CFTC

COMMODITY FUTURES TRADING COMMISSION

Cleared Derivatives during COVID-19

July 21, 2020

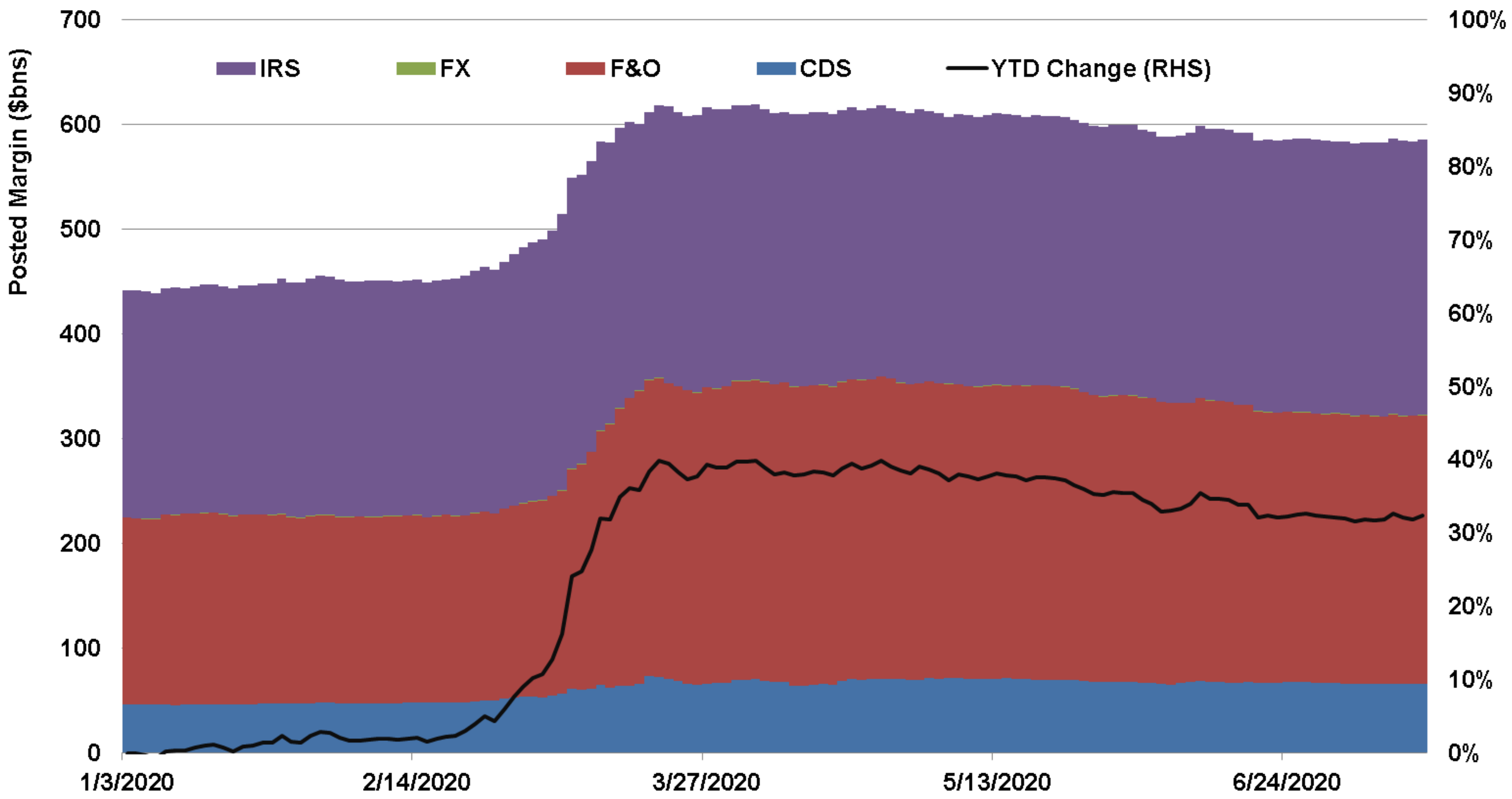
DISCLAIMER

The analyses and views expressed herein are those of the authors and do not necessarily reflect the views of the Commission or CFTC Staff.

