

Benchmark Rates Liquidity Monitor

November 2021 | Issue 10

ESTR trading volumes continue trending upward at an accelerated pace. SONIA trading volumes continue to dominate GBP swaps market; however, some activity still remains ahead of GBP LIBOR cessation. SOFR activity continues to rise at an accelerated pace, closing the gap with USD LIBOR. JPY TONA has now completely overtaken JPY LIBOR in both volumes and trade count.

EUR

ESTR monthly trading volumes in November reached 1,500bln. (**Chart 1**) according to the Swapsinfo data. The spike follows mid-October conversion at CCPs for all EONIA swaps to ESTR. Monthly trade count moved close to 5,000 compared 200 to 400 in the previous months (**Chart 2**). EONIA and ESTR to EURIBOR trading ratios remain consistent in 5Y+ tenors, but continued picking up at the short-end of the curve (**Charts 9 and 10**).

GBP

The transition from GBP LIBOR to SONIA in the GBP continues to progress, with the GBP LIBOR activity being only a fraction of SONIA market. According to the Swapsinfo data GBP LIBOR trade count in November remained around 5,000 versus 20,000 in SONIA (**Chart 4**). Monthly trading volumes, however, are now concentrated in SONIA swaps (3,500bln USD) rather than in GBP LIBOR (less than 500bln USD, **Charts 3 and 11**).

USD

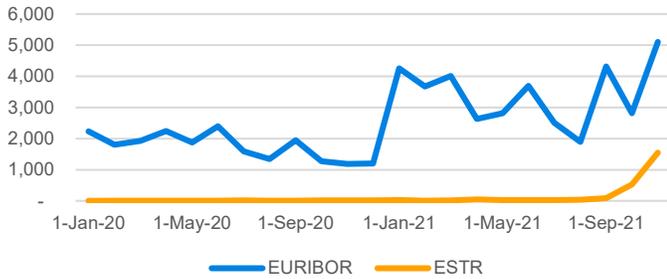
The momentum of SOFR continued through November amid the understanding that there will be no new USD LIBOR risk after the new year. Both SOFR trade volume and trade count reached new highs with SOFR volumes increasing 96% and count increasing 102% over the month (**Charts 5 and 6**). With the exception of the 5Y, the ratio of OIS to USD LIBOR monthly volumes for all maturities trended higher (**Charts 13 and 14**).

JPY

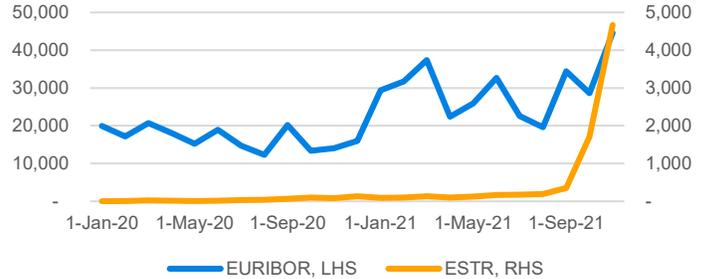
Monthly trading volume in JPY TONA almost doubled in November while for JPY LIBOR trades, the monthly trading volume continued to decline reaching a new low at 33bln in November. The monthly trade count is also rising steadily for trades linked to JPY TONA, moving from close to 2,000 last month to almost 4,000 in November. The JPY TONA to LIBOR trading volume ratios across all tenors have risen over the month, especially in 10Y and 2Y tenors. There are now more swap trades linked to JPY TONA over a similar tenor than JPY LIBOR trades across all tenors, with 2Y JPY TONA trade count almost 4 times as many as 2Y LIBOR trades.

