

Public Quantitative Disclosure

# CCP12 Newsflash

## 2021 Q2 Data

October 2021



# CCP12 PQDs



- The CCP12 Public Quantitative Disclosure Newsflash provides an overview of the risk management provided by CCPs around the globe. It complements existing public statistics, such as the BIS derivatives statistics, by providing a summary of key indicators which provides market participants an overview of the CCP ecosystem. The publication underlines the scope and scale of risk mitigation provided by central clearing:
  - CCPs exposure to credit risk is collateralized through high-quality and liquid collateral;
  - CCPs risk-manage their clearing exposure by collecting *mark-to-market* losses through regular variation margin (or similar) payments.
- This CCP12 PQD Newsflash helps to inform market participants, authorities, and the general public of key features, the scale and nature of financial market infrastructure risk management. The data is aggregated directly from the CCPs themselves according to the CCP12 standardized template, carrying information stipulated in global regulatory guidance. Further details for individual CCPs can be found in links provided on the [CCP12 website](#).
- **PQD updates this quarter:**
  - The following 5 PQDs have been added to this quarter's aggregation: *Bursa Malaysia (Bursa Malaysia Derivatives Clearing & Bursa Malaysia Securities Clearing), European Commodity Clearing, Multi Commodity Exchange Clearing Corporation Ltd, Nodal Clear.*
  - *As of October 2021, over 86% of all CCP12 members are publishing PQDs, representing a 31% increase in PQD publications since July 2020.*

## In this collation for 2021 Q2\*:

### Data for 50 CCPs (equivalent to 32 CCP12 members) are included<sup>†</sup>:

- Americas 15
- APAC 19
- EMEA 16

6.1.1 Initial Margin (Required):

USD 1096 Billion

4.1.4 Default Fund Resources (Required):

USD 125 Billion

Global CCP Overcollateralization<sup>‡</sup>:

USD 450 Billion

\*Data for all quarters have been updated from the last CCP12 PQD Newsflash: Bursa Malaysia & Nodal Clear PQD data has been added retroactively for all quarters, MCXCCL data has been added retroactively for 2021 Q1. All dates within CCP PQDs are forced to "end-of-quarter dates" to reflect the end-of-quarter exchange rate for each PQD. i.e., if the dates in the PQDs are "2021-06-28", then, these are adjusted to "2021-06-30", and the corresponding FX rate for 2021-06-30 is used.

†CC&G data is incorporated as a non-CCP12 member.

‡Calculated as (Total IM and DF Held PostHaircut) minus (Total IM and DF Required) (Only PostHaircut values used for Held values). Disclosures (6.2.15 + 4.3.15) – (6.1.1 + 4.1.4) = Total Overcollateralization

# Commentary on the quarter for 2021 Q2

Below are a few key market developments which took place in the second quarter of 2021:

- Global equities continued to advance in 2021 Q2, supported by investor optimism for a return to economic normality and the acceleration of COVID-19 vaccinations globally.
- Government Bond yields saw divergent performance with U.S. Treasury yields declining over the quarter and European yields rising. Although long term U.S. Treasuries declined, the shorter-term U.S. Treasuries remained relatively flat across Q2.<sup>1</sup>
- Corporate Bonds performed well, outpacing Government Bonds. Commodities also advanced during the quarter, with strong growth in energy prices, driven by strong performances from crude oil and natural gas as global economic activity continued to rebound after the COVID-19 pandemic. Following the sharp increase in Corporate Bond issuance in mid-2020 thanks to central banks' asset purchases and liquidity facilities, the 2021 Q2 corporate bond issuance figures also remained buoyant.<sup>2</sup>
- During the Federal Open Market Committee ("FOMC") meeting, the Federal Reserve ("Fed") maintained its policies of zero short rates and quantitative easing (bond buying). The stance was that the rates would remain zero through to 2023.
- 2021 Q2 Global Futures & Options volumes reduced from their 2021 Q1 highs, however for H1 the overall figures increased YoY, primarily driven by volumes in Latin America and APAC.<sup>3</sup>

<sup>1</sup> <https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldYear&year=2021> & <https://www.schroders.com/en/insights/economics/quarterly-markets-review---q2-2021/>

<sup>2</sup> <https://www.bis.org/publ/arpdf/ar2021e.htm>

<sup>3</sup> <https://www.fia.org/sites/default/files/2021-07/Q2%202021%20trends%20in%20futures%20and%20options%20trading.pdf>

# Headline Statistics of the Public Quantitative Disclosures



2021 Q2

## Total Global Margin\* (USD B)

### Required IM & DF:

Total Global Initial Margin (IM) Requirement (6.1.1)	1,096
Total Global Default Fund (DF) Requirement (4.1.4)	125
<b>Total Global CCP Collateral Requirement (6.1.1 + 4.1.4)</b>	<b>1,221</b>

### Held (PostHaircut) IM & DF:

Total Global IM Held (PostHaircut) (6.2.15)	1,527
Total Global DF Held (PostHaircut) (4.3.15)	145
<b>Total Global CCP Collateral Held (PostHaircut) (6.2.15 + 4.3.15)</b>	<b>1,671</b>

### Variation Margin (VM)

Total Global Average Daily VM Paid to the CCP by participants each business day (6.6.1)	24
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## Total Global CCP Collateral (Held) in form of\*:

	Disclosure	Initial Margin	Disclosure	Default Fund
<b>Cash</b>				
<i>At Central Bank</i>	<b>(6.2.1 + 6.2.2)</b>	19.6%	<b>(4.3.1 + 4.3.2)</b>	39.7%
<i>Secured Cash (incl. Reverse Repos) at Commercial Banks</i>	<b>6.2.3</b>	7.6%	<b>4.3.3</b>	10.5%
<i>Unsecured Cash at Commercial Banks</i>	<b>6.2.4</b>	4.1%	<b>4.3.4</b>	10.7%
<b>Non-Cash</b>				
<i>Sovereign Gov Bonds - Domestic</i>	<b>6.2.5</b>	25.1%	<b>4.3.5</b>	31.1%
<i>Sovereign Gov Bonds – Foreign</i>	<b>6.2.6</b>	17.6%	<b>4.3.6</b>	3.6%
<i>Agency Bonds</i>	<b>6.2.7</b>	1.3%	<b>4.3.7</b>	2.5%
<i>State/Municipal Bonds</i>	<b>6.2.8</b>	0.5%	<b>4.3.8</b>	0.3%
<i>Corporate Bonds</i>	<b>6.2.9</b>	5.5%	<b>4.3.9</b>	0.8%
<i>Equities</i>	<b>6.2.10</b>	12.0%	<b>4.3.10</b>	0.2%
<i>Commodities – Gold</i>	<b>6.2.11</b>	0.3%	<b>4.3.11</b>	0.0%
<i>Commodities – Other</i>	<b>6.2.12</b>	0.0%	<b>4.3.12</b>	0.0%
<i>Mutual Funds/UCITs</i>	<b>6.2.13</b>	0.2%	<b>4.3.13</b>	0.0%
<i>Other</i>	<b>6.2.14</b>	2.5%	<b>4.3.14</b>	0.4%

\*The sum of the % in the IM column = 96.5% since: The sum of IM Held across 6.2.1 – 6.2.14 is slightly lower than the Total IM Held Values for 6.2.15, due to DTCC requesting that 6.2.15 figures be equivalent to 4.3.15 figures; and 4 other CCPs providing only totals for their 6.2.15 values.  
 OCC 6.2.1 – 6.2.14 House, Client and Total “PreHaircut” figures are considered “PostHaircut” values for the purpose of analysis.  
 Data has been normalized to USD equivalent, based on foreign exchange rates at the quarter-end for each PQD quarterly release.

