

Results of the Regular Derivatives Market Statistics in Japan
(End-June 2022)¹

1. Derivatives outstanding

1.1 Notional amounts outstanding

The notional amounts outstanding of derivatives transactions by major Japanese financial institutions at end-June 2022 were equivalent to 63.2 trillion U.S. dollars for over-the-counter (OTC) contracts, and 7.5 trillion U.S. dollars for exchange-traded contracts, decreasing by 2.6 percent and increasing by 73.3 percent, respectively, from the previous survey as of end-December 2021.

Notional amounts outstanding of derivatives contracts

(tril. U.S. dollars)

	End-June 2020	End-Dec. 2020	End-June 2021	End-Dec. 2021	End-June 2022
Total OTC Contracts	65.7 (+5.9%)	67.0 (+2.0%)	63.3 (-5.5%)	64.9 (+2.6%)	63.2 (-2.6%)
of which					
Interest Rate Contracts	57.5 (+7.2%)	57.4 (-0.2%)	53.9 (-6.1%)	55.4 (+2.7%)	53.9 (-2.7%)
Foreign Exchange Contracts	7.5 (-3.2%)	8.9 (+18.2%)	8.6 (-2.5%)	8.9 (+3.1%)	8.7 (-2.8%)
Total Exchange-Traded Contracts	4.4 (-15.1%)	3.6 (-16.9%)	3.7 (+2.8%)	4.3 (+16.1%)	7.5 (+73.3%)
of which					
Interest Rate Contracts	4.0 (-15.8%)	3.3 (-17.8%)	3.4 (+2.6%)	4.0 (+19.2%)	7.2 (+77.6%)

Note: Consolidated data of reporting dealers. Figures in parentheses represent percent changes from six months earlier.

The following are the major Japanese financial institutions that contributed to the statistics (16 reporting dealers):

Aozora Bank, Ltd.; MUFG Bank, Ltd.; Daiwa Securities Co. Ltd.; Japan Post Bank Co., Ltd.; Mitsubishi UFJ Securities Holdings Co., Ltd.; Mitsubishi UFJ Trust and Banking Corporation; Mizuho Bank, Ltd.; Mizuho Securities Co., Ltd.; Mizuho Trust & Banking Co., Ltd.; Nomura Holdings, Inc.; The Norinchukin Bank; Resona Bank, Limited; Shinkin Central Bank; Shinsei Bank, Limited; Sumitomo Mitsui Banking Corporation; and Sumitomo Mitsui Trust Bank, Limited.

¹ Data are not adjusted for inter-dealer double-counting. The double-counting will be eliminated in the global results released by the Bank for International Settlements (BIS).

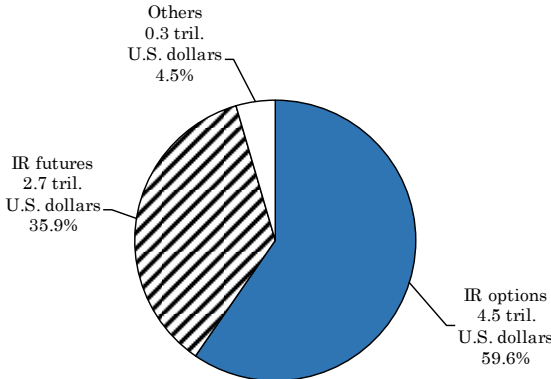
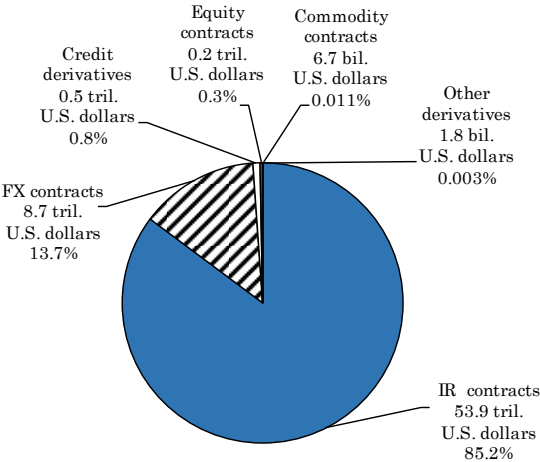
A breakdown of OTC contracts by risk factor shows that the amounts outstanding of single currency interest rate (IR) contracts occupied the largest market share at 85.2 percent. Those of foreign exchange (FX) contracts, credit derivatives, and equity contracts accounted for 13.7 percent, 0.8 percent, and 0.3 percent, respectively. In terms of exchange-traded contracts, IR options accounted for the largest share at 59.6 percent.