IRS AND OIS TOTAL LIQUIDITY

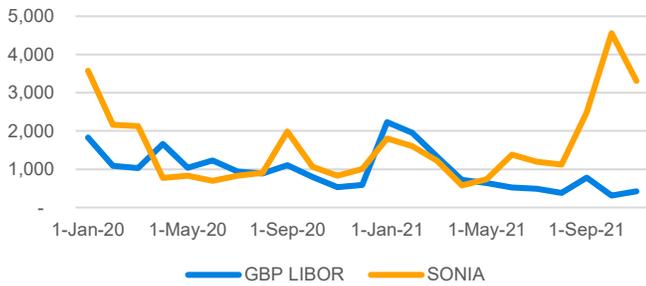
1: EURIBOR AND ESTR MONTHLY TRADING VOLUME (USD BLN)



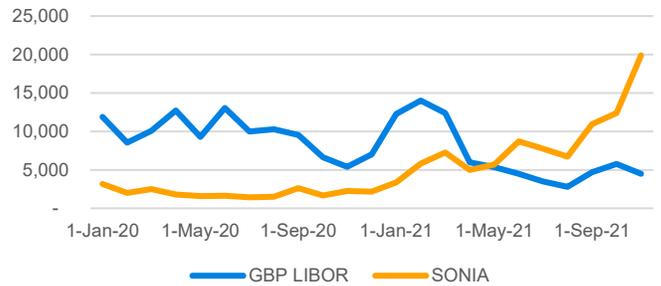
2: EURIBOR AND ESTR MONTHLY TRADE COUNT



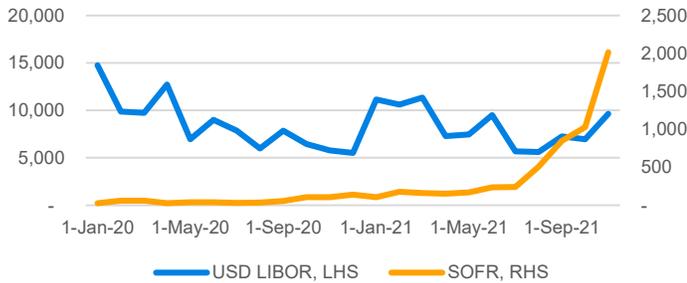
3: GBP LIBOR AND SONIA MONTHLY TRADING VOLUME (USD BLN)



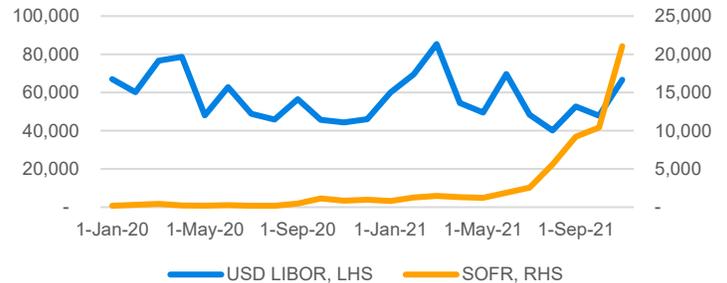
4: GBP LIBOR AND SONIA MONTHLY TRADE COUNT



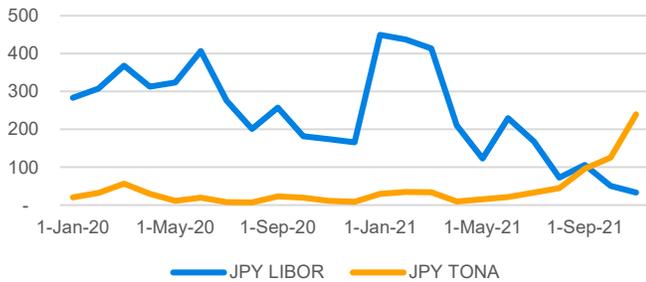
5: USD LIBOR AND SOFR MONTHLY TRADING VOLUME (USD BLN)



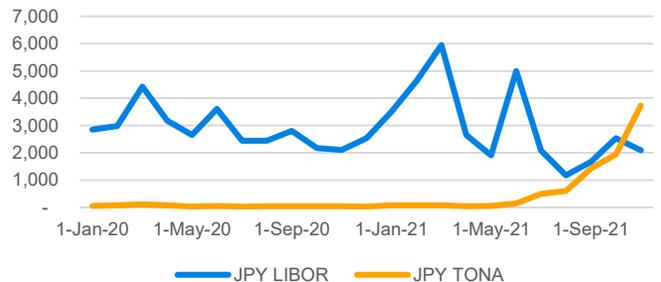
6: USD LIBOR AND SOFR MONTHLY TRADE COUNT



7: JPY LIBOR AND TONA MONTHLY TRADING VOLUME (USD BLN)

