

Introducing ENNs: A Measure of the Size of Interest Rate Swap Markets

Update as of September 11, 2020

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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 September 11, 2020.

Table 1: Notional Amounts and ENNs by Sector (\$ Trillions)³

| Sector (1) | Long (2) | Short (3) | Long (4) | Short (5) | ENNs Long (6) | ENNs Short (7) | ENNs Net (8) |
|-----------------|--------------|--------------|--------------|--------------|---------------|----------------|--------------|
| Swap Dealer | 158.7 | 158.8 | 100.6 | 98.9 | 9.3 | 7.6 | 1.7 |
| Hedge Fund | 19.5 | 16.8 | 6.3 | 6.2 | 0.9 | 0.7 | 0.1 |
| Bank | 18.2 | 19.5 | 15.2 | 17.2 | 1.3 | 3.2 | -1.9 |
| Other Financial | 6.3 | 6.2 | 5.4 | 5.2 | 0.8 | 0.6 | 0.2 |
| Asset Manager | 2.6 | 2.8 | 1.9 | 2.2 | 0.7 | 1.0 | -0.2 |
| Pension | 1.6 | 1.2 | 3.0 | 2.1 | 1.2 | 0.3 | 0.9 |
| Govt/Quasi-Govt | 1.6 | 1.7 | 1.4 | 1.7 | 0.4 | 0.7 | -0.3 |
| Nonfinancial | 0.3 | 1.4 | 0.2 | 1.0 | 0.2 | 1.0 | -0.8 |
| Insurance | 1.1 | 0.9 | 2.4 | 1.7 | 1.0 | 0.3 | 0.7 |
| Unclassified | 0.6 | 1.3 | 0.5 | 1.0 | 0.2 | 0.7 | -0.5 |
| CCP Adj | 0.3 | 0.1 | 0.3 | 0.1 | 0.3 | 0.1 | 0.1 |
| Total | 210.7 | 210.7 | 137.1 | 137.1 | 16.1 | 16.1 | 0.0 |

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

³The columns may not aggregate to the total and the difference between columns (6) and (7) may not always be identical to column (8) due to rounding.

Table 2: Notional Amounts and ENNs by product type (\$ Trillions)^{3,4}

| Product | Notional (\$tns) | | Notional 5-Year Equivalents (\$tns) | |
|--------------------------|------------------|-------|-------------------------------------|-------------|
| | Long | Short | Long | ENNs Long |
| Fixed-for-Floating Swaps | 118.0 | | 117.8 | 13.7 |
| FRAs | 41.3 | | 1.7 | 0.2 |
| OIS | 31.0 | | 8.5 | 1.0 |
| Swaptions | 12.2 | | 8.9 | 1.0 |
| Cap/Floor | 7.9 | | 0.1 | 0.0 |
| CCP Adj | 0.3 | | 0.3 | 0.3 |
| Total | 210.7 | | 137.3 | 16.1 |

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

| Currency | Notional (\$tns) | | Notional 5-Year Equivalents (\$tns) | |
|--------------|------------------|-------|-------------------------------------|-------------|
| | Long | Short | Long | ENNs Long |
| USD | 74.6 | | 46.3 | 7.6 |
| EUR | 64.8 | | 52.9 | 4.8 |
| GBP | 23.7 | | 12.8 | 1.5 |
| AUD | 9.3 | | 3.8 | 0.3 |
| JPY | 7.1 | | 6.4 | 0.6 |
| CAD | 6.8 | | 4.0 | 0.3 |
| Other | 24.4 | | 11.1 | 1.2 |
| Total | 210.7 | | 137.3 | 16.1 |

Table 4: Clearing percentages by sector (\$ Trillions), including clearing ratios³