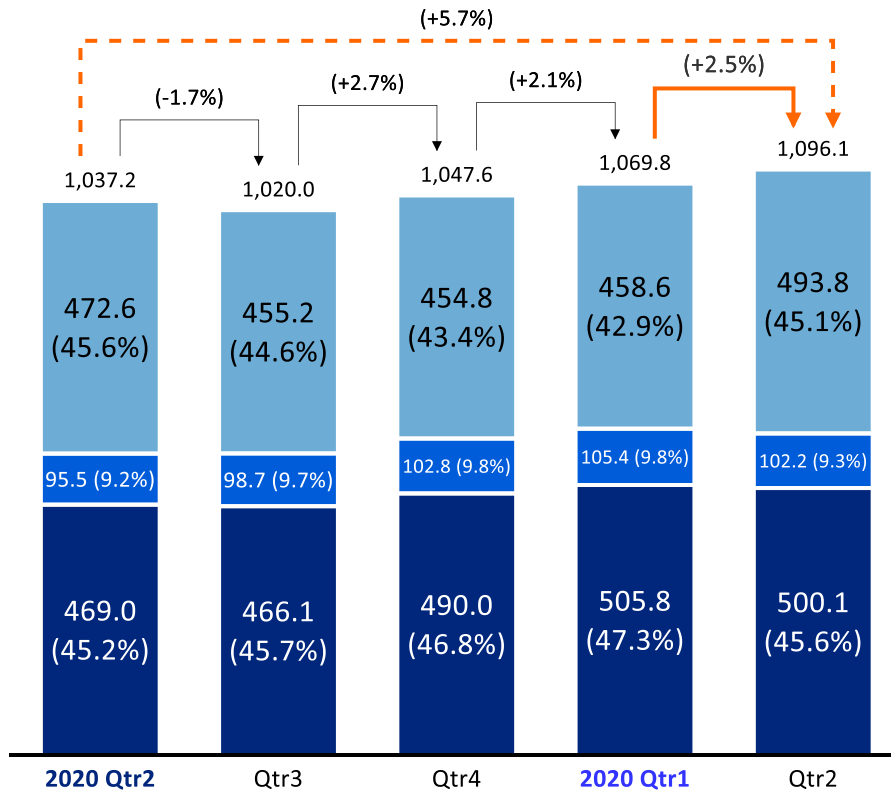
Across the CCPs, a slightly higher level of Total IM required and a reduction in Total DF required collateral was observed for 2021 Q2. Figures across each region has remained steady.

Global CCP Collateral (Required) - **Grand Total**  
 2020 Q2 to 2021 Q2 (USD B, %)

- EMEA
- APAC
- Americas

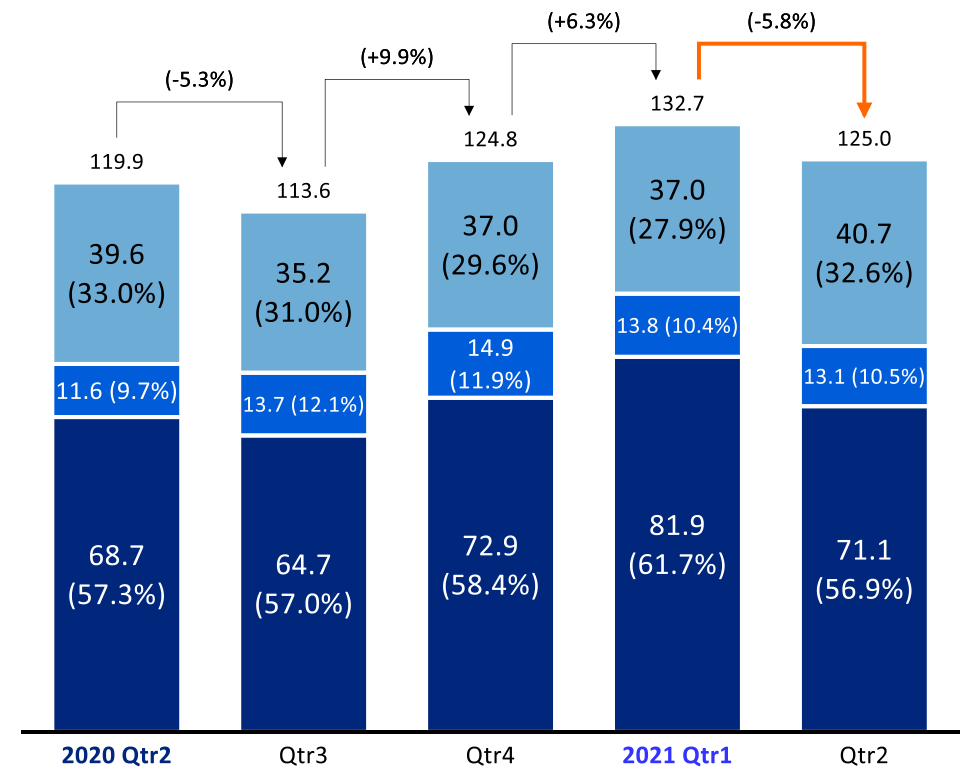
## Total IM Required

Disclosure (6.1.1)



## Total DF Required

Disclosure (4.1.4)

