

Benchmark Rates Liquidity Monitor

August 2021 | Issue 7

EURIBOR swaps trading volumes dropped during summer months, while ESTR volumes and trade count started recovering from May lows. GBP LIBOR swaps volumes now significantly below SONIA volumes. SOFR and TONA trading spiked between July and August.

EUR

ESTR monthly trading volumes in August reached 35bln. (**Chart 1**) according to the Swapsinfo data. This is still below April highs at 45bln.; however, monthly trade count approaches 200 trades (**Chart 2**).

Trading volumes in ESTR and EONIA swaps in key tenors relative to EURIBOR swaps remain stable across most tenors. There is a noticeable improvement in 5Y point with EONIA and ESTR swaps volumes accounted for 35% (**Chart 9**). The improved trade count in ESTR still does not match EONIA across any tenor (**Chart 18**).

GBP

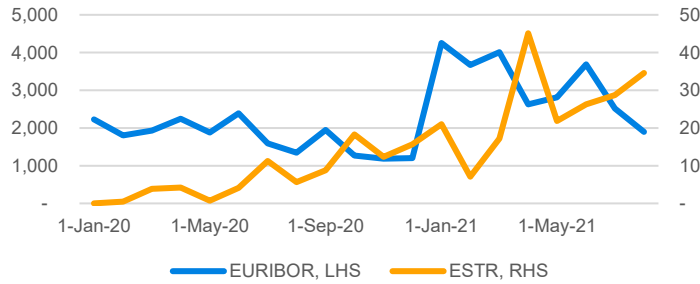
The transition from GBP LIBOR to SONIA in the GBP has been progressing further. According to the Swapsinfo data GBP LIBOR trade count in August was as low as 2,800 versus 6,700 in SONIA (**Chart 4**). Both trading volumes and trade count reached all-time lows by the end of August for GBP LIBOR. All tenors between 2Y and 30Y now account mainly for SONIA swaps (**Charts 11 and 12**).

USD

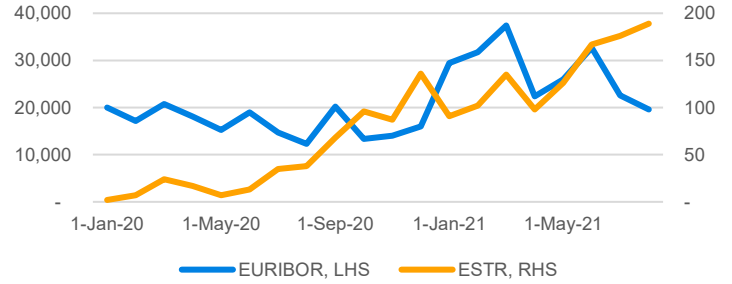
The first full month since the start of SOFR First brought a notable jump in SOFR derivative volumes and trade count, reaching all-time highs. August saw a 113% increase in SOFR volumes over July, while LIBOR volumes remained flat (**Chart 5**). Overall, average monthly SOFR derivative volumes more than doubled between H1 2021 and August. The ratio of OIS to USD LIBOR monthly volumes for trades maturing after the June 2023 LIBOR cessation also jumped significantly in August (**Chart 13**).

IRS AND OIS TOTAL LIQUIDITY

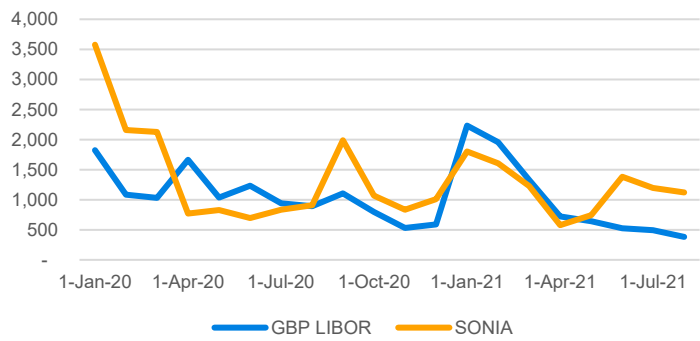
1: EURIBOR AND ESTR MONTHLY TRADING VOLUME (USD BLN)



