

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

Update as of June 12, 2020

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June 2020

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.³ The tables below represent aggregated interest rate swap position data as of June 12, 2020.

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

Sector (1)	Notional Amounts (\$tns)		Notional Amounts in 5-Year Equivalents (\$tns)				
	Long (2)	Short (3)	Long (4)	Short (5)	ENNs Long (6)	ENNs Short (7)	ENNs Net (8)
Swap Dealer	164.0	163.8	98.4	96.9	9.1	7.5	1.6
Hedge Fund	19.6	17.3	6.2	6.1	0.8	0.7	0.1
Bank	17.8	18.9	14.4	16.0	1.3	2.9	-1.6
Other Financial	6.7	6.6	5.9	5.5	0.8	0.5	0.3
Asset Manager	3.2	3.3	1.9	2.1	0.7	0.9	-0.2
Pension	1.6	1.3	3.0	2.2	1.1	0.3	0.8
Govt/Quasi-Govt	1.6	1.7	1.3	1.7	0.3	0.8	-0.5
Nonfinancial	0.3	1.5	0.2	1.1	0.2	1.0	-0.8
Insurance	1.1	0.9	2.3	1.7	0.9	0.3	0.6
Unclassified	0.6	1.3	0.6	1.0	0.3	0.7	-0.4
CCP Adj	0.2	0.1	0.3	0.2	0.3	0.2	0.1
Total	216.7	216.7	134.5	134.5	15.8	15.8	0.0

¹ This 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.

² Bruce Tuckman is a consultant with the Office of the Chief Economist. He served as the Commission's Chief Economist between August 2017 and July 2020.

³ The link to the original paper can be found [here](#).

Table 2: Notional Amounts and ENNs by product type (\$ Trillions) ⁴

Product	Notional (\$tns)		Notional 5-Year Equivalents (\$tns)	
	Long		Long	ENNs Long
Fixed-for-Floating Swaps	119.1		114.9	13.2
FRAs	43.5		1.8	0.2
OIS	34.7		8.3	1.0
Swaptions	13.0		9.1	1.1
Cap/Floor	6.2		0.1	0.0
CCP Adj	0.2		0.3	0.3
Total	216.7		134.5	15.8

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

Currency	Notional (\$tns)		Notional 5-Year Equivalents (\$tns)	
	Long		Long	ENNs Long
USD	82.0		46.9	7.6
EUR	62.4		49.5	4.6
GBP	21.3		12.8	1.5
AUD	11.2		3.6	0.2
JPY	8.2		7.2	0.6
CAD	7.1		3.7	0.2
Other	24.5		10.8	1.1
Total	216.7		134.5	15.8

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

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	164.0	86	163.8	87	9.1	33	7.5	24
Hedge Fund	19.6	86	17.3	88	0.8	51	0.7	52
Bank	17.8	92	18.9	93	1.3	50	2.9	79
Other Financial	6.7	88	6.6	88	0.8	37	0.5	41
Asset Manager	3.2	78	3.3	79	0.7	66	0.9	73
Pension	1.6	60	1.3	66	1.1	39	0.3	45
Govt/Quasi-Govt	1.6	66	1.7	73	0.3	19	0.8	54
Nonfinancial	0.3	6	1.5	2	0.2	3	1.0	2
Insurance	1.1	68	0.9	63	0.9	63	0.3	32
Unclassified	0.6	60	1.3	36	0.3	69	0.7	28
CCP Adj	0.2		0.1		0.3		0.2	
Total	216.7	86	216.7	86	15.8	40	15.8	40