| Sector | Notional Amounts (\$tns) | | | | Notional Amounts in 5-Year Equivalents (\$tns) | | | |
|-----------------|--------------------------|-----------------|--------------|-----------------|------------------------------------------------|-----------------|-------------|-----------------|
| | Long | Cleared Percent | Short | Cleared Percent | ENNs Long | Cleared Percent | ENNs Short | Cleared Percent |
| Swap Dealer | 158.7 | 86 | 158.8 | 86 | 9.3 | 35 | 7.6 | 24 |
| Hedge Fund | 19.5 | 84 | 16.8 | 86 | 0.9 | 54 | 0.7 | 58 |
| Bank | 18.2 | 93 | 19.5 | 93 | 1.3 | 51 | 3.2 | 79 |
| Other Financial | 6.3 | 89 | 6.2 | 88 | 0.8 | 40 | 0.6 | 53 |
| Asset Manager | 2.6 | 77 | 2.8 | 79 | 0.7 | 70 | 1.0 | 76 |
| Pension | 1.6 | 63 | 1.2 | 69 | 1.2 | 43 | 0.3 | 53 |
| Govt/Quasi-Govt | 1.6 | 64 | 1.7 | 74 | 0.4 | 19 | 0.7 | 54 |
| Nonfinancial | 0.3 | 5 | 1.4 | 2 | 0.2 | 3 | 1.0 | 2 |
| Insurance | 1.1 | 71 | 0.9 | 65 | 1.0 | 67 | 0.3 | 33 |
| Unclassified | 0.6 | 59 | 1.3 | 33 | 0.2 | 45 | 0.7 | 22 |
| CCP Adj | 0.3 | . | 0.1 | . | 0.3 | . | 0.1 | . |
| Total | 210.7 | 86 | 210.7 | 86 | 16.1 | 42 | 16.1 | 42 |