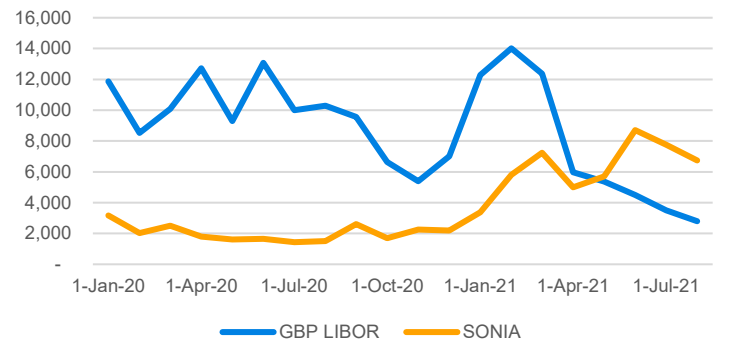
2: EURIBOR AND ESTR MONTHLY TRADE COUNT



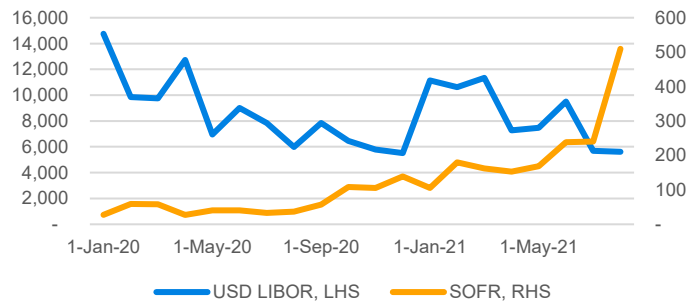
3: GBP LIBOR AND SONIA MONTHLY TRADING VOLUME (USD BLN)



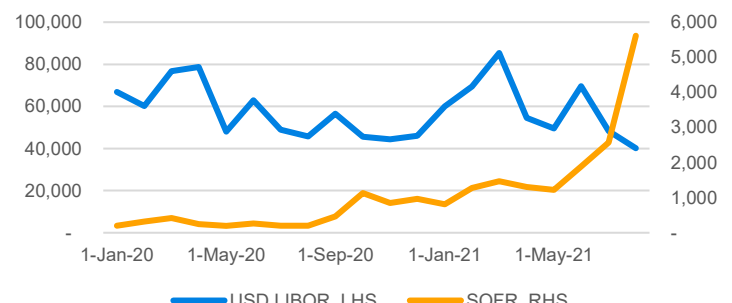
4: GBP LIBOR AND SONIA MONTHLY TRADE COUNT



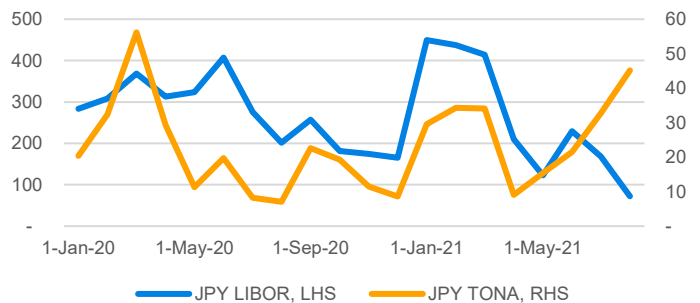
5: USD LIBOR AND SOFR MONTHLY TRADING VOLUME (USD BLN)



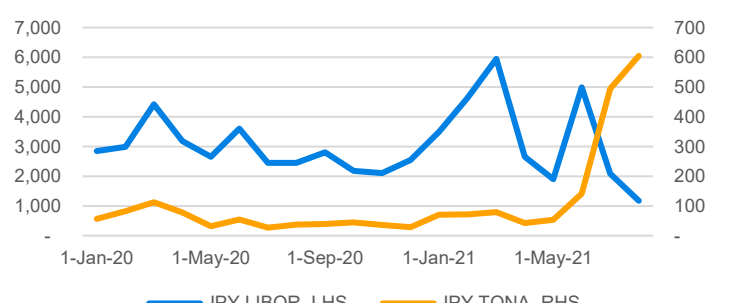
6: USD LIBOR AND SOFR MONTHLY TRADE COUNT