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

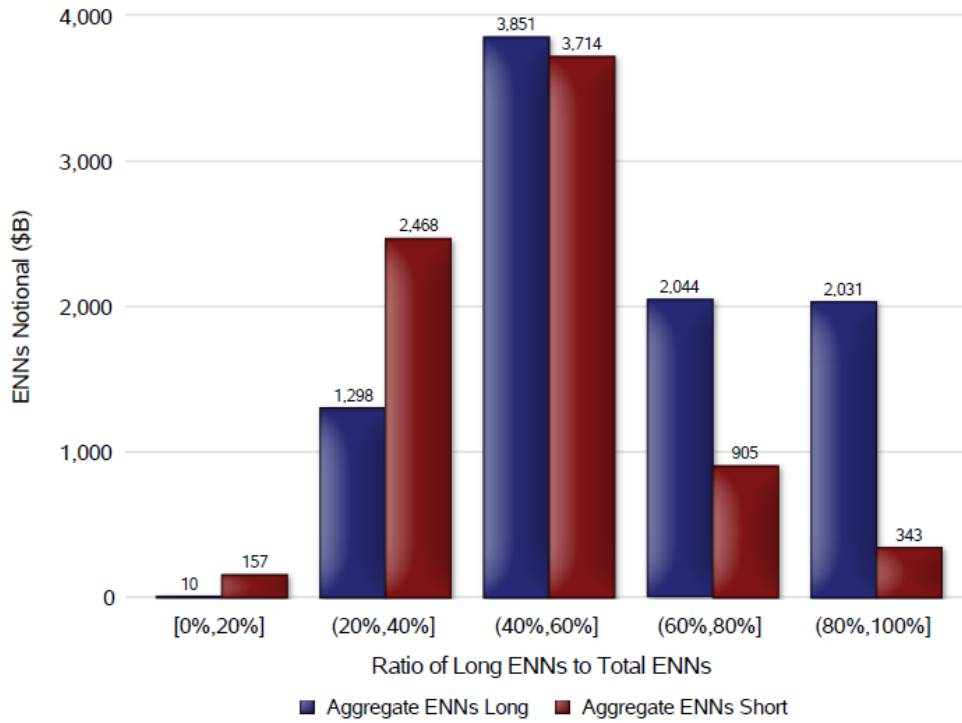


Figure 2: Histogram of Bank ENNs