⁴ 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

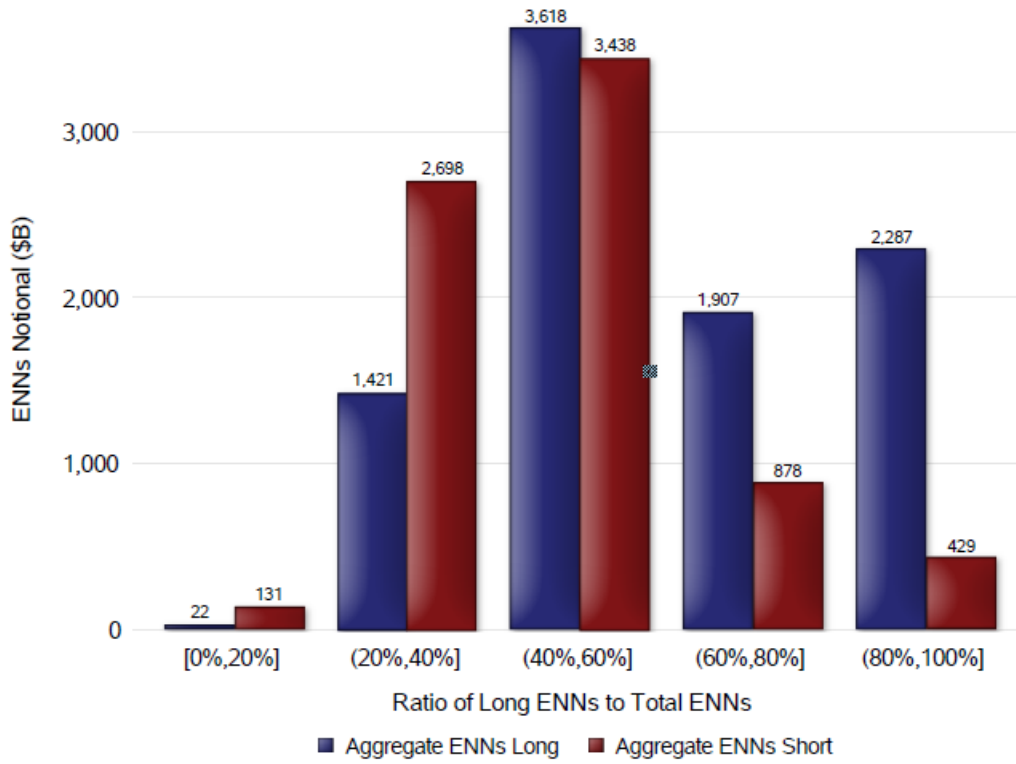


Figure 2: Histogram of Bank ENNs

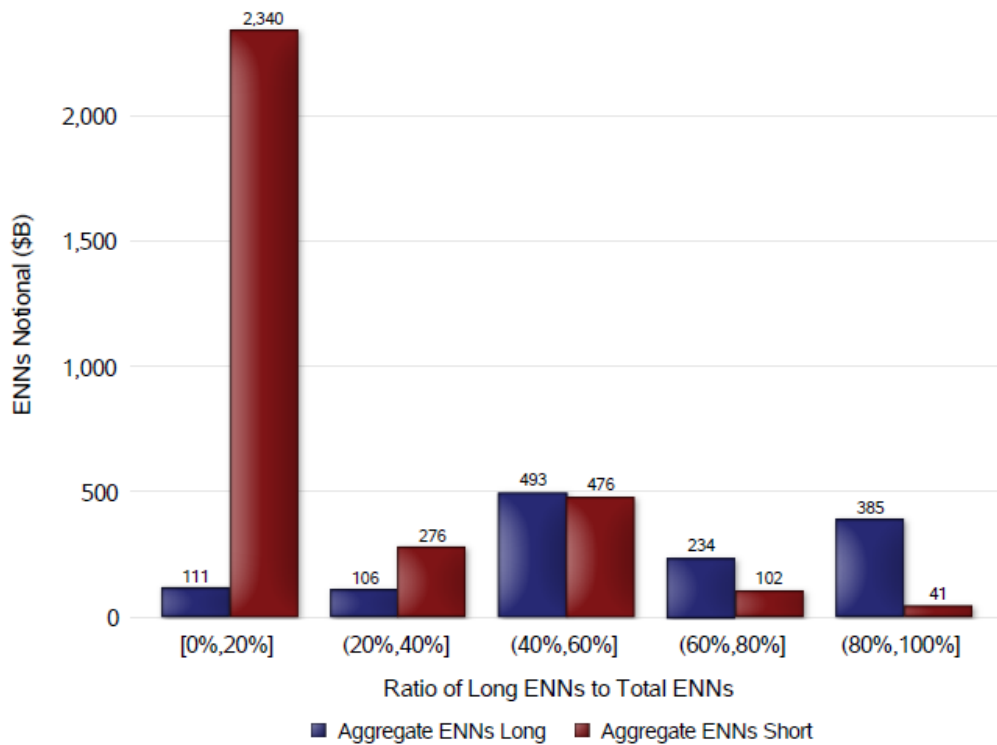