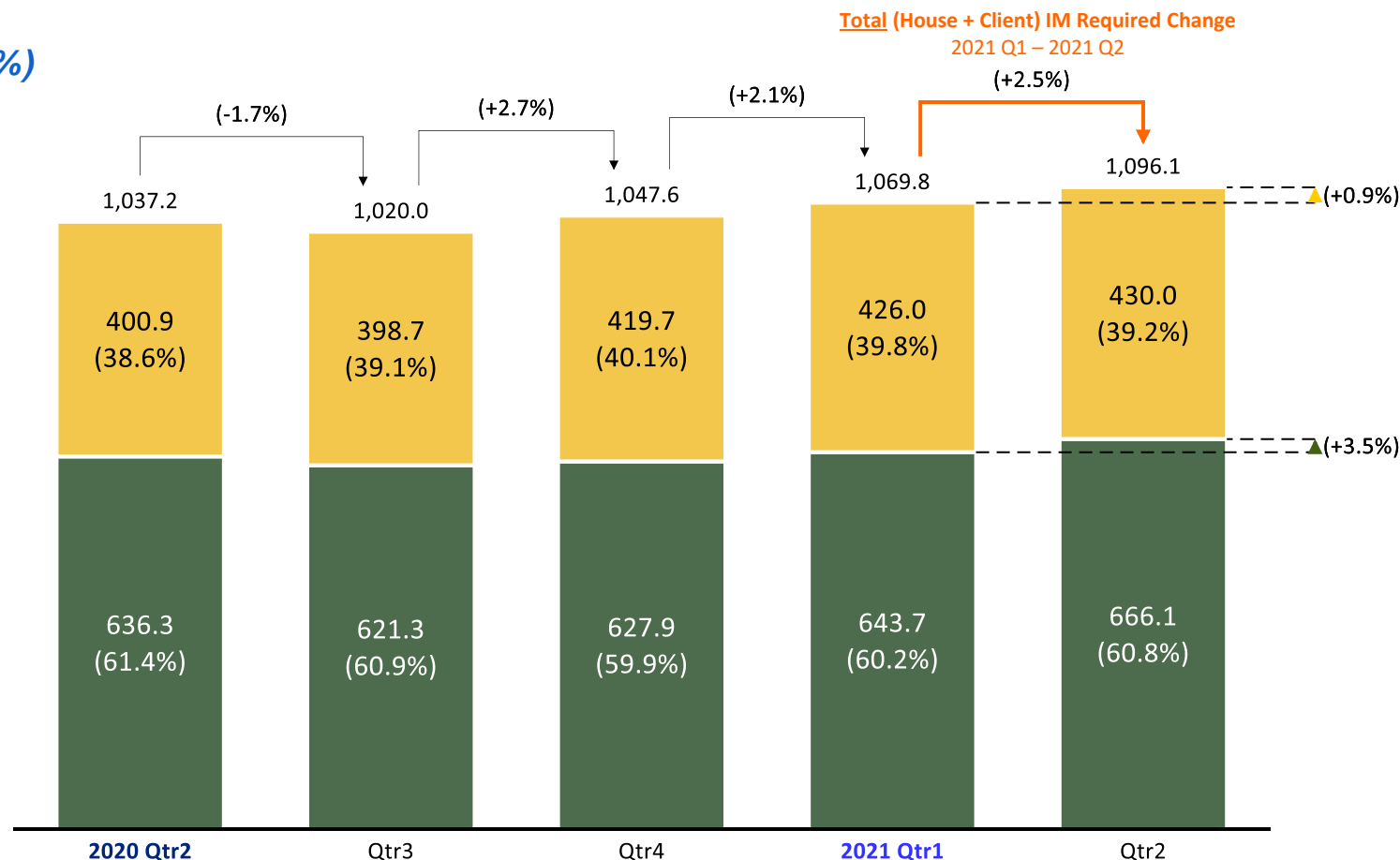


House and Client IM required remained flat for 2021 Q2.  
 House IM increased by 0.9% and Client IM increased by 3.5%.  
 QoQ proportion between both has remained constant.

Global IM breakdown: House IM vs. Client IM (Required)

Disclosure (6.1.1):  
 2020 Q2 to 2021 Q2 (USD B, %)

House\_IM  
 Client\_IM



\*Sum of IM Required is slightly lower than the Total IM Required on slide 4, due to no breakdown of House/Client IM Required for HKEX HKSCC, HKEX OTCC and NSE. As a result, these are assumed House\_IM.

