

# ICE Credit Derivative Services 2Q 2022 Update

## Clearing Highlights

- **Continued and compelling growth of cleared index notional amounts at ICE during 2Q 2022**
  - Client and combined client/dealer index notional amounts cleared at ICE during 2Q 2022 were at least double those cleared at ICE in 2Q 2021
  - iTraxx Europe/Crossover ICE quarterly notional grew 133% and 124% year-over-year (YOY) for client and combined client/dealer businesses, respectively
  
- **Meaningful YOY growth of ICE cleared EUR corporate Single Name (SN) and Sovereign SN notional amounts**
  - 45% and 22% YOY growth of 2Q combined client/dealer notional amount for EUR corporate and Sovereign SNs, respectively
  - 51% and 55% YOY growth of 2Q client notional amount for EUR corporate and Sovereign SNs, respectively
  
- **Continued ICE dominance of EUR iTraxx cleared volumes, with 88% ICE share of cleared notional amount for combined client/dealer business**
  - Increase of 2 points over LCH relative to full-year (FY) 2021 share of notional amount
  
- **ICE Clear Credit continues to be the clearinghouse of choice for both European and North American domiciled market participants**
  - Clearing services available to firms in the European Union, UK, Canada, Singapore, and Switzerland
  - Greatest liquidity across all product categories; the only clearinghouse to offer Sovereign SNs<sup>1</sup> and Asia-Pacific and Emerging Market SNs and indices
  - Best-in-class default management / porting execution

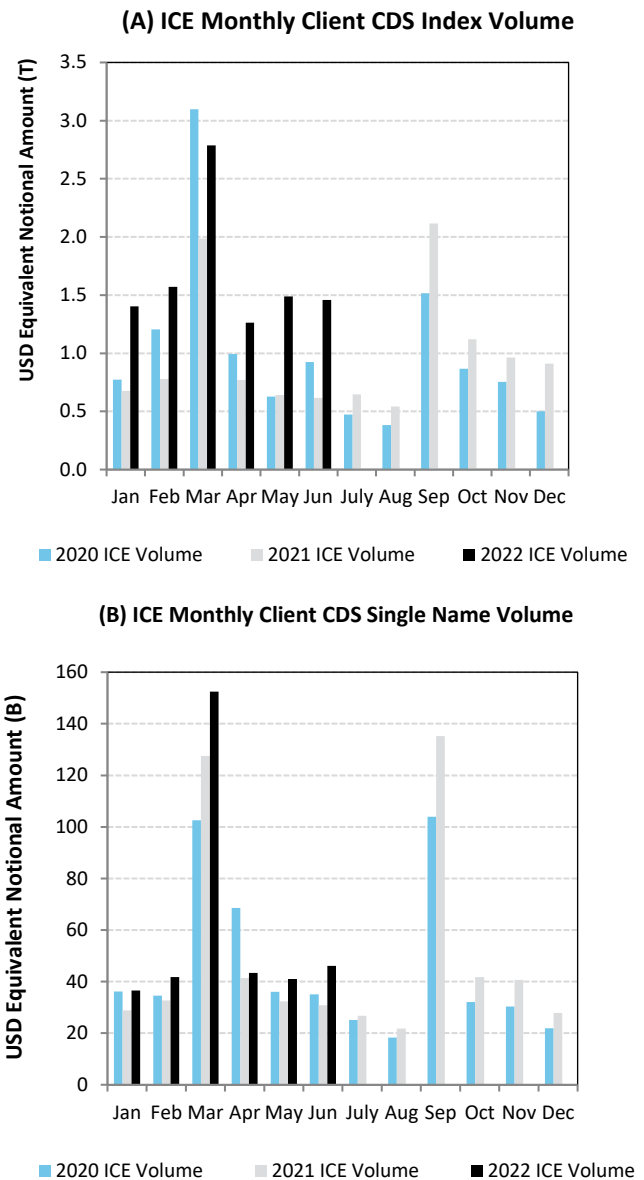


Figure 1: ICE monthly client clearing notional amounts from January 2020 through June 2022

- Capital efficient Initial Margin requirements reflecting the actual portfolio risk of the overall trading strategy

<sup>1</sup> ICE Clear Credit clears SNs referencing 39 sovereign entities. ICE Clear Europe clears SNs referencing 7 Western European sovereign entities. LCH does not clear sovereign SNs.