With regard to IR contracts and FX contracts, a breakdown by instrument type shows that IR swaps held the largest share of IR contracts accounting for 83.4 percent, and FX forwards/swaps held the largest share of FX contracts accounting for 57.1 percent.

Shares by risk factor/instrument type as of end-June 2022

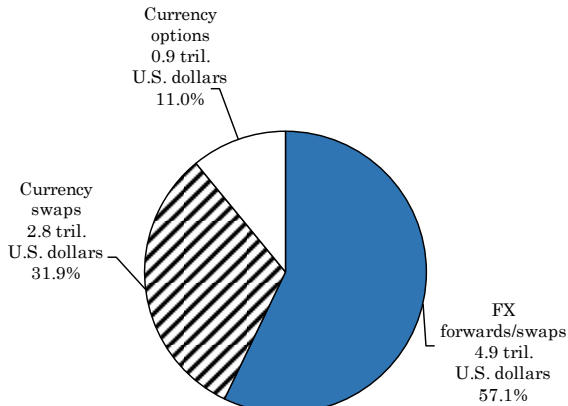
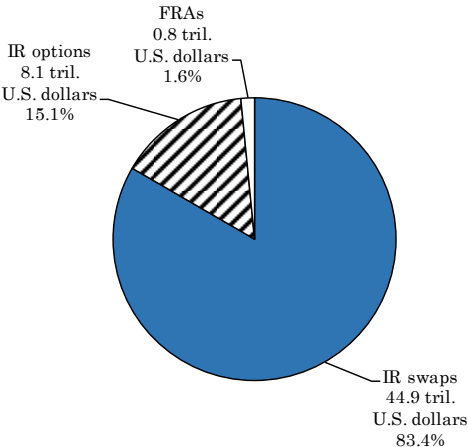
OTC contracts: 63.2 tril. U.S. dollars

Exchange-traded contracts: 7.5 tril. U.S. dollars



OTC contracts
of which IR contracts: 53.9 tril. U.S. dollars

OTC contracts
of which FX contracts: 8.7 tril. U.S. dollars



1.2 Amounts outstanding in market value

The gross positive and negative market values of OTC derivatives contracts increased by 69.0 percent to 783.0 billion U.S. dollars, and by 71.5 percent to 809.6 billion U.S. dollars, respectively.²

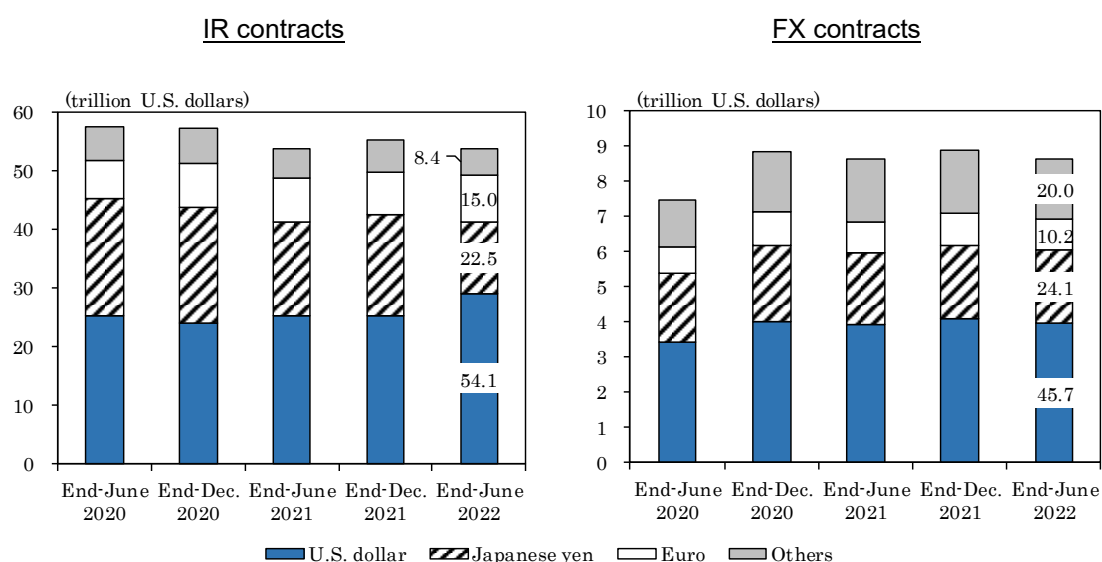
After taking account of bilateral netting agreements, the positive market value was 339.0 billion U.S. dollars, and the negative market value was 365.7 billion U.S. dollars. The ratios of the net positive and negative market values to the notional amounts outstanding were 0.5 percent and 0.6 percent, respectively.