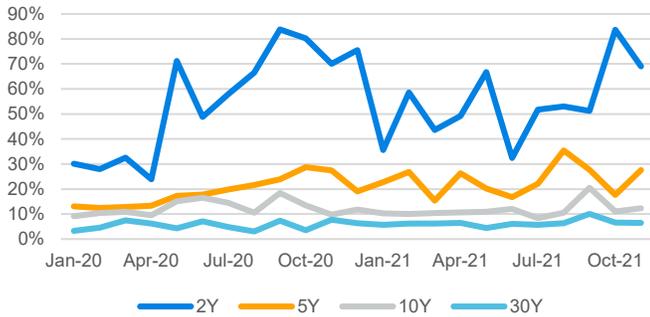


8: JPY LIBOR AND TONA MONTHLY TRADE COUNT

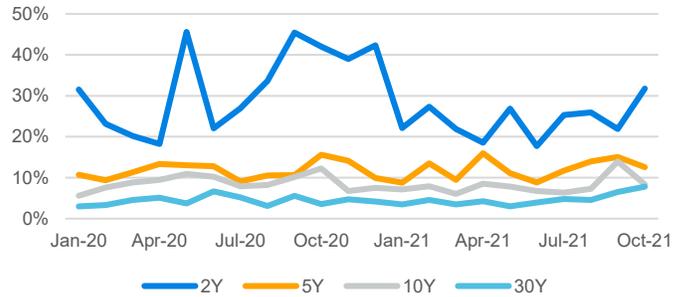


IRS AND OIS LIQUIDITY PER TENOR

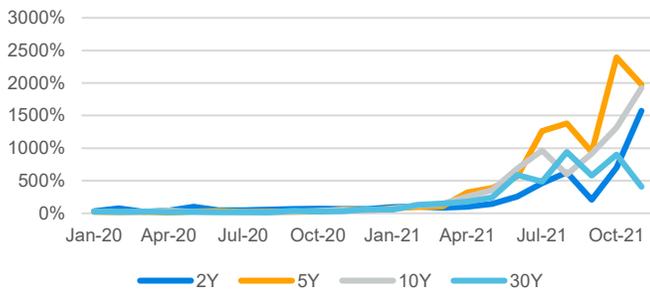
9: ESTR OIS TO EURIBOR IRS MONTHLY VOLUME RATIO



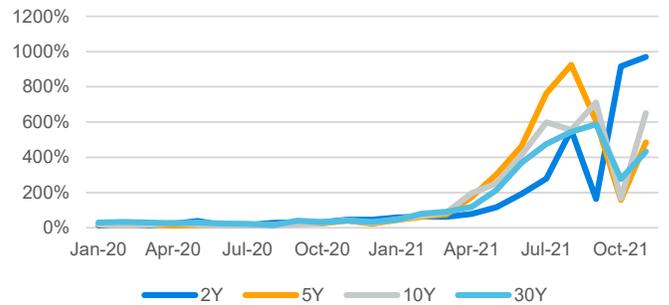
10: ESTR OIS TO EURIBOR IRS MONTHLY TRADE COUNT RATIO



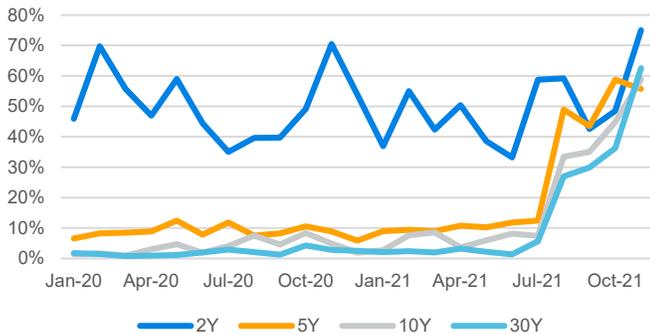
11: SONIA OIS TO GBP LIBOR IRS MONTHLY VOLUME RATIO