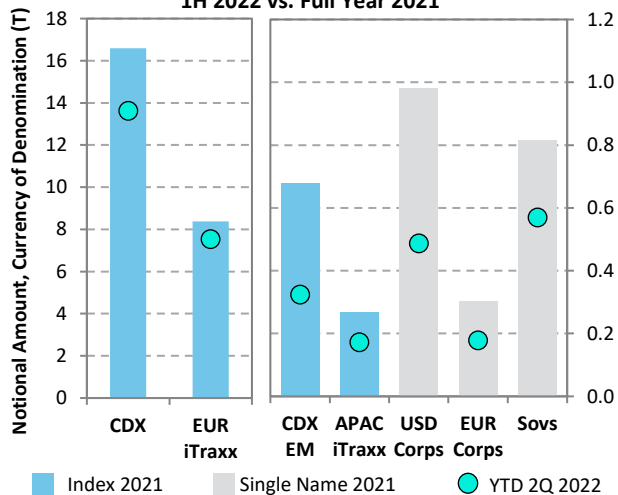
**(A) Combined 1H 2022 Client/Dealer Notional Amount in Currency of Denomination or USD Equivalent for Combined Currencies, Share of Notional Amount, and Change in Share Relative to FY 2021**

Instrument Category	Notional Amount	ICC Share (%)	ICEU Share (%)	LCH Share (%)
All	28.9T	81.75 (+0.75)	12.25 (0)	6.00 (-0.75)
CDX	14.0T	97.25 (+0.25)	2.25 (-0.50)	0.50 (+0.25)
EUR iTraxx	11.7T	64.50 (+1.75)	23.50 (+0.25)	12.00 (-2.00)
APAC iTraxx	175B	100	-	-
CDX EM	325B	100	-	-
Sovereign SN	600B	95.25 (+3.25)	4.75 (-3.25)	-
USD Corp. SN	525B	100 (0)	-	0.00 (0)
EUR Corp. SN	475B	37.75 (-3.50)	31.75 (+1.25)	30.5 (+2.25)

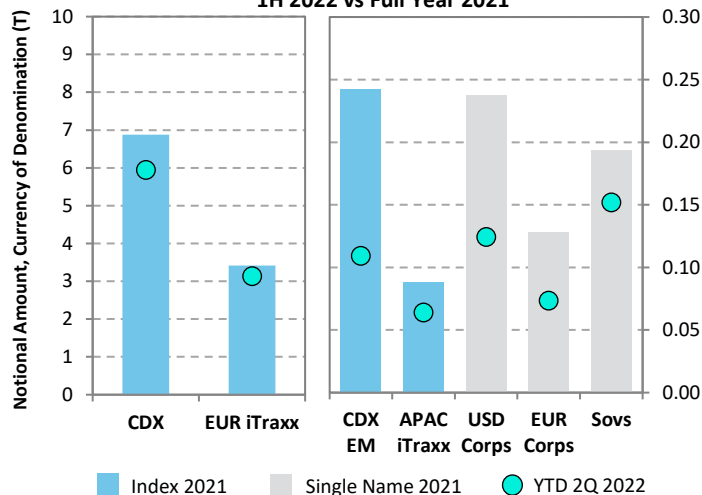
**(B) 1H 2022 ICE Client Notional Amount in Currency of Denomination or USD Equivalent for Combined Currencies, Share of Notional, and Change in Share Relative to FY 2021**