Figure 3: Histogram of Asset Manager ENNs

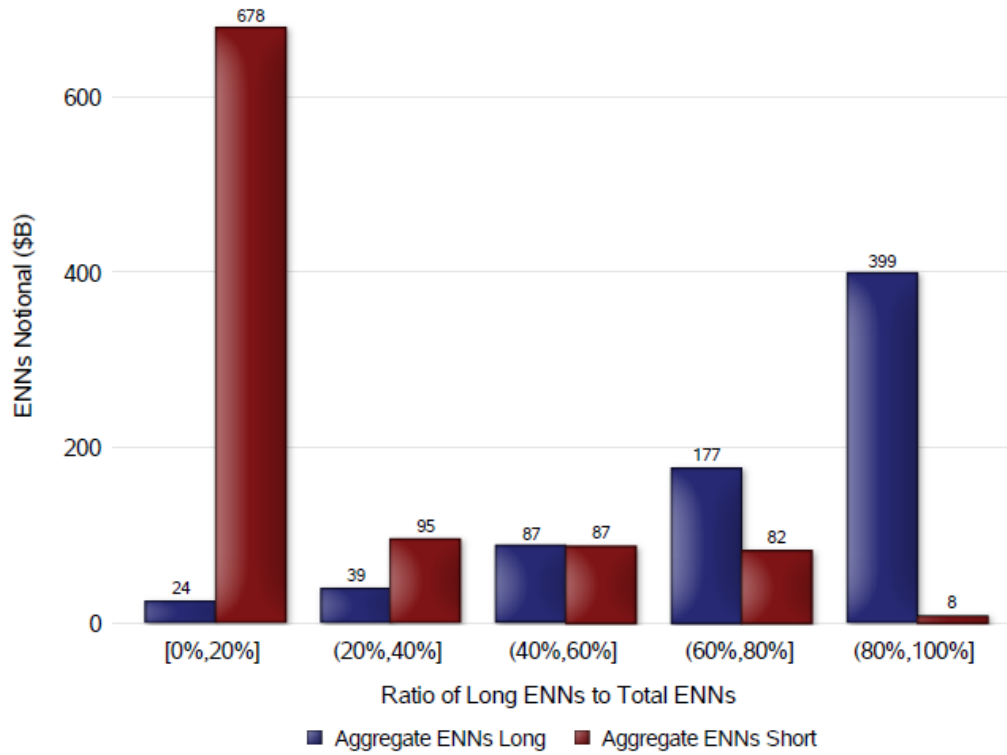


Figure 4: Histogram of Hedge Fund ENNs

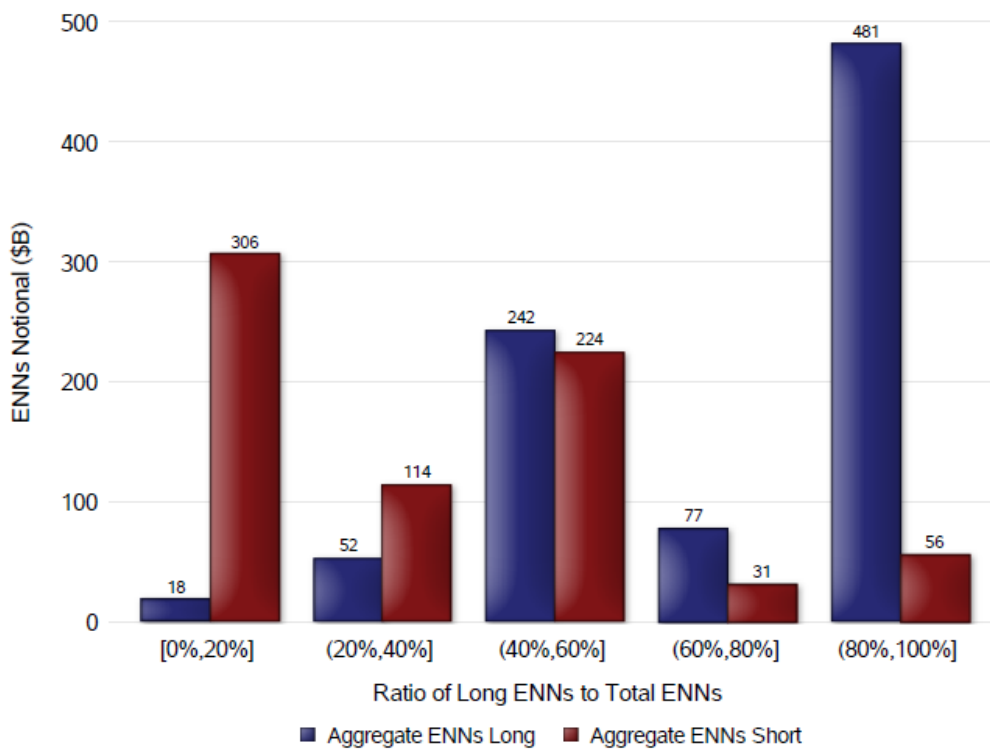


Figure 5: Histogram of Pension Fund ENNs