# Total Overcollateralization\* was USD 450.3 B for 2021 Q2 and increased by 3.1% from 2021 Q1.

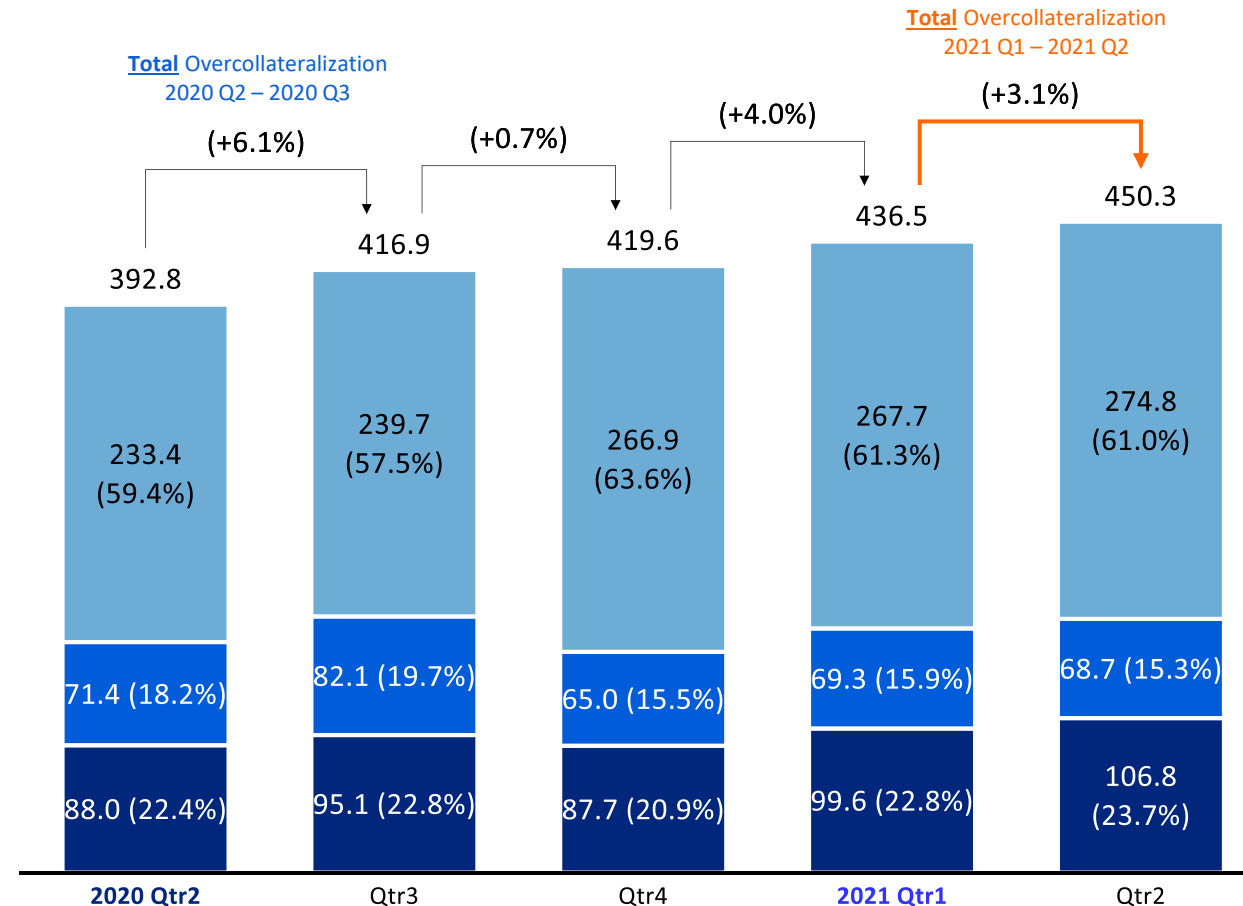


Global CCP Overcollateralization (IM and DF Held (PostHaircut) – IM and DF Required)

(6.2.15 + 4.3.15) – (6.1.1 + 4.1.4)

2020 Q2 to 2021 Q2 (USD B, %)

- EMEA
- APAC
- Americas



\*Calculated as (Total IM and DF Held PostHaircut) minus (Total IM and DF Required) (Only PostHaircut values used for Held values). Disclosures (6.2.15 + 4.3.15) – (6.1.1 + 4.1.4) = Total Overcollateralization

OC: Overcollateralization

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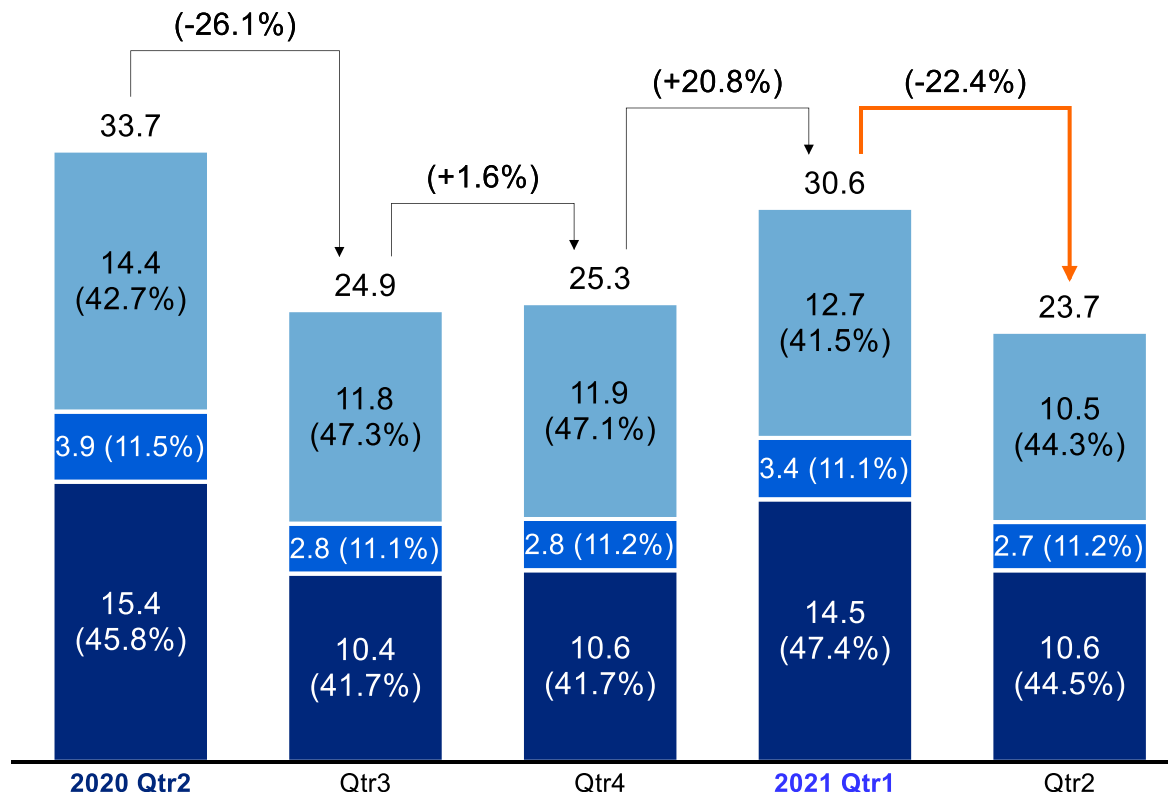
# Sum of Total Average Total VM Paid to the CCP by participants each business day decreased 22.4% in 2021 Q2. Proportion of VM paid per region has remained constant QoQ.

Sum of Total Global VM Paid to the CCP by participants each business day

Disclosure (6.6.1)

2020 Q2 to 2021 Q2 (USD B, %)

- EMEA
- APAC
- Americas



VM: Variation Margin

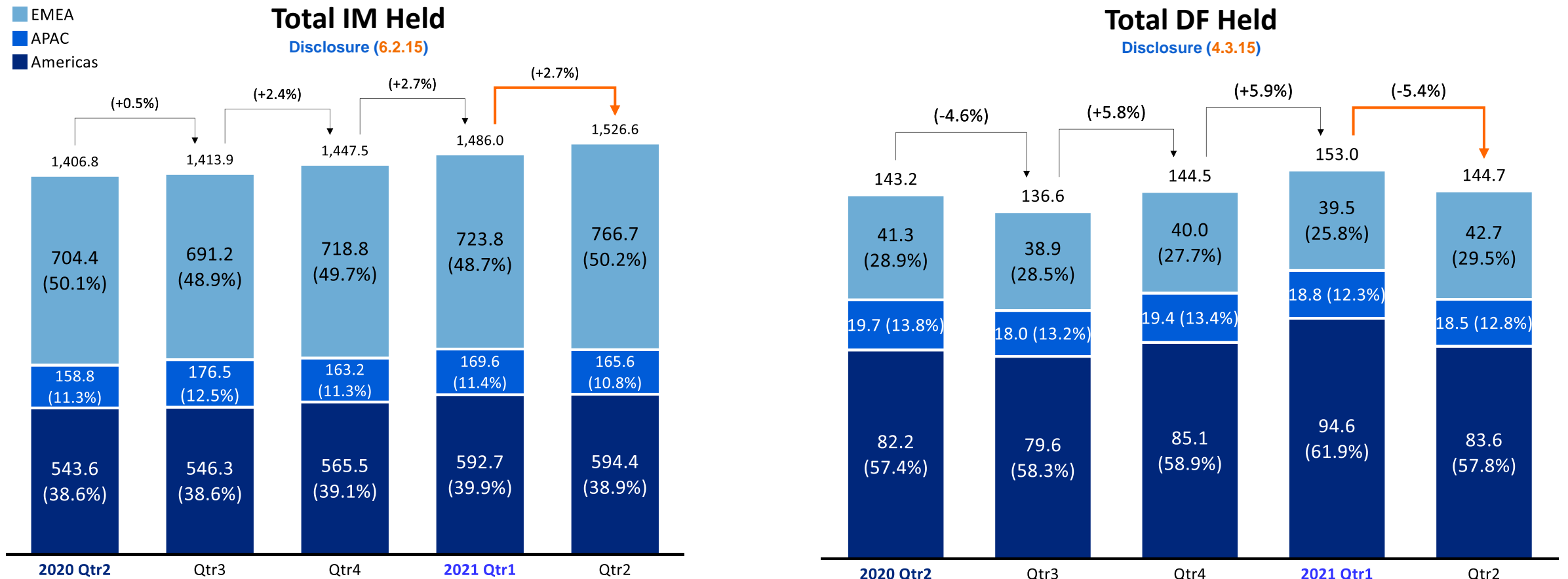
Note: This is the sum total of the average VM paid out to the CCP by participants each business day across the respective regions. Not the average per CCP per region.