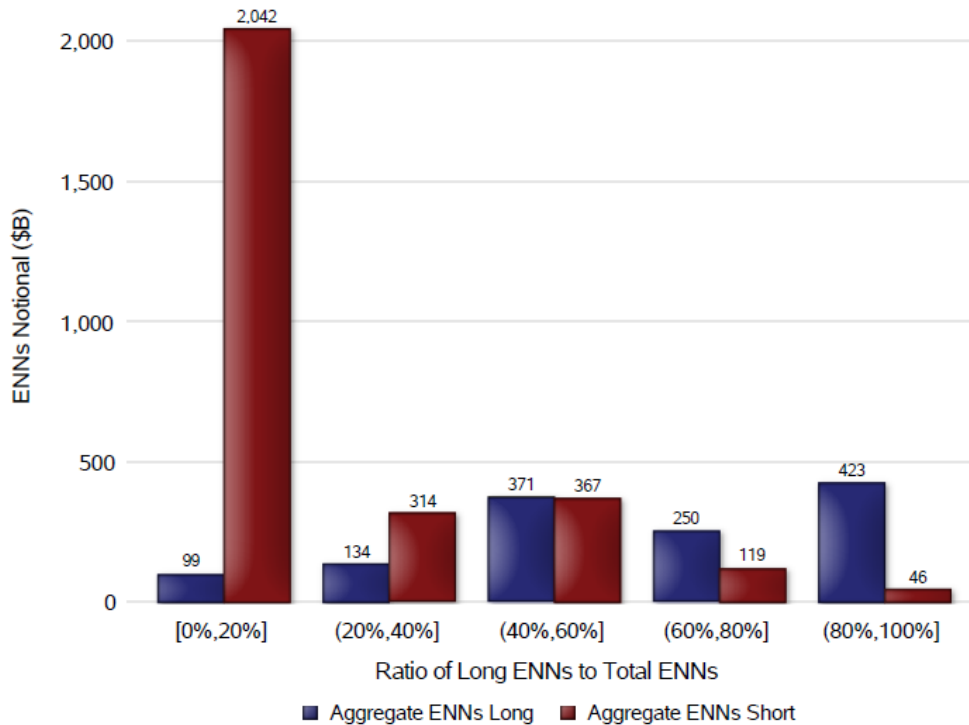


Figure 3: Histogram of Asset Manager ENNs

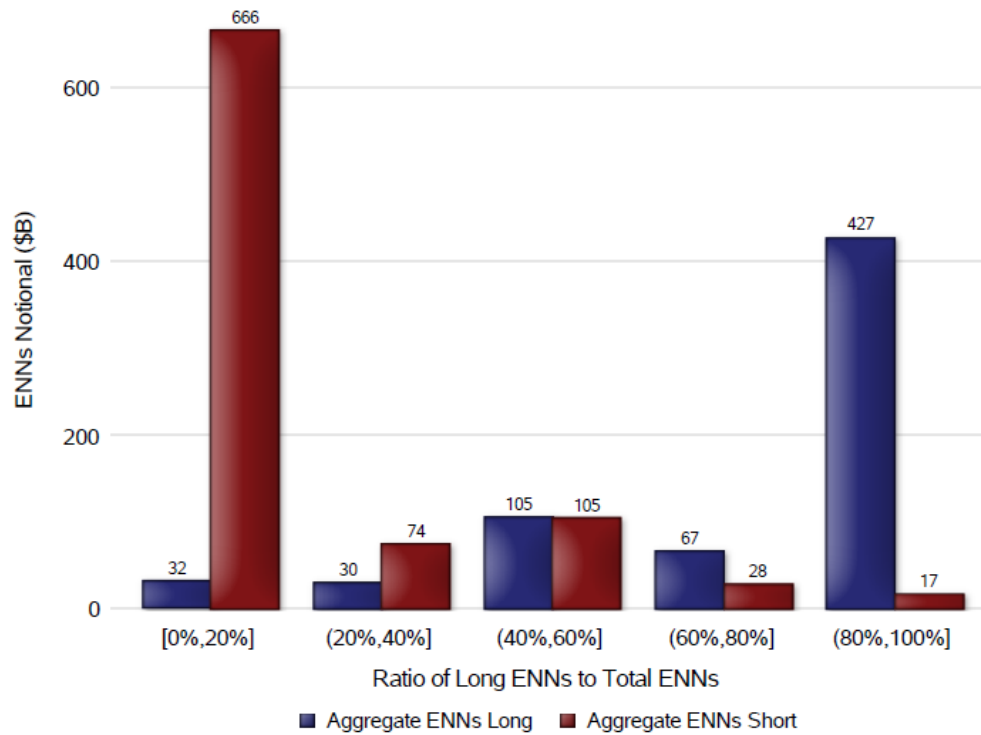


Figure 4: Histogram of Hedge Fund ENNs