Instrument Category	Notional Amount	ICC Share (%)	ICEU Share (%)
All	9.9T	96.0 (+0.25)	4.0 (-0.25)
CDX	6.0T	98.5 (+0.5)	1.5 (-0.5)
EUR iTraxx	3.4T	91.25 (0)	8.75 (0)
APAC iTraxx	50B	100	-
CDX EM	100B	100	-
Sovereign SN	150B	100 (+0.25)	0.00 (-0.25)
USD Corp. SN	125B	100	-
EUR Corp. SN	75B	94.00 (-3.25)	6.00 (+3.25)

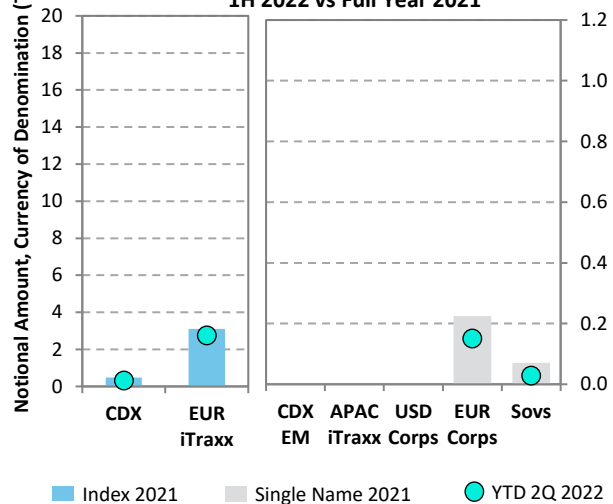
**(C) ICE Clear Credit Combined Client/Dealer CDS Volume: 1H 2022 vs. Full Year 2021**



**(D) ICE Clear Credit Client CDS Volume: 1H 2022 vs. Full Year 2021**



**(E) ICE Clear Europe Combined Client/Dealer CDS Volume: 1H 2022 vs. Full Year 2021**



**(F) ICE Clear Europe Client CDS Volume: 1H 2022 vs. Full Year 2021**

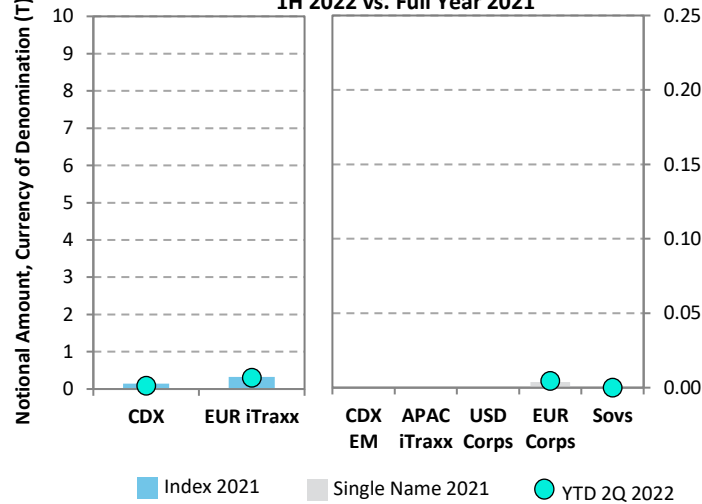


Figure 2: Cleared notional amounts in currency of denomination or USD Equivalent for combined currency values, share of cleared notional amounts and change in cleared notional amounts for 1H 2022 vs. full year 2021, by clearinghouse and instrument type. Abbreviations: CDX.IG and CDX.HY indices (**CDX**), EUR denominated iTraxx indices (**EUR iTraxx**), emerging markets CDX indices (**CDX EM**), Asia-Pacific iTraxx indices (**APAC iTraxx**), USD denominated corporate SNs (**USD Corps**), EUR denominated corporate SNs (**EUR Corps**), and sovereign SNs (**Sovs**).