Distribution of IM Held is consistently the largest for EMEA, followed by Americas & APAC. IM Held for 2021 Q2 remained flat with a 2.7% increase similar to the previous quarter, while the DF Held decreased 5.4%.



Global CCP Collateral Held (PostHaircut) - Grand Total  
2020 Q2 to 2021 Q2 (USD B, %)



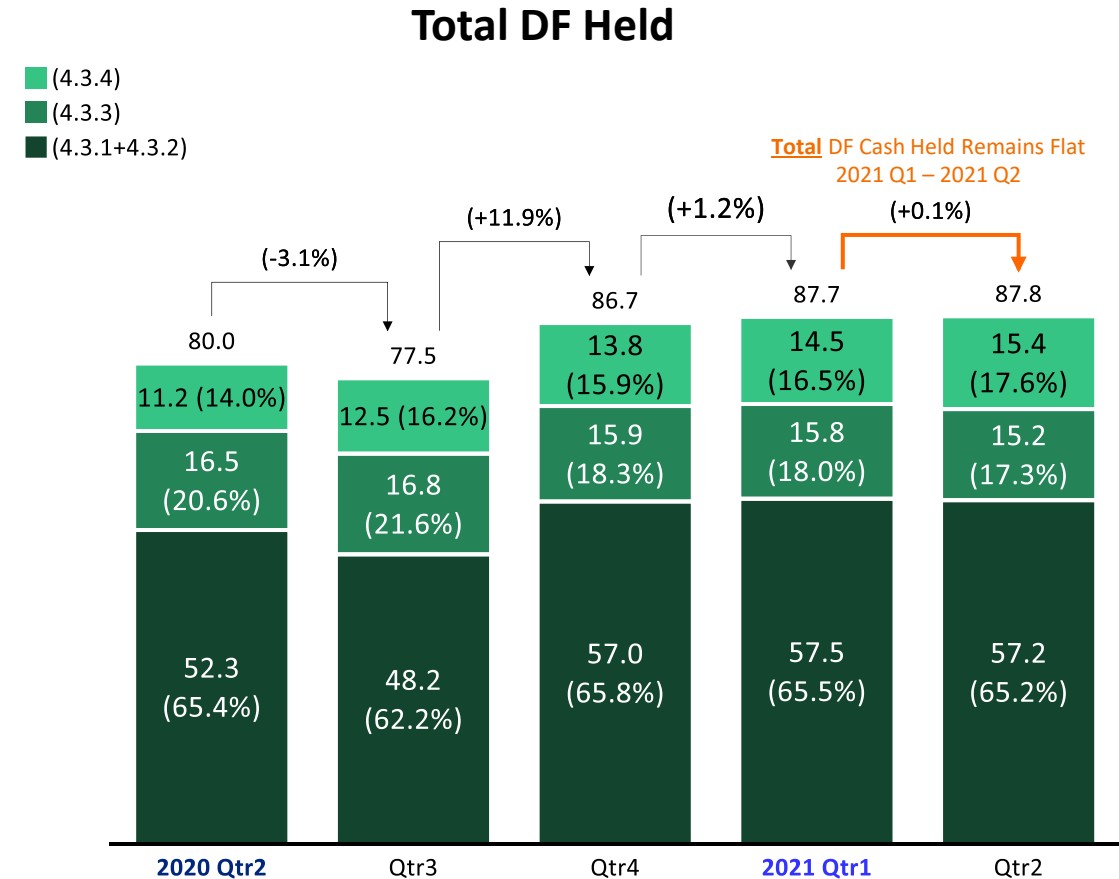
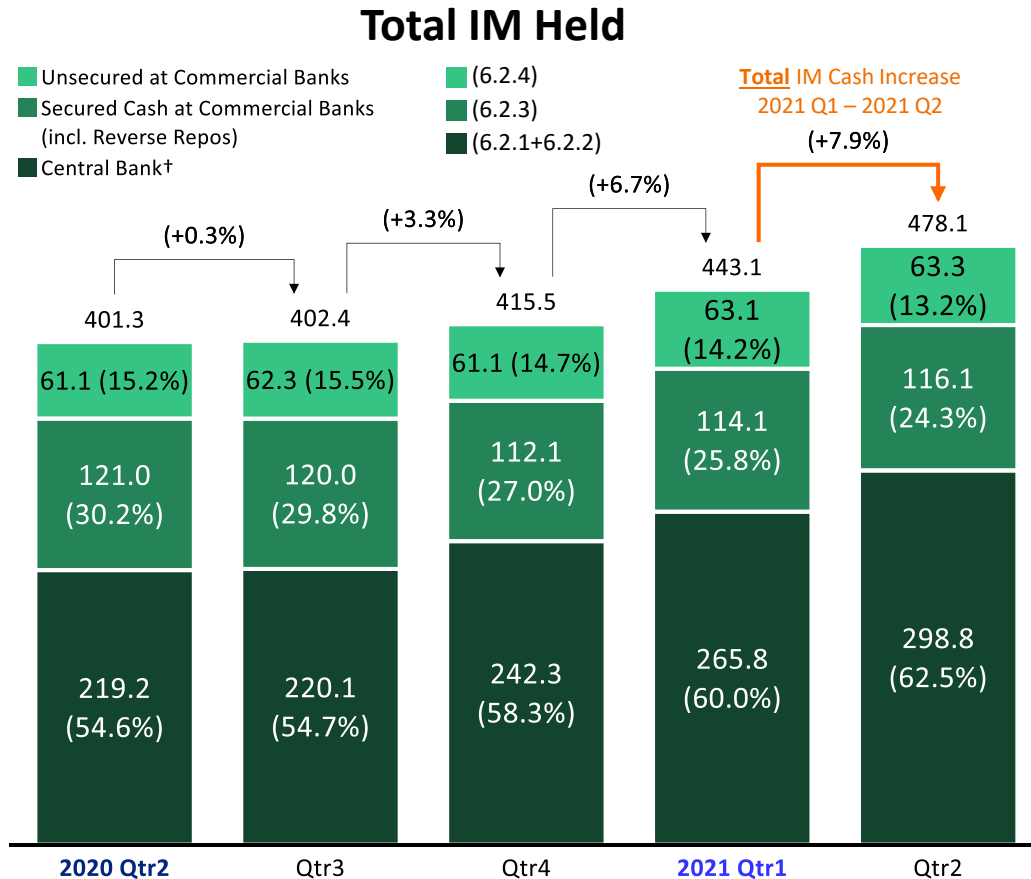
IM: Initial Margin