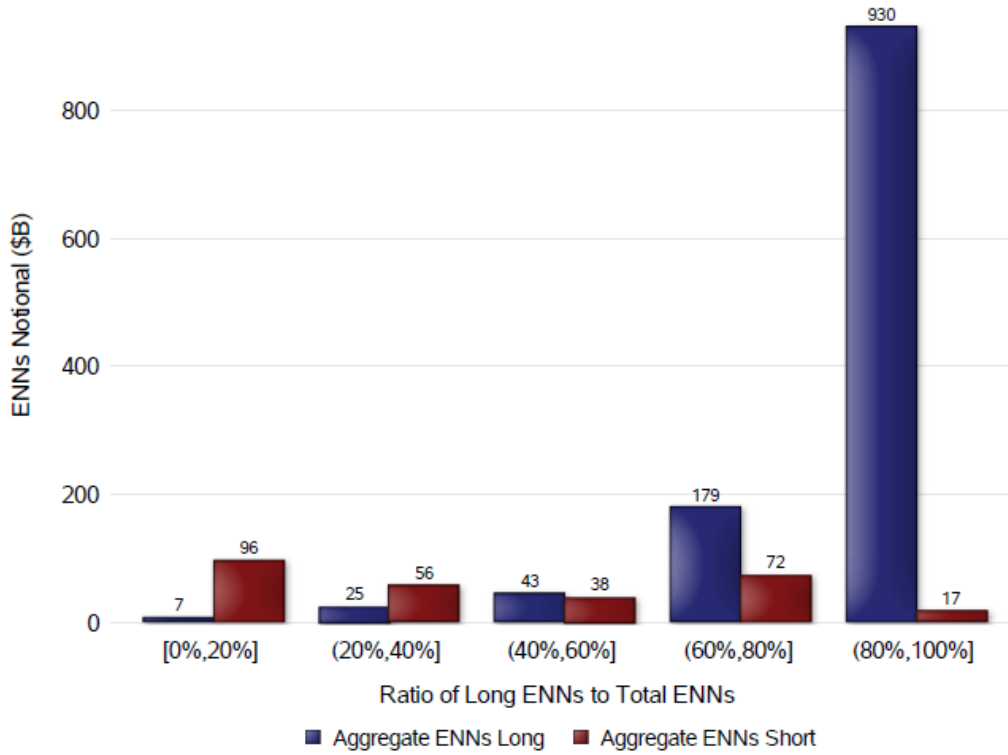


Figure 6: Histogram of Insurance Company ENNs

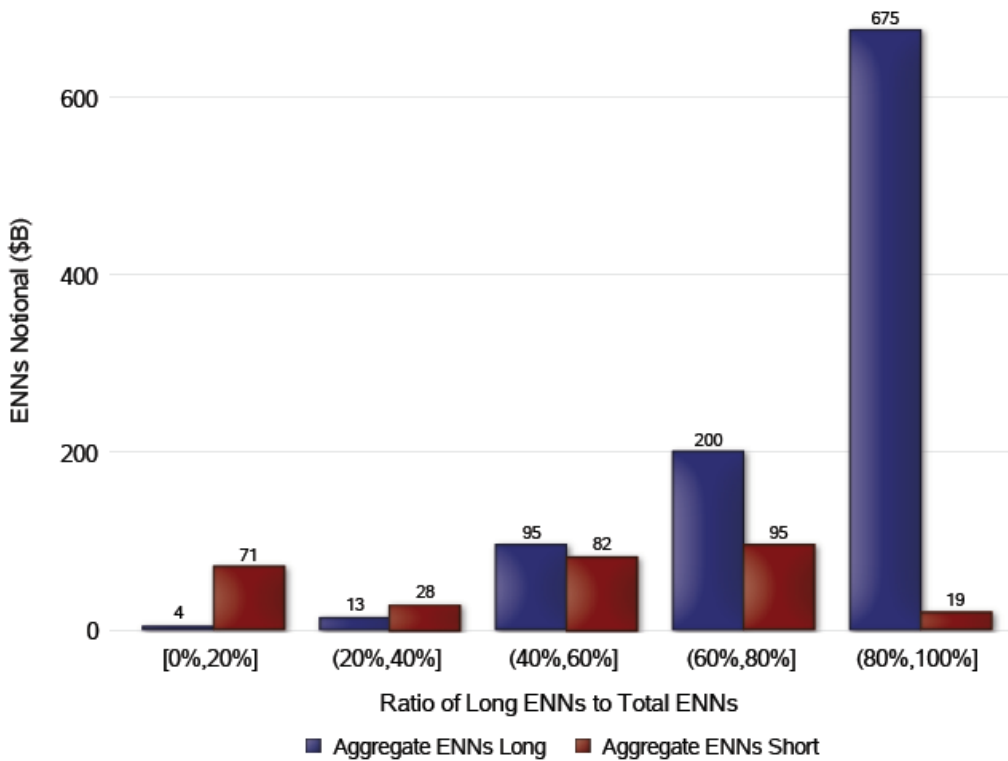


Figure 7: Histogram of Non-Financial Corporate ENNs