DCR Risk Surveillance Branch

- Margin model
  - Quantitative oversight of DCOs' margin models
- Daily risk surveillance
  - Hands-on quantitative surveillance of exposures for futures and swaps
- Risk analytics
  - Data, analytics, supervisory stress testing

Initial Margin (IM) for Derivatives at DCOs



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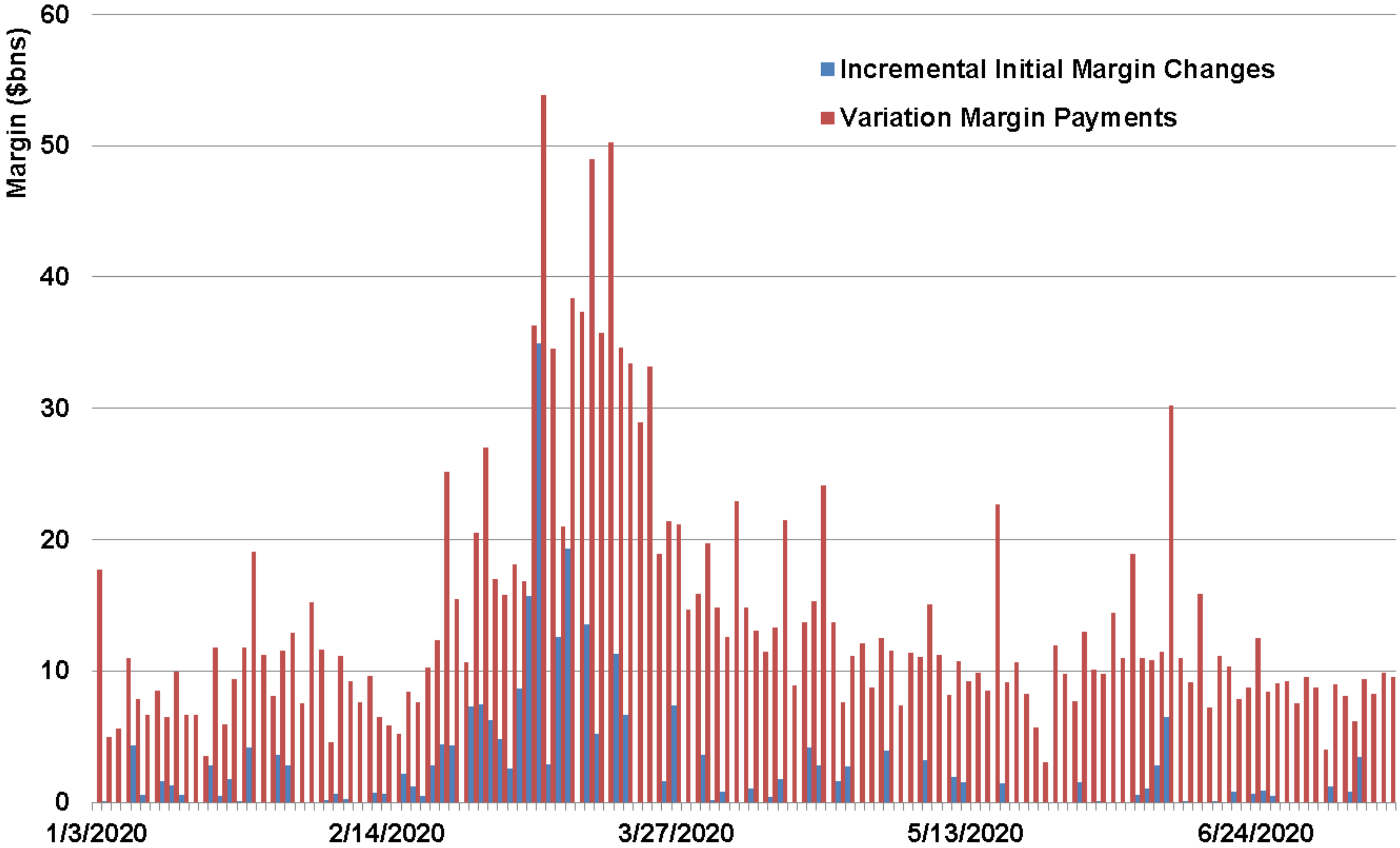