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**Total Cash Held\*** for IM increased by **7.9%**. DF remained flat with a **0.1%** increase. Majority of all cash resources has continued to be deposited at the Central Bank†



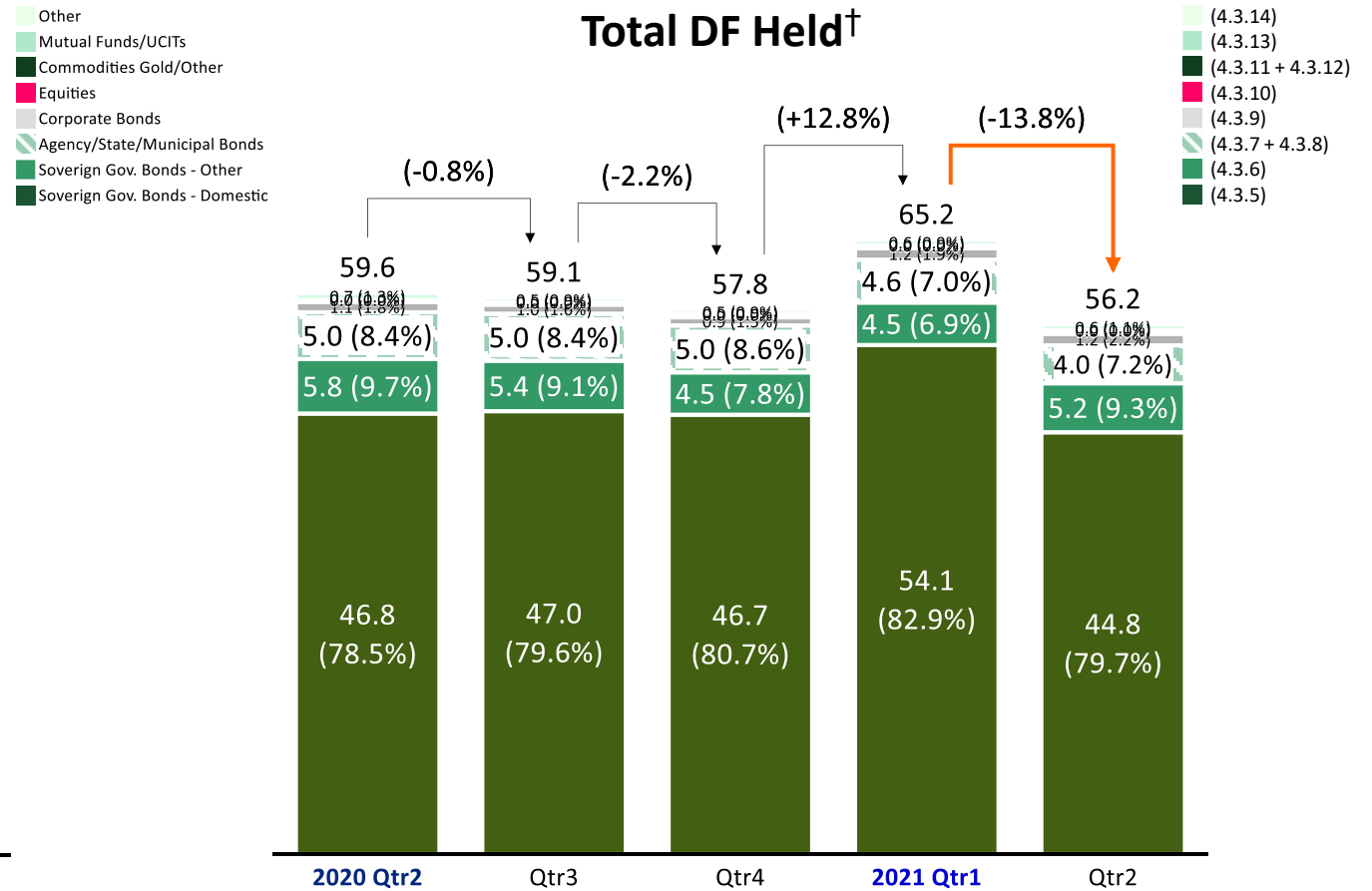
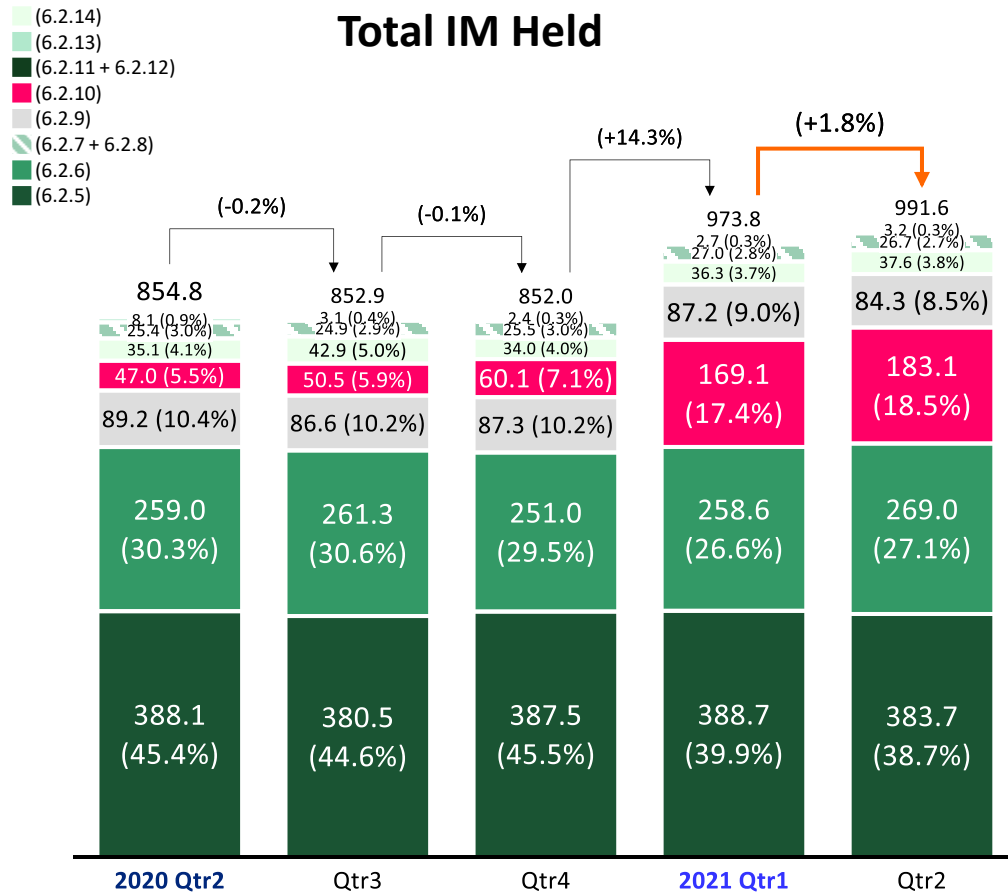
**Global CCP Collateral (Held) (PostHaircut) – Cash Total**  
 2020 Q2 to 2021 Q2 (USD B, %)