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

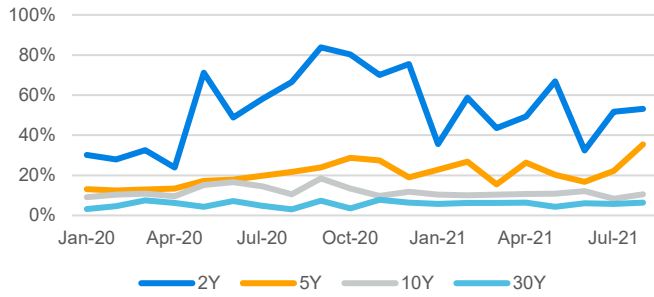


8: JPY LIBOR AND TONA MONTHLY TRADE COUNT

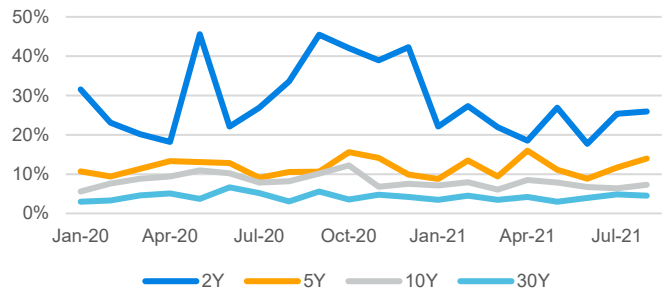


IRS AND OIS LIQUIDITY PER TENOR

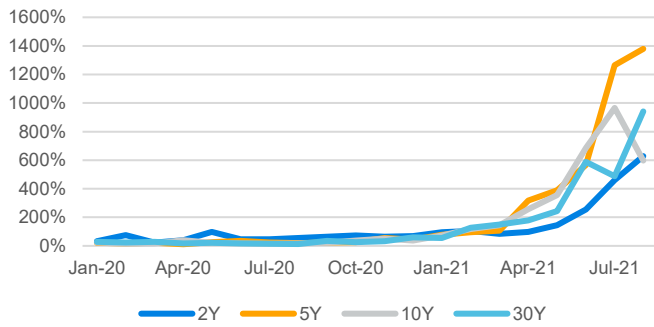
9: ESTR AND EONIA OIS TO EURIBOR IRS MONTHLY VOLUME RATIO



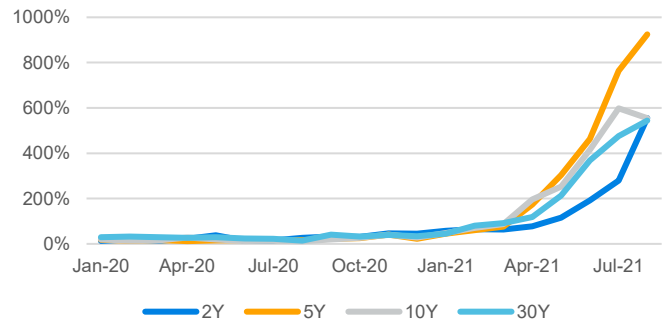
10: ESTR AND EONIA OIS TO EURIBOR IRS MONTHLY TRADE COUNT RATIO



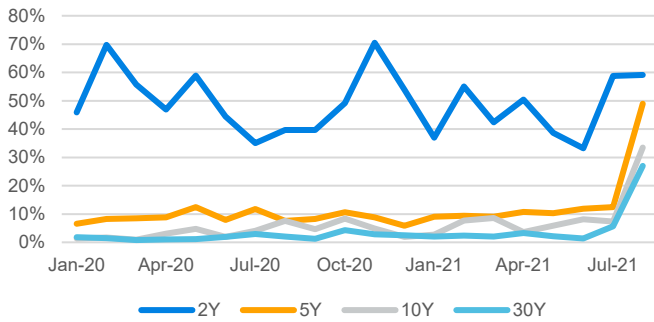
11: SONIA OIS TO GBP LIBOR IRS MONTHLY VOLUME RATIO



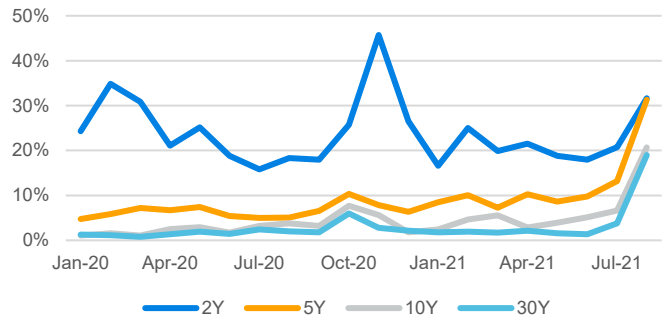
12: SONIA OIS TO GBP LIBOR IRS MONTHLY TRADE COUNT RATIO



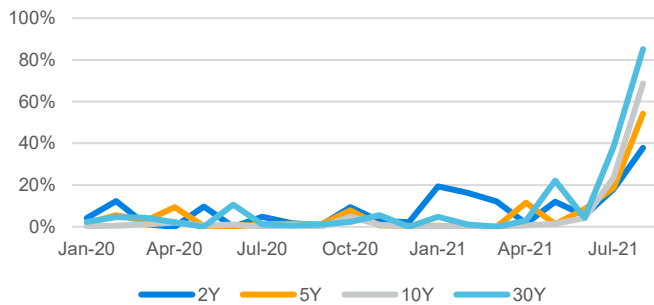
13: OIS TO USD LIBOR IRS MONTHLY VOLUME RATIO



