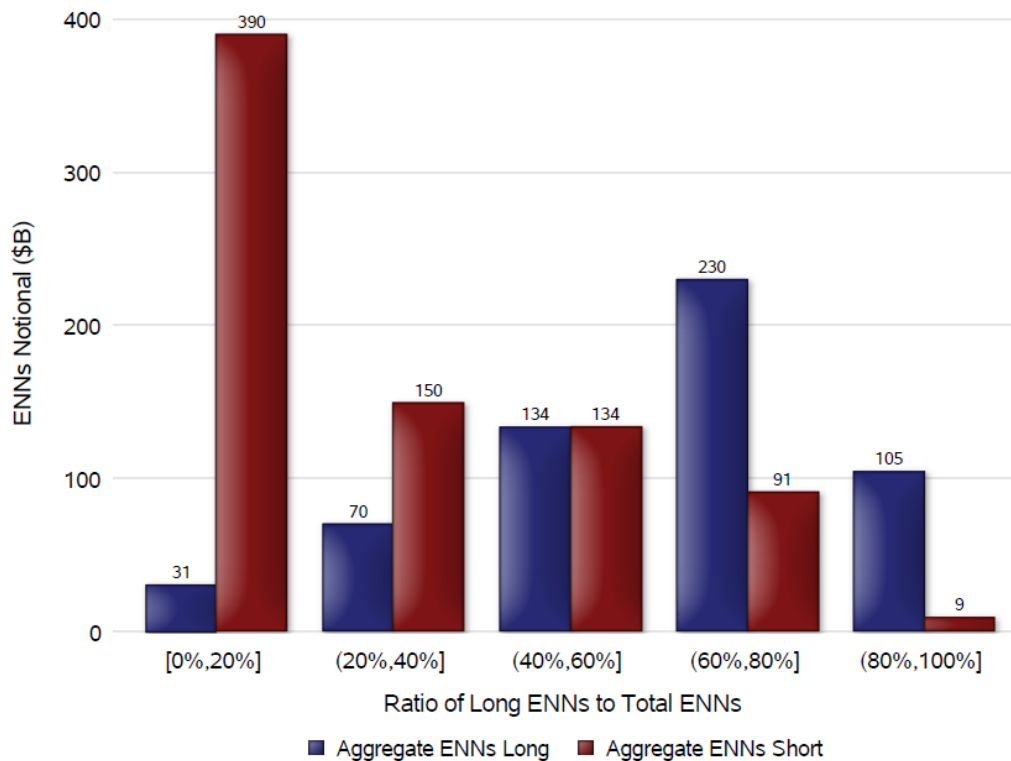


Figure 5: Histogram of Pension Fund ENNs

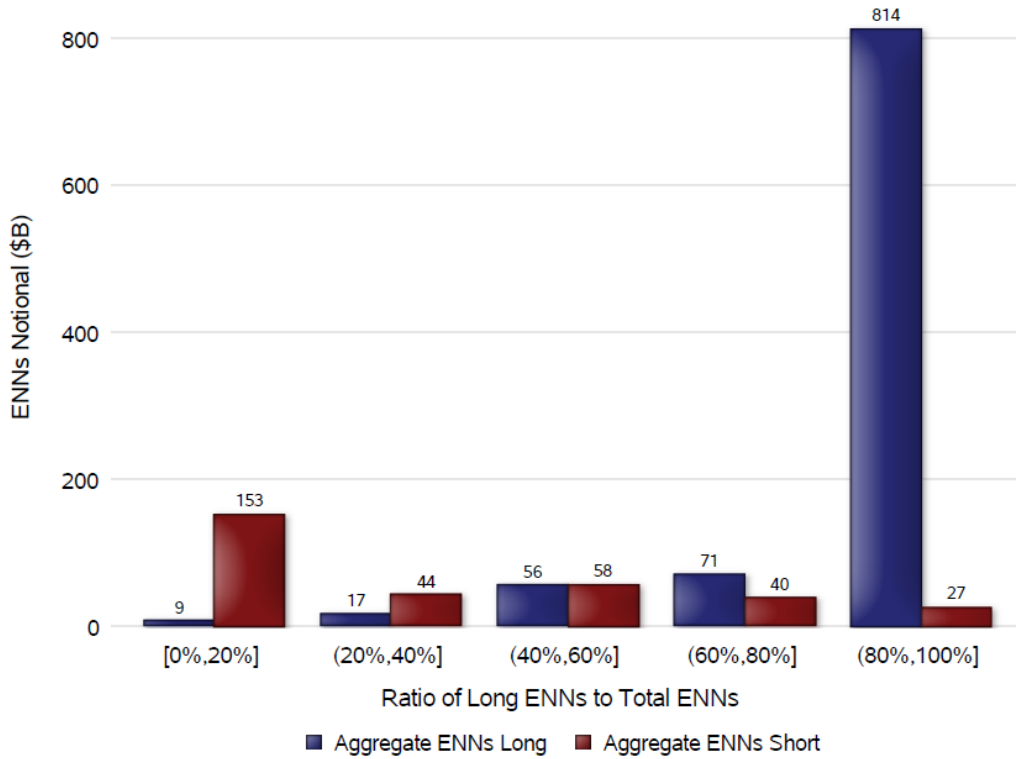