\*Figures as of quarter-end. Sum of IM Held across 6.2.1 – 6.2.14 is slightly lower than the Total IM Held Values for 6.2.15, due to: (1). DTCC have requested that 6.2.15 figures be equivalent to 4.3.15 figures, and (2). For OCC 6.2.15 total > sum of 6.2.1 – 6.2.14. TCH provide the full breakdown of 6.2.15 split across 6.2.1 - 6.2.14 as of 2020 Q2.  
 †Cash deposited at "Other Central Bank of Issue" (IM: 6.2.2, DF: 4.3.2) makes up <0.5% of the total cash collateral for IM and <0.5% for the DF. Therefore, "Central Bank of Issue" and "Other Central Bank" Cash deposits grouped together within charts.

During 2021 Q2, total global **Non-Cash Held** IM increased by **1.8%**. DF decreased by **13.8%** driven primarily by the decrease across Sov' Gov' Bonds (Domestic), reaching similar levels to 2020 Q4.

**Global CCP Collateral Held (PostHaircut) - Non-Cash Total**  
**2020 Q2 to 2021 Q2 (USD B, %)**



\*Figures as of quarter end. Sum of IM Held across 6.2.1 – 6.2.14 is slightly lower than the Total IM Held Values for 6.2.15, due to 1). DTCC have requested that 6.2.15 figures be equivalent to 4.3.15 figures, and 2). OCC 6.2.15 total > sum of 6.2.1 – 6.2.14. TCH provide the full breakdown of 6.2.15 split across 6.2.1 - 6.2.14 as of 2020 Q2.

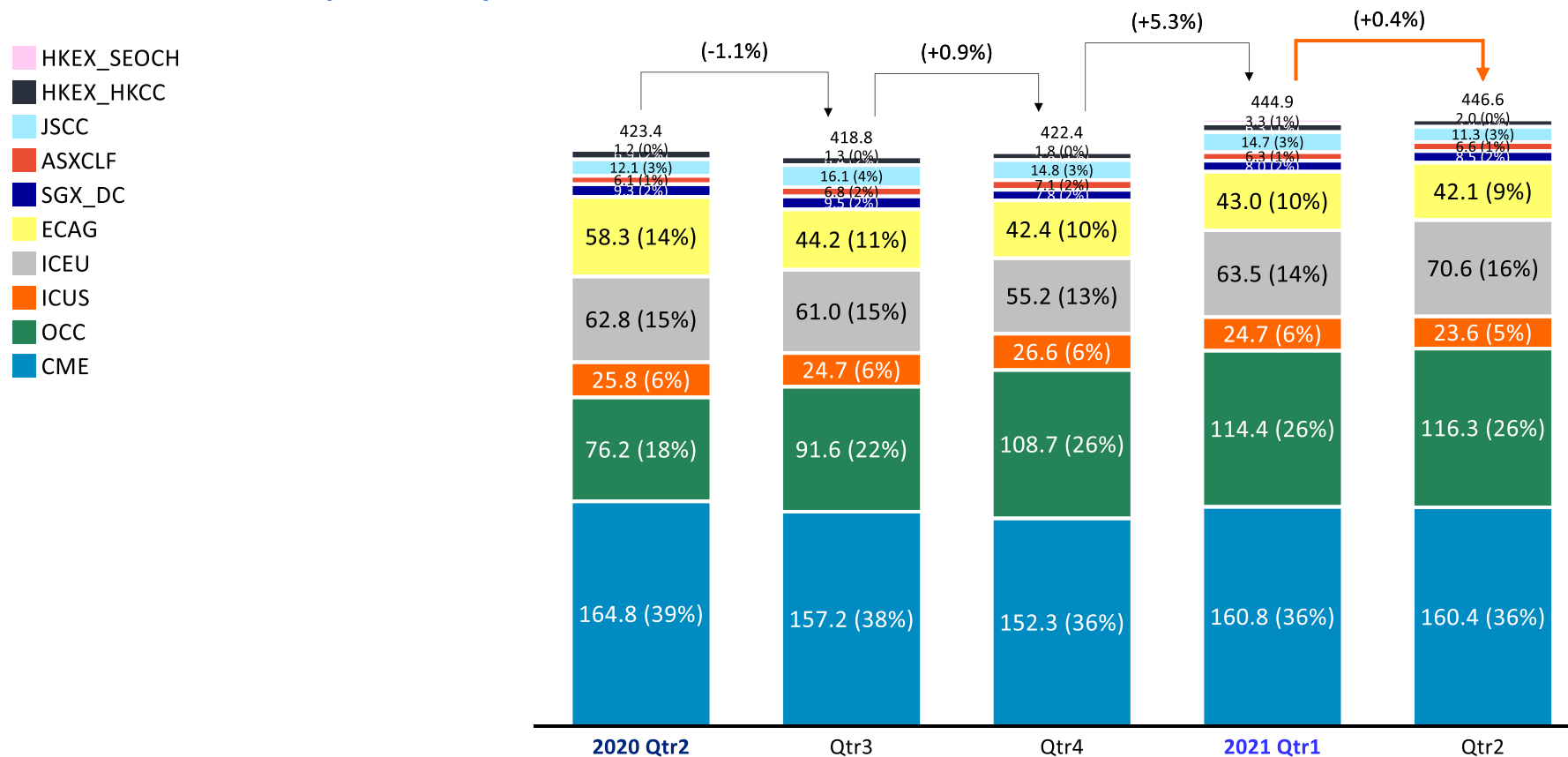
\*Disclosures 4.3.8 – 4.3.14 constitute on average <1.5% of total non-cash collateral per quarter from 2020 Q2 – 2020 Q3.