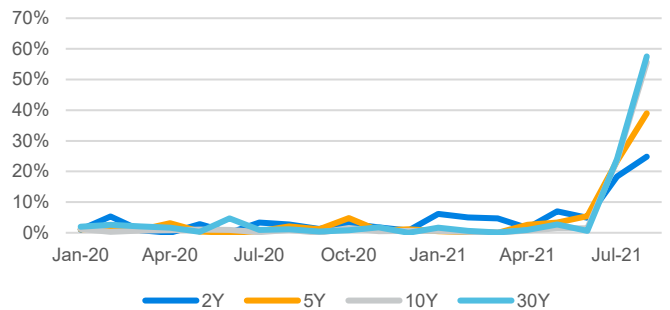
14: OIS TO USD LIBOR IRS MONTHLY TRADE COUNT RATIO



15: OIS TO JPY LIBOR IRS MONTHLY VOLUME RATIO

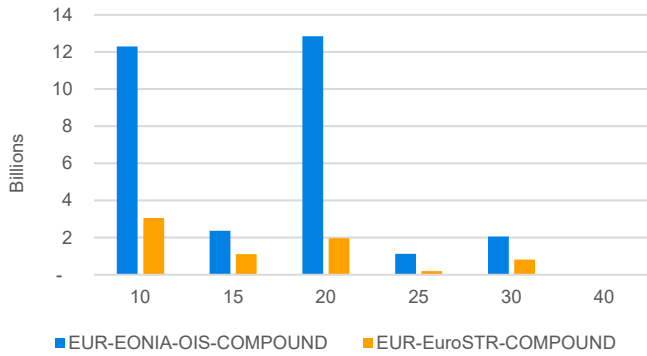


16: OIS TO JPY LIBOR IRS MONTHLY TRADE COUNT RATIO

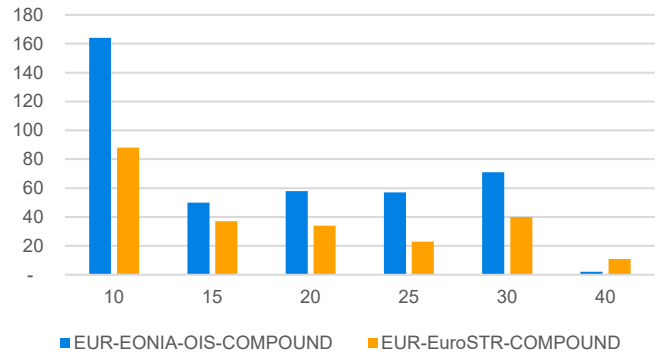


EUR OIS LIQUIDITY - AUGUST 2021

17: ESTR VS EONIA TRADE VOLUME PER TENOR (EUR BLN)

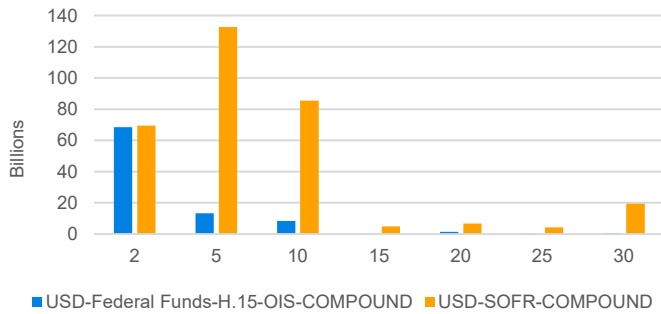


18: ESTR VS EONIA TRADE COUNT PER TENOR

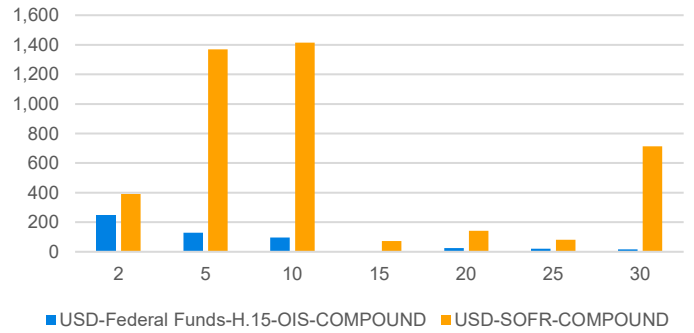


USD OIS LIQUIDITY - AUGUST 2021

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



20: FED FUNDS VS SOFR TRADE COUNT PER TENOR



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