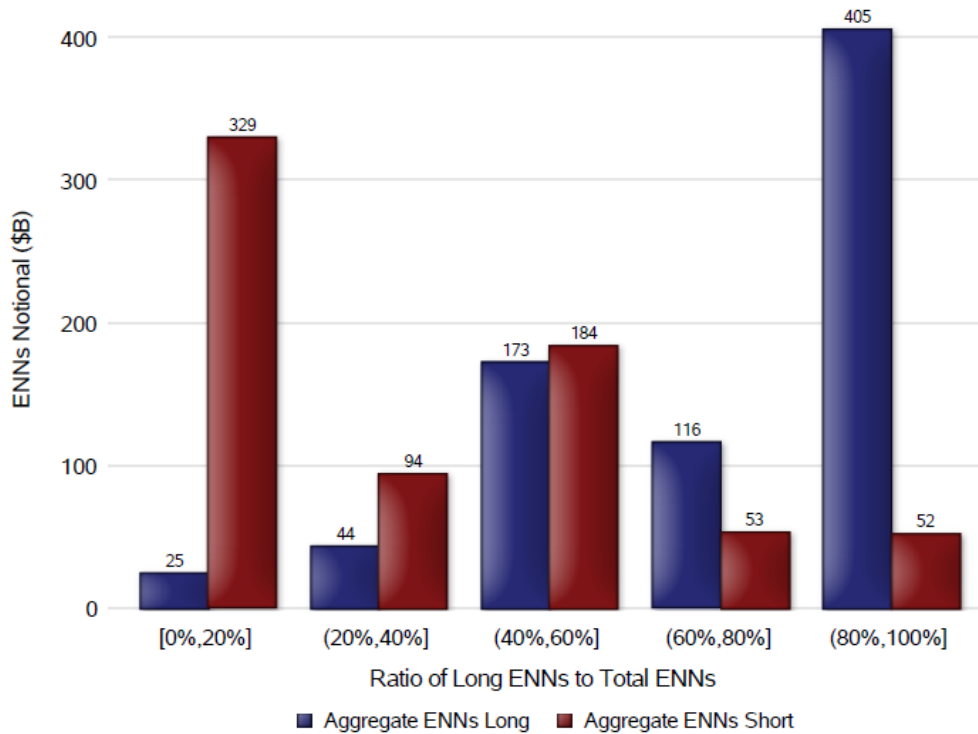


Figure 5: Histogram of Pension Fund ENNs

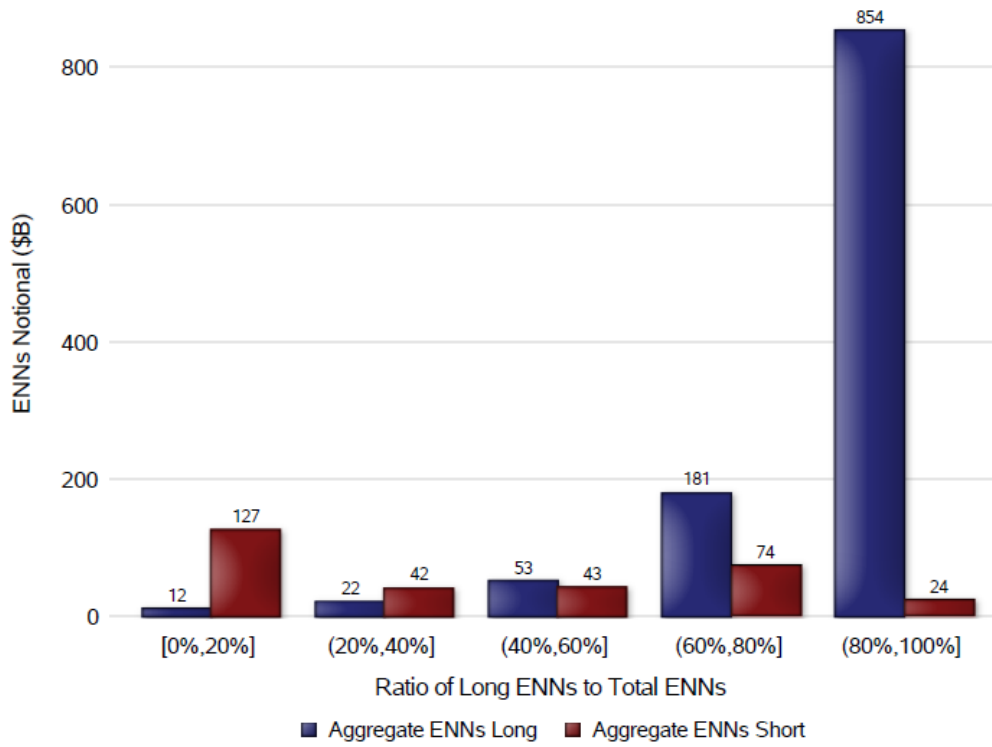