2. Breakdown by currency³

With regard to IR contracts of OTC derivatives, those for the U.S. dollar and the euro increased from end-December 2021, while those for the Japanese yen decreased. As for FX contracts of OTC derivatives, those for the U.S. dollar, the Japanese yen, and the euro all decreased.

The U.S. dollar and the Japanese yen taken together continued to be dominant in both IR contracts and FX contracts of OTC derivatives with market shares of 76.7 percent and 69.7 percent, respectively.

Notional amounts of OTC contracts: by currency



Note: Figures displayed for end-June 2022 indicate percentage of market shares.

² For details, please see "Reference table 1," which is released separately.

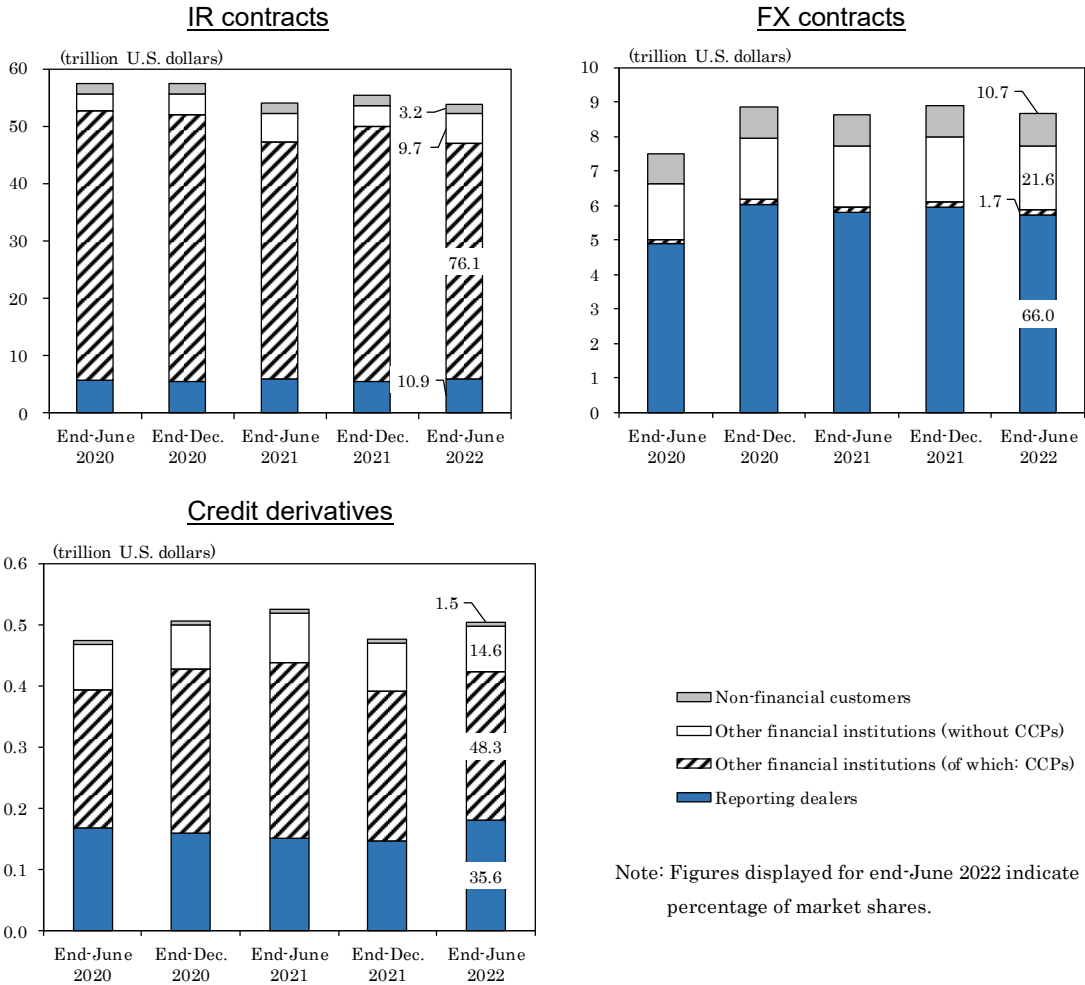
³ Since "Other products" in IR contracts and FX contracts do not have a currency breakdown, the figures for IR contracts and FX contracts do not include "Other products" in this section.