- 6% ICE Clear Europe (+3.25 pts vs. FY 2021)

## 1H 2022 Cleared Volumes

### Combined Client/Dealer Volumes

- **\$28.9T combined client/dealer notional amount was cleared across all 3 CDS clearinghouses in 1H 2022**

- 69% growth YOY relative to 1H 2021

- **94% ICE share of 1H 2022 client/dealer notional amount across all product categories**

- 81.75% ICE Clear Credit (+0.75 pts vs. FY 2021)
- 12.25% ICE Clear Europe (Flat vs. FY 2021)
- 6.00% LCH (-0.75 pts vs. FY 2021)

- **88% ICE share of 1H 2022 client/dealer EUR iTraxx notional amount**

- 64.5% ICE Clear Credit (+1.75 pts vs. FY 2021)
- 23.5% ICE Clear Europe (+0.25 pts vs. FY 2021)
- 12.0% LCH (-2.00 pts vs. FY 2021)

- **ICE increased its share of cleared EUR corporate SN notional amount by 3.5 pts over LCH, from 66% in 1Q 2022 to 69.5% in 2Q 2022**

- **71% YOY increase in ICE Clear Credit client/dealer volume, growing from \$13.8T in 1H 2021 to \$23.6T in 1H 2022 (Figure 2 (C))**

- iTraxx Main/Crossover quarterly notional increased 122% from €1.3T in 2Q 2021 to €2.9T in 2Q 2022
- CDX IG/HY quarterly notional increased 99% from \$2.9T in 2Q 2021 to \$5.9T in 2Q 2022
- EUR corporate SN quarterly notional increased 50% from €52.0B in 2Q 2021 to €77.8B in 2Q 2022
- Sovereign SN quarterly notional increased 28% from \$176B in 2Q 2021 to \$225B in 2Q 2022

### Client Volumes

- **91.25% ICE Clear Credit share of ICE 1H 2022 client EUR iTraxx notional amount**

- 91.25% ICE Clear Credit (Flat vs. FY 2021)
- 8.75% ICE Clear Europe (Flat vs. FY 2021)

- **94% ICE Clear Credit share of ICE 1H 2022 client EUR corporate SN notional amount**

- 94% ICE Clear Credit (-3.25 pts vs. FY 2021)

- **81% YOY increase in ICE Clear Credit client volume, growing from \$5.5T in 1H 2021 to \$9.9T in 1H 2022 (Figure 2 (D))**

- iTraxx Main/Crossover quarterly notional increased 120% from €551B in 2Q 2021 to €1.2T in 2Q 2022
- CDX IG/HY quarterly notional increased 116% from \$1.2T in 2Q 2021 to \$2.6T in 2Q 2022
- EUR corporate SN quarterly notional increased 49% from €20.9B in 2Q 2021 to €31.1B in 2Q 2022
- Sovereign SN quarterly notional increased 55% from \$33.9B in 2Q 2021 to \$52.5B in 2Q 2022

## Historical Volumes

Figure 3 and Figure 4 provide annual cleared notional amounts at ICE from 2013 to 2022 for combined client/dealer business and client business, respectively. The visualized trends illustrate the following themes:

- Growth in combined client/dealer EUR corporate SN notional amount at ICE Clear Credit, see Figure 3(D)
- Growth in voluntary client clearing of EUR and USD corporate SNs at ICE Clear Credit, see Figure 4(B) and Figure 4(F)
- Precipitous decline in SN clearing activity at ICE Clear Europe, impacting both client and dealer volumes, see Figure 3(F) and Figure 4(D)
- Sustained growth in client clearing of Asia-Pacific iTraxx indices at ICE Clear Credit; see Figure 4(E)
- Significant 2022 YOY growth of ICE index notional amount, with year-to-date volume approaching FY 2021 values, see Figure 3(A), (C) and (E), and Figure 4(A) and (C)