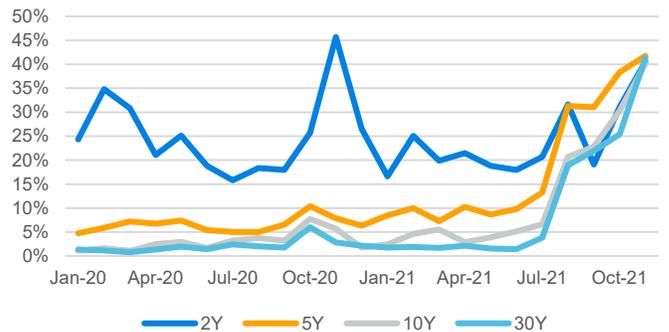
12: SONIA OIS TO GBP LIBOR IRS MONTHLY TRADE COUNT RATIO



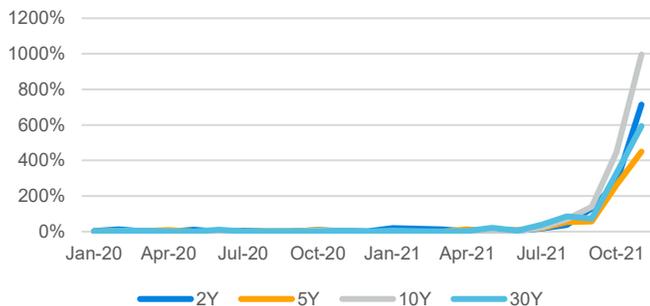
13: OIS TO USD LIBOR IRS MONTHLY VOLUME RATIO



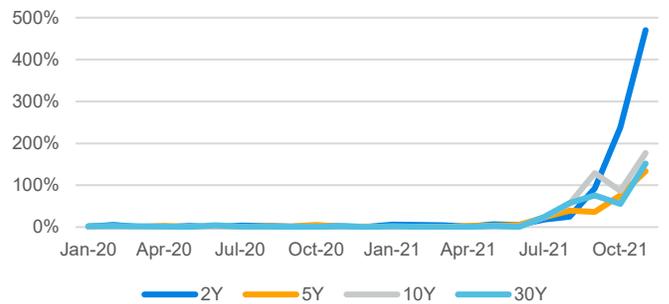
14: OIS TO USD LIBOR IRS MONTHLY TRADE COUNT RATIO



15: OIS TO JPY LIBOR IRS MONTHLY VOLUME RATIO

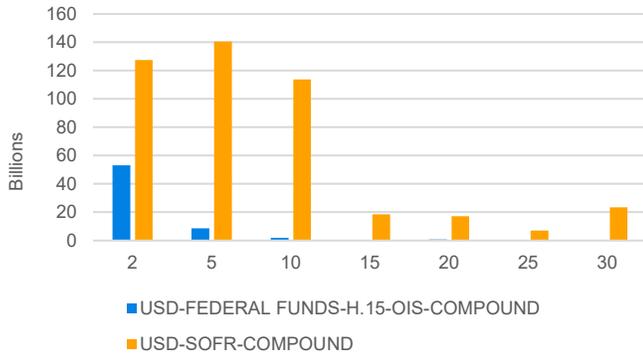


16: OIS TO JPY LIBOR IRS MONTHLY TRADE COUNT RATIO

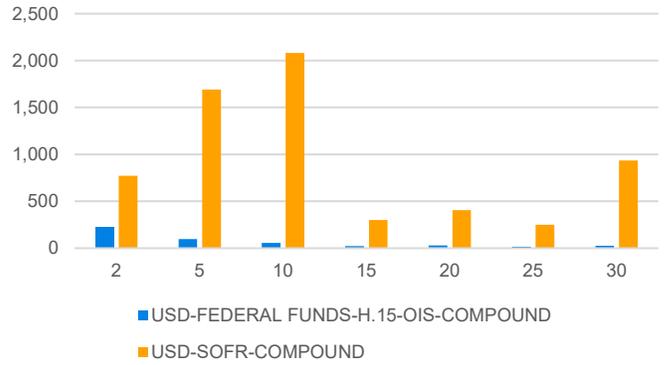


USD OIS LIQUIDITY - NOVEMBER 2021

17: FED FUNDS VS SOFR TRADE VOLUME PER TENOR (USD BLN)



18: FED FUNDS VS SOFR TRADE COUNT PER TENOR



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