3. Breakdown by counterparty⁴

With regard to IR contracts of OTC derivatives and credit derivatives,⁵ transactions with "Reporting dealers"⁶ increased from end-December 2021, while those with "Other financial institutions (of which: CCPs)" (CCPs) decreased. As for FX contracts of OTC derivatives, transactions with "Reporting dealers" decreased from end-December 2021, while those with CCPs increased.

Transactions with CCPs accounted for 76.1 percent due to centrally-cleared IR swaps in IR contracts of OTC derivatives. Regarding FX contracts of OTC derivatives, transactions with "Reporting dealers" accounted for 66.0 percent. As for credit derivatives, transactions with "Reporting dealers" accounted for 35.6 percent and those with CCPs accounted for 48.3 percent.

Notional amounts of OTC contracts: by counterparty



⁴ Since "Other products" in IR contracts and FX contracts do not have a counterparty breakdown, the figures for IR contracts and FX contracts do not include "Other products" in this section.

⁵ The figures for credit default swaps, which have a counterparty breakdown, are used.

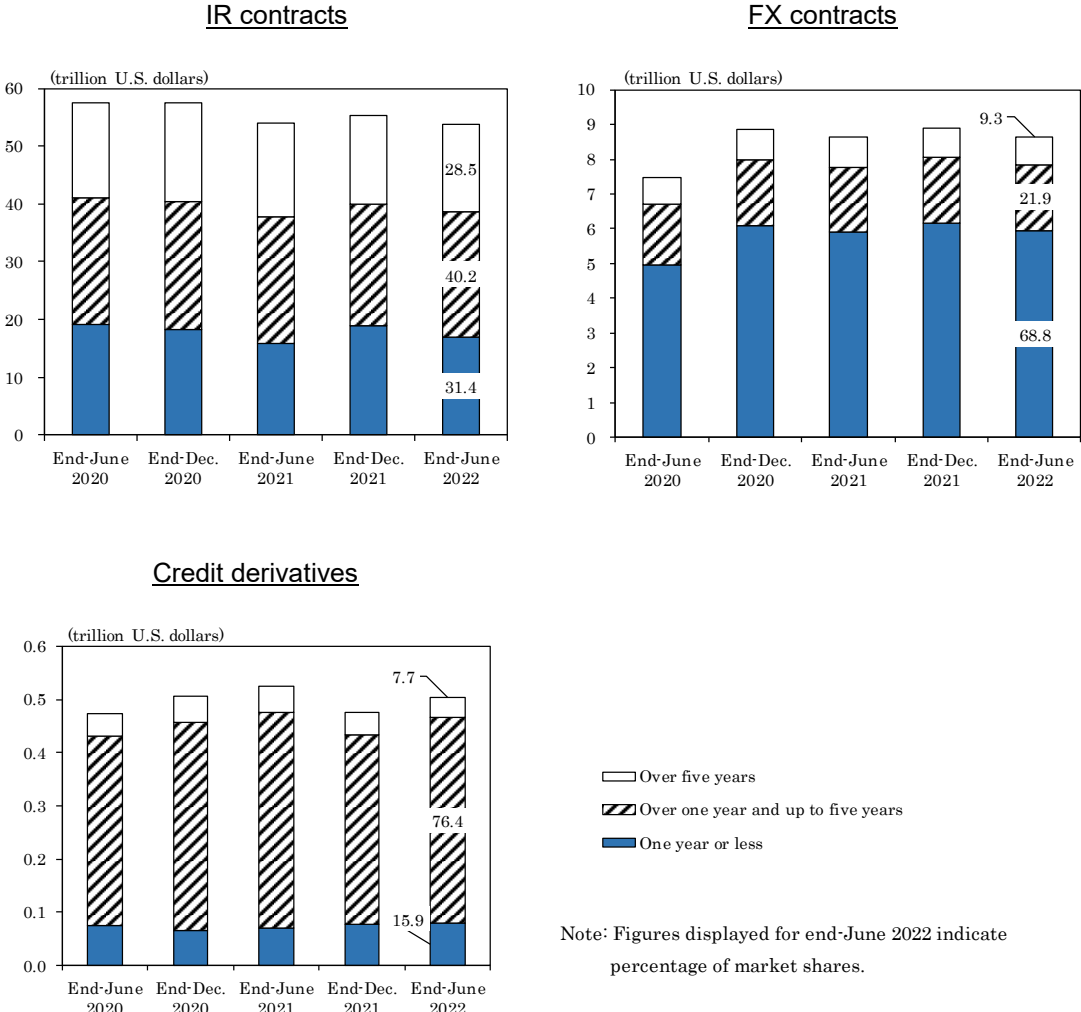
⁶ Counterparty category of "Reporting dealers" includes both the 16 Japanese reporting dealers and other institutions which participate in the statistics released by the BIS.