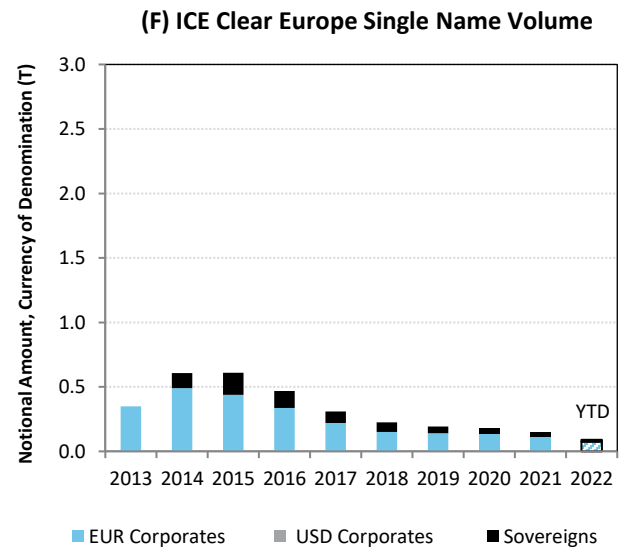
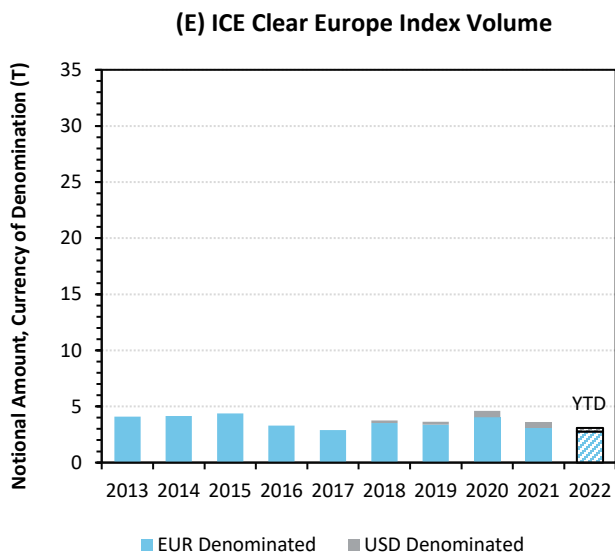
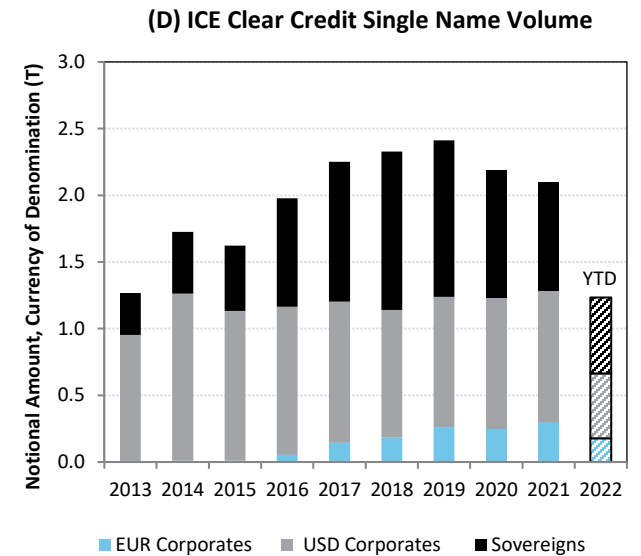
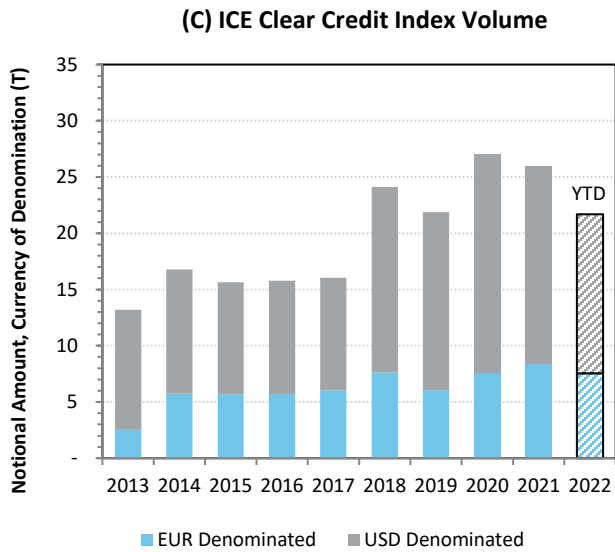
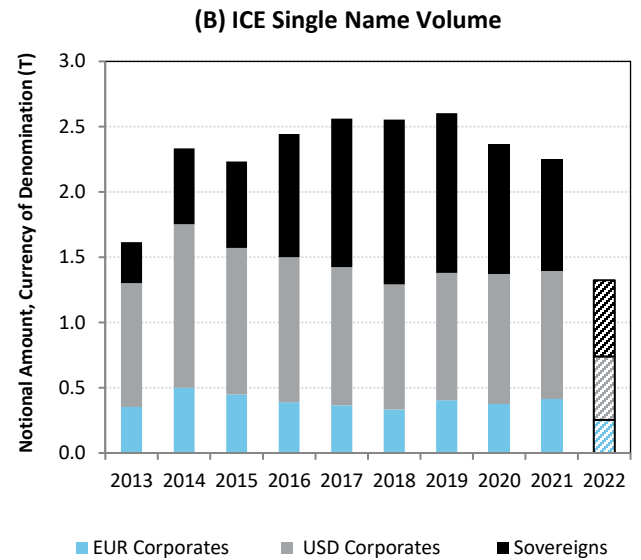
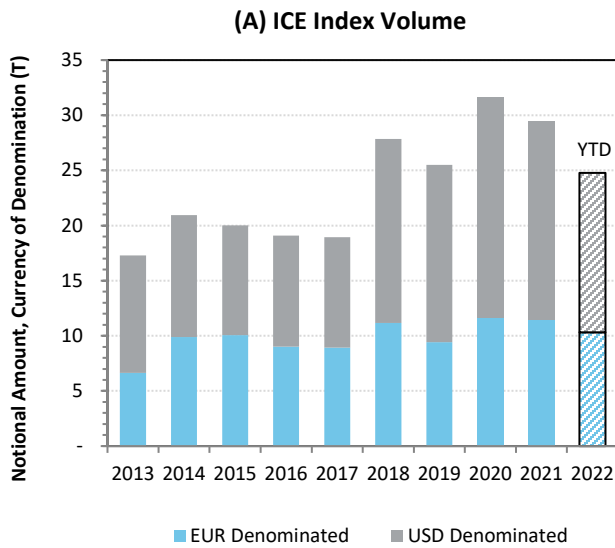