Figure 6: Histogram of Insurance Company ENNs

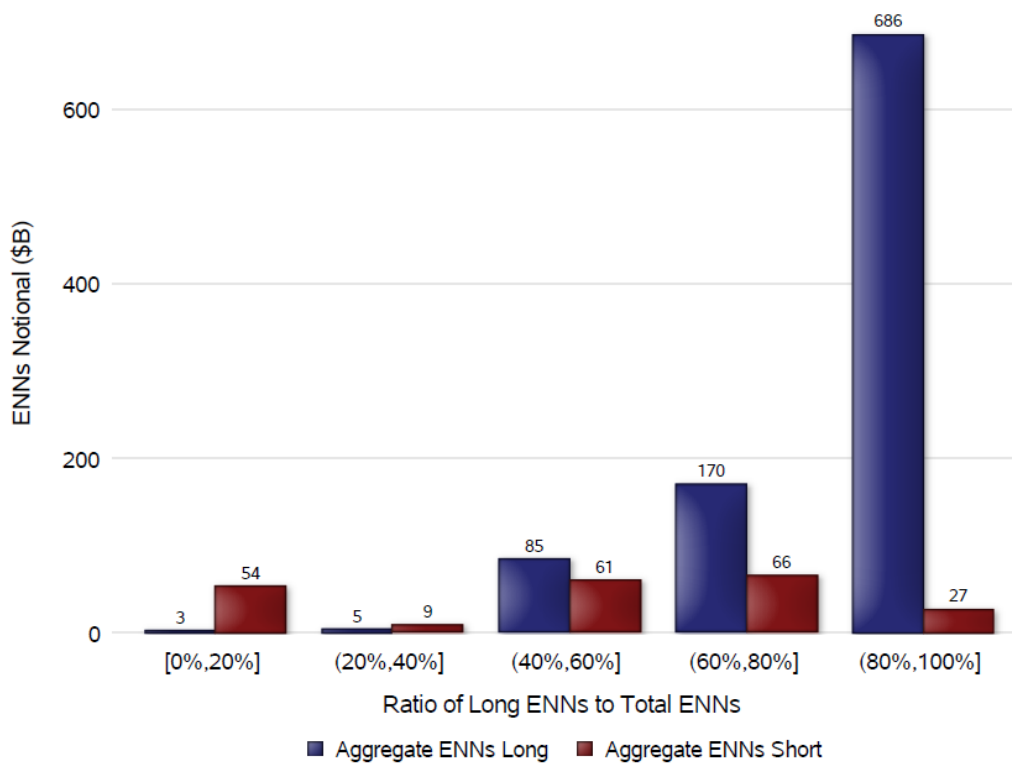


Figure 7: Histogram of Non-Financial Corporate ENNs

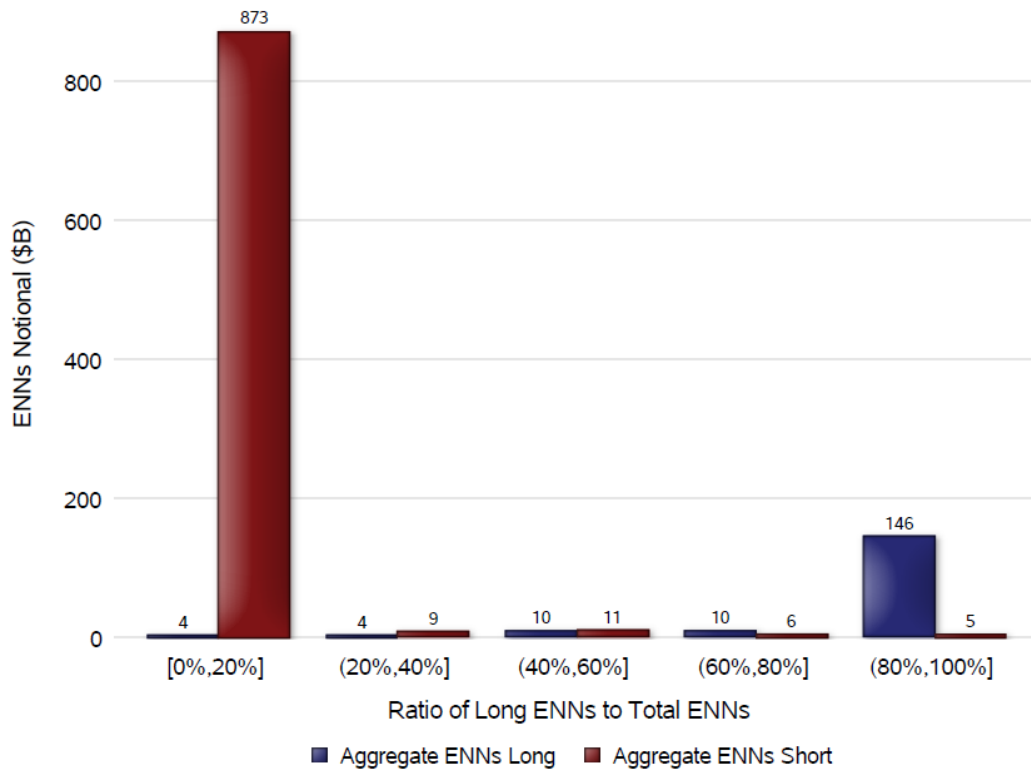