4. Breakdown by remaining maturity⁷

With regard to both IR contracts and FX contracts of OTC derivatives, transactions of "One year or less" and of "Over five years" decreased from end-December 2021, while those of "Over one year and up to five years" increased. Regarding credit derivatives,⁸ transactions of "One year or less" and of "Over one year and up to five years" increased from end-December 2021, while those of "Over five years" decreased.

Among OTC contracts, contracts with remaining maturities of "Over one year and up to five years" occupied the largest share in IR contracts, at 40.2 percent. With regard to FX contracts, contracts with remaining maturities of "One year or less" accounted for 68.8 percent. Regarding credit derivatives, contracts with remaining maturities of "Over one year and up to five years" held the largest share, accounting for 76.4 percent.

Notional amounts of OTC contracts: by remaining maturity



Note: Figures displayed for end-June 2022 indicate percentage of market shares.

⁷ Since "Other products" in IR contracts and FX contracts do not have a breakdown by remaining maturity, the figures for IR contracts and FX contracts do not include "Other products" in this section.

⁸ The figures for credit default swaps, which have a breakdown by remaining maturity, are used.

(Reference) Overview of the Regular Derivatives Market Statistics

Statistical framework

The Regular Derivatives Market Statistics consist of data on consolidated outstanding derivatives positions, measured in notional amounts as well as gross positive and negative market values, compiled based on data from reporting institutions. About 70 financial institutions worldwide contribute to compiling the statistics by reporting their derivatives positions semiannually to the central banks of their respective countries. Among them, 16 institutions are based in Japan and report their position data to the Bank of Japan.

The statistics classify aggregated derivatives positions into the following six risk categories: foreign exchange; interest rates; equity prices; commodity prices; credit; and other derivatives (on a U.S. dollar basis). Each of the risk categories is broken down further into four factors: instrument; currency (region); counterparty; and maturity.

Purpose of the statistics

The central banks of the Group of Ten countries⁹ and the BIS have worked together to introduce a new statistical survey on the global derivatives markets based on the "Proposals for Improving Global Derivatives Market Statistics" (the Yoshikuni Report) published by the BIS in July 1996.

With the aim of increasing market transparency and facilitating central banks' monitoring of these markets from a macroprudential perspective, the BIS has implemented this survey on the global derivatives markets through two reporting frameworks. The first is the Semiannual OTC Derivatives Statistics, a set of derivatives statistics on the amounts outstanding of derivatives transactions covering only major dealers, first conducted at end-June 1998. While the BIS releases the survey results on a global consolidated basis,¹⁰ the Bank of Japan releases the aggregated data reported by Japan's financial institutions separately.

The second framework is the Triennial Central Bank Survey,¹¹ a survey on foreign exchange and derivatives turnover and amounts outstanding, which covers a wider range of dealers.

⁹ Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom, and the United States. Australia and Spain began contributing to the survey in December 2011, while Belgium stopped reporting in the survey in December 2016, bringing the number of reporting countries to 12.

¹⁰ Please refer to the BIS's website (https://www.bis.org/statistics/about_derivatives_stats.htm) for the global results.

¹¹ Please refer to the BOJ's website (<https://www.boj.or.jp/en/statistics/bis/deri/index.htm/>) for the results of the Triennial Central Bank Survey in Japan.