Figure 3: Combined client/dealer annual notional amounts for index and SN instruments at ICE Clear Credit, ICE Clear Europe and in total across both ICE CDS clearinghouses.

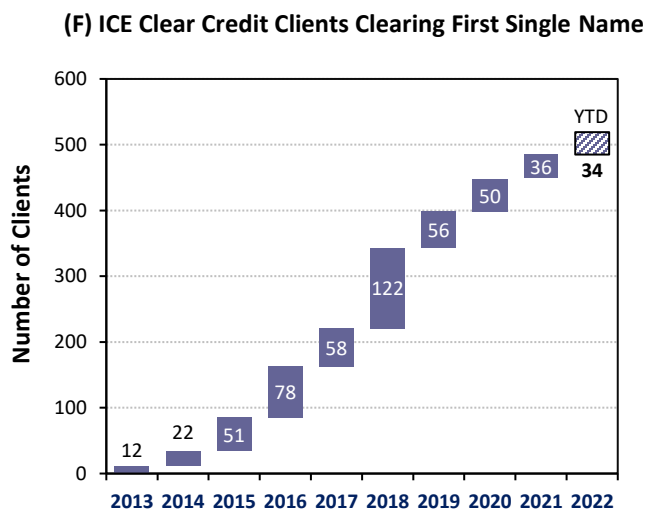