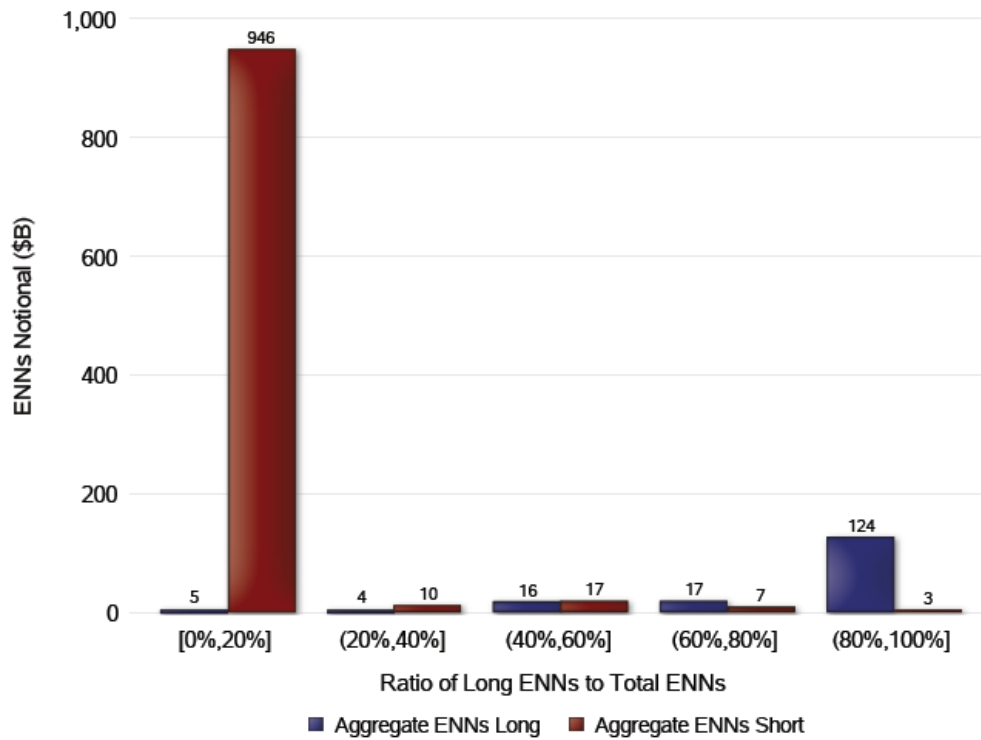


Figure 8: Histogram of Gov't/Quasi-Gov't ENNs

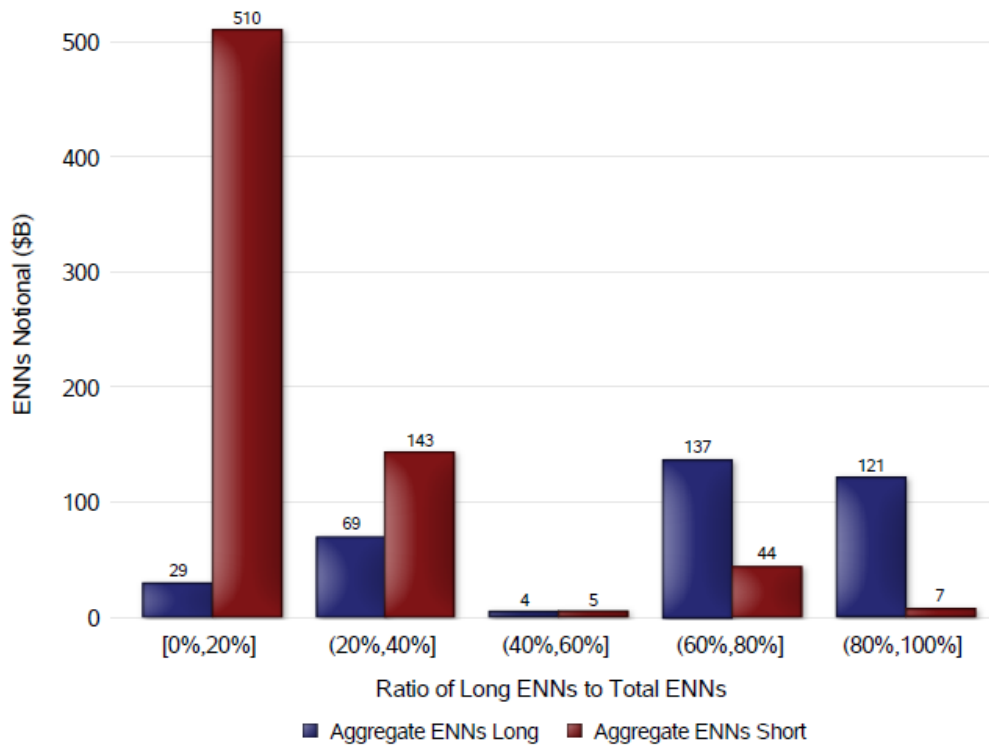


Figure 9: Histogram of Other Financials ENNs