For 2021 Q2 the IM required for ETDs across the following selected 10 CCPs remained flat with a marginal **0.4% increase**. Proportion of IM across each CCP has remained consistent.

Global CCP IM (Required) Collateral for ETDs across selected CCPs

Disclosure (6.1.1)

2020 Q2 to 2021 Q2 (USD B, %)



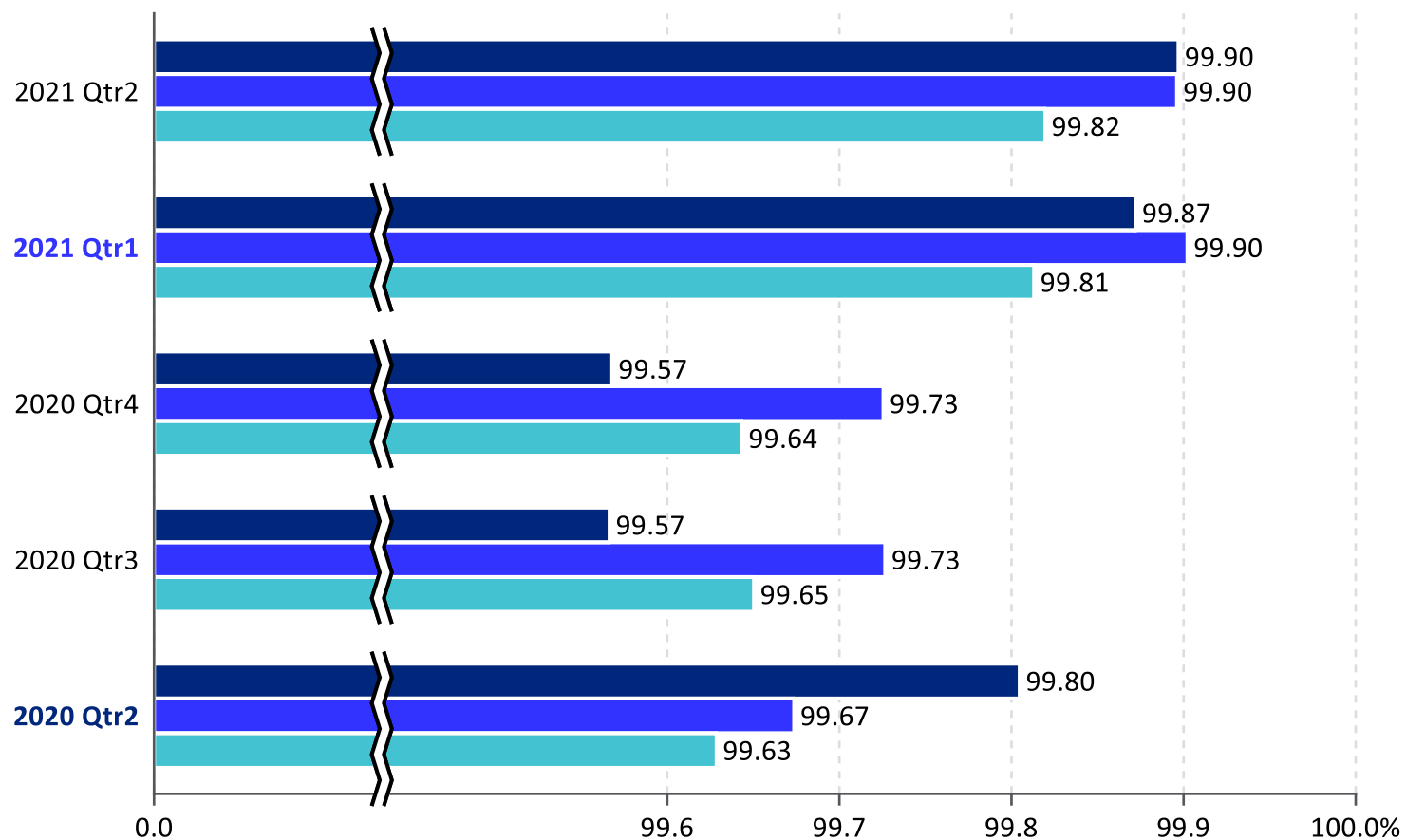
# Results of back-testing of initial margin (ACL - Achieved Coverage Level) increased to the highest levels in recent years. ACL has remained above 99.5% (on average) across all regions since 2020 Q2

Results of back-testing of initial margin – ACL\*

Disclosure (6.5.3)

2020 Q2 to 2021 Q2 (%)

- Americas
- APAC
- EMEA



\*Average has been taken across each respective region

CCPs reported a **99.97%** availability to core clearing systems over the previous 12-month period\*, the same as the last quarter.

## Availability, Failures and Recovery Time Objectives

2021 Q2

- CCPs report the **quantity** and **duration** of operational failures affecting their **core clearing systems over the previous 12-months** on a quarterly basis:
  - **Core Systems:** Within clearing, systems enable the acceptance and novation of trades, and provide the calculation of margin and settlement obligations;
  - **Loss of Availability:** An incident that results in an interruption to the CCP’s ability to perform its own functions in relation to trade acceptance and novation, or calculation of margin and settlement obligations. An incident that compromises the CCP’s ability to correctly perform the aforementioned functions is also considered a ‘loss of availability’, even if there is no actual outage. Failure to a back-up site without interruption to services would not count as a loss of availability.

### Disclosure (17.2):

- The average actual core clearing system availability over the previous twelve-month period (July 1, 2020, through June 30, 2021) across all 50 CCP PQDs was: **99.97%**

### Disclosure (17.4):

Out of 50 CCP PQDs representing 32 CCP12 Members <sup>†</sup> & 1 Non-Member	
1 CCP observes a target recovery time of within:	20 mins
2 CCPs observe a target recovery time of within:	45 mins
1 CCP observe a target recovery time of within:	1 hr
<b>43 CCPs observe the standard target recovery time of within:</b>	<b>2 hrs</b>
1 CCP observes a target recovery time of within:	3.5 hrs
2 CCPs observe a target recovery time of within:	4 hrs

\*For 2021 Q1, the average availability of core clearing systems over the period (April 1, 2020, through March 31, 2020) across all CCPs was 99.97%.

<sup>†</sup>Based on their respective regulatory requirements

# CCP12 Members



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