Figure 8: Histogram of Gov't/Quasi-Gov't ENNs

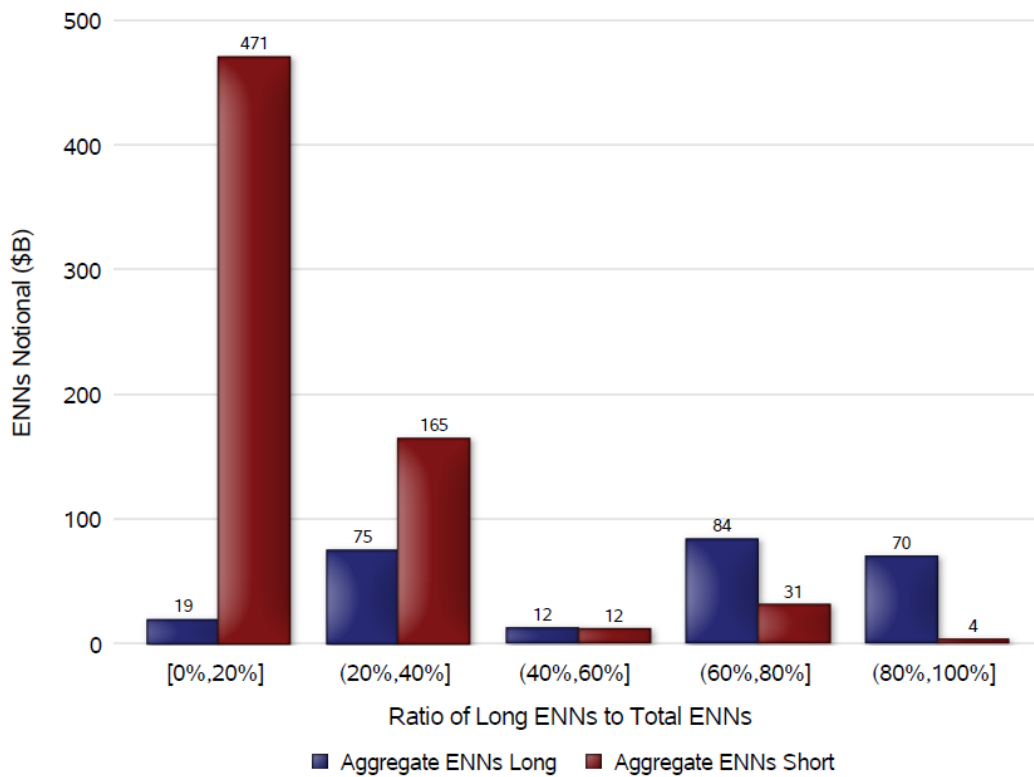


Figure 9: Histogram of Other Financials ENNs