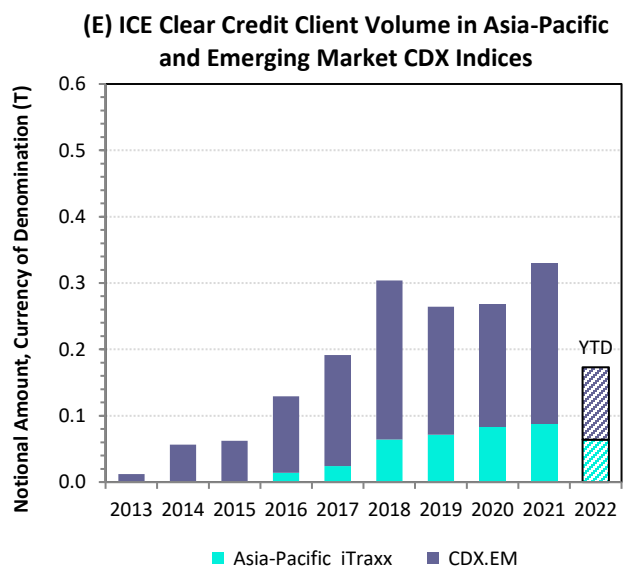
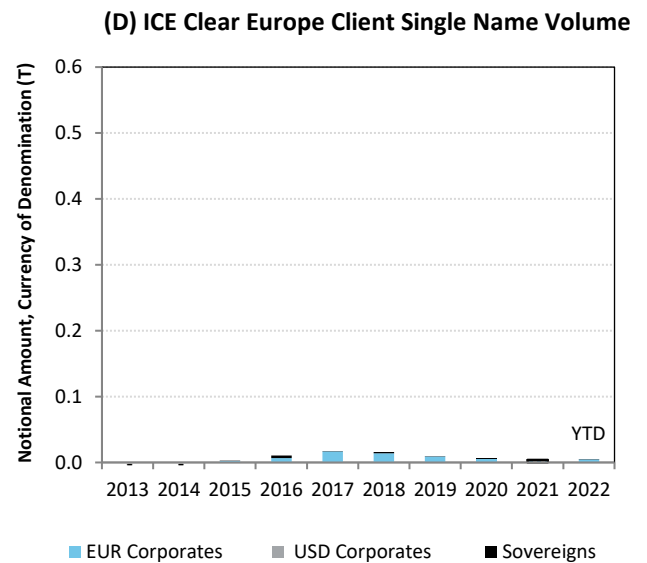
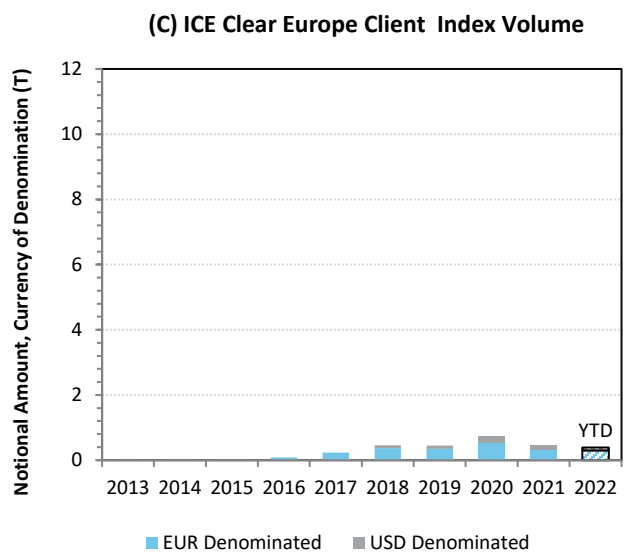
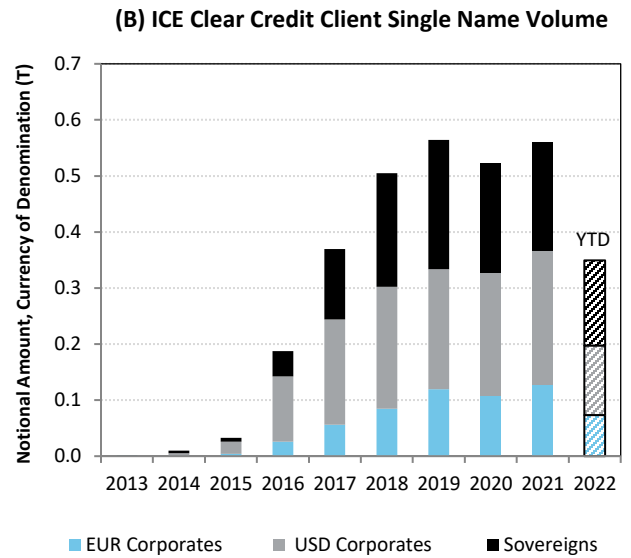
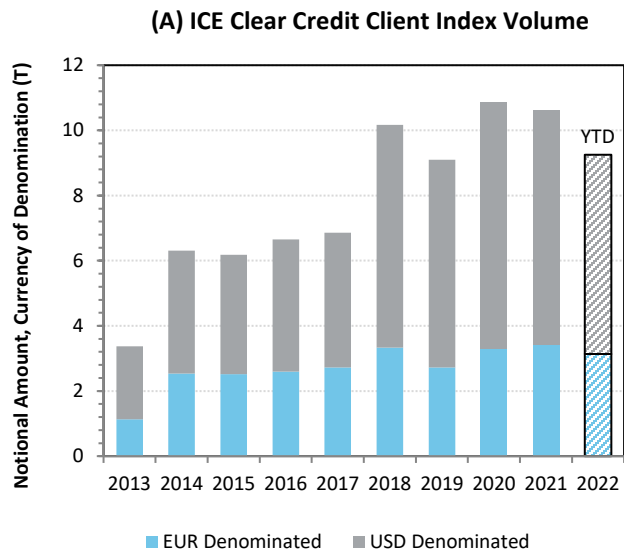