Figure 6: Histogram of Insurance Company ENNs

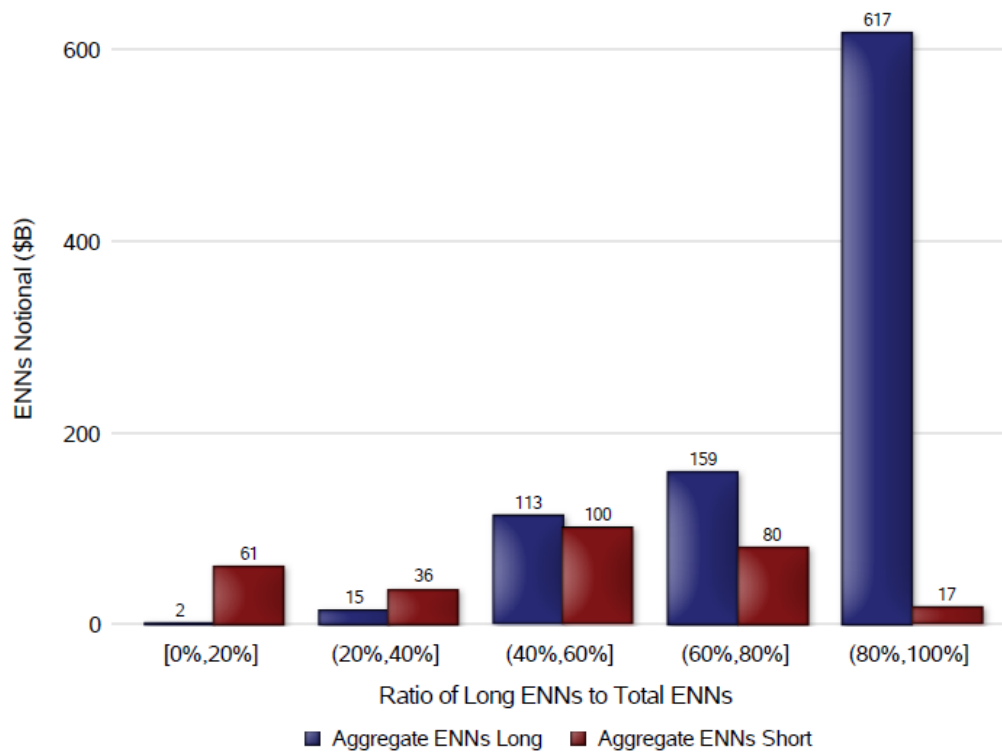


Figure 7: Histogram of Non-Financial Corporate ENNs

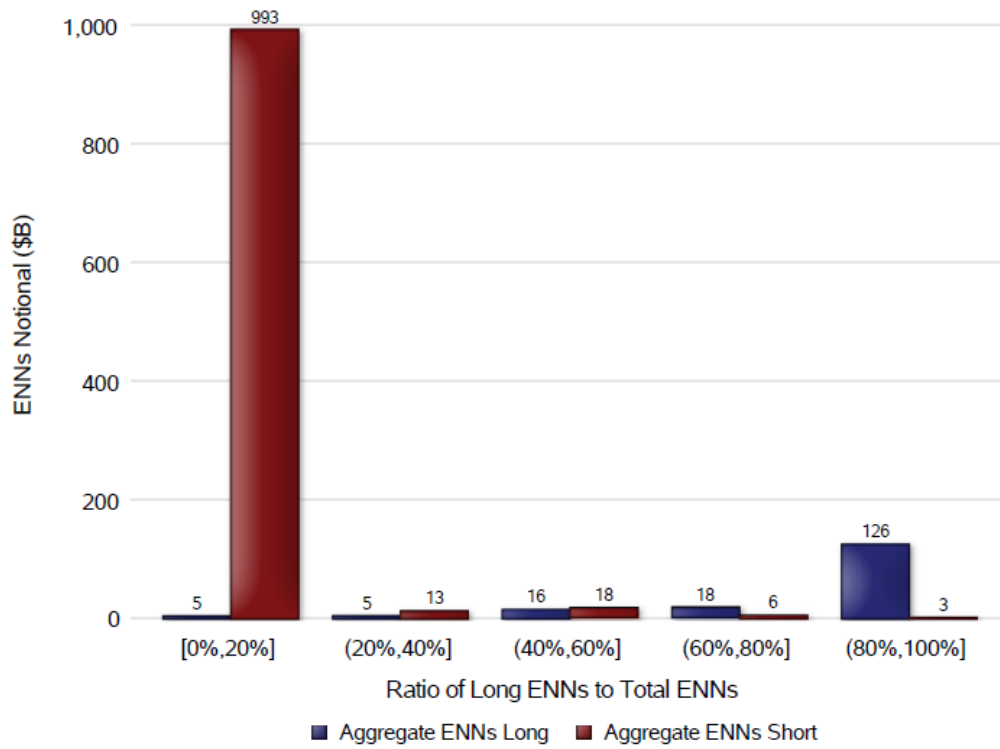


Figure 8: Histogram of Gov't/Quasi-Gov't ENNs

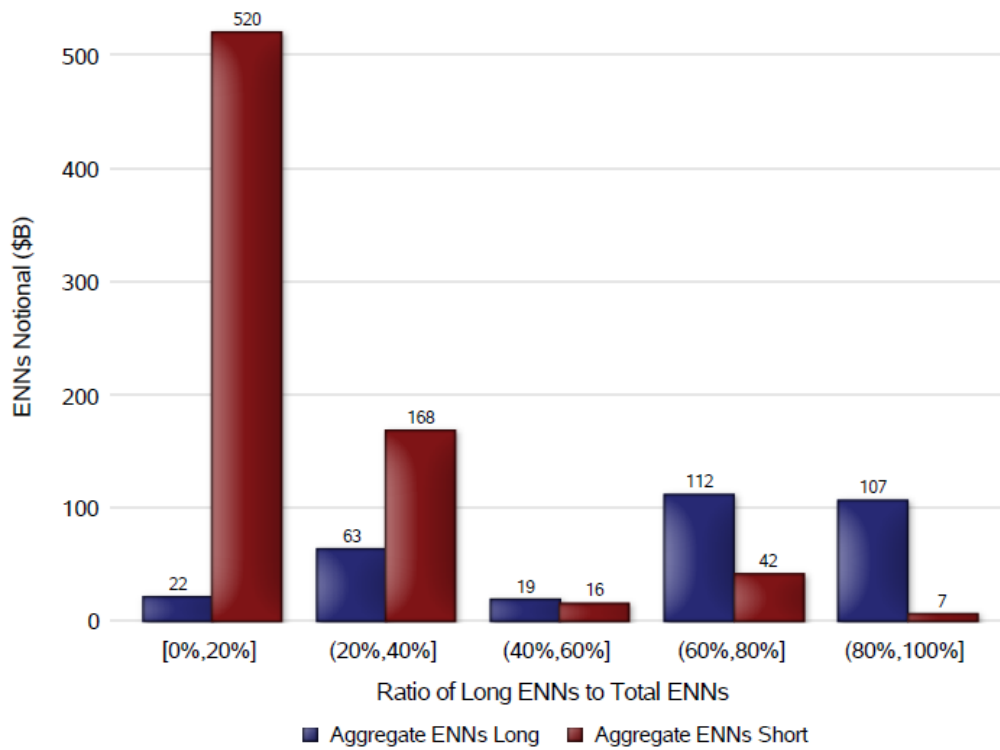


Figure 9: Histogram of Other Financials ENNs