Figure 4: Index and SN annual client notional amounts cleared at ICE Clear Credit and ICE Clear Europe, and number of clients clearing their first SN at ICE Clear Credit. The notional amounts provided for USD denominated index instruments at ICE Clear Credit include the separately-shown notional amounts for Asia-Pacific iTraxx and CDX.EM indices.

## New Single Name Additions

ICE Clear Credit is planning to add on August 29, 2022, the 2 new European corporate reference entities, 3 new North American corporate reference entities, and (subject to regulatory approval) 3 new Middle Eastern sovereign reference entities detailed in Table 1.

Table 1: New SN reference entities planned to be added for clearing at ICE Clear Credit on 29 August 2022.

Reference Entity	Tier	ISDA Def.	Date
<b>European Corporate Single Names</b>			
CELLNEX TELECOM, S.A.	SNRFOR	MM14	Aug29 '22
SCHAEFFLER AG	SNRFOR	MM14	Aug29 '22
<b>North American Corporate Single Names</b>			
DANAHER CORPORATION	SNRFOR	XR14	Aug29 '22
PIONEER NATURAL RESOURCES COMPANY	SNRFOR	XR14	Aug29 '22
VISTRA OPERATIONS COMPANY LLC	SNRFOR	XR14	Aug29 '22
<b>Middle Eastern Sovereign Single Names</b>			
ARAB REPUBLIC OF EGYPT	SNRFOR	CR14	Aug29 '22
KINGDOM OF BAHRAIN	SNRFOR	CR14	Aug29 '22
SULTANATE OF OMAN	SNRFOR	CR14	Aug29 '22

## Technical Notes

### Volume Reporting

Combined client/dealer volumes are reported as double-sided, i.e., a transaction between two counterparties clearing a trade executed on a notional amount of \$10 million is reported as a volume of \$20 million.

Client volumes are reported based on the notional amount of each transaction leg associated with a buy-side counterparty. For example, a transaction between a dealer and client with a notional amount of \$10 million is reported as \$20 million combined client/dealer volume and \$10 million client volume. A transaction between two clients with a notional amount of \$10 million is reported as a combined client/dealer volume of \$20 million, and a client volume of \$20 million. Please note that the clearing volumes on the ICE website are single-sided combined client/dealer volumes, and therefore are half the respective combined client/dealer volumes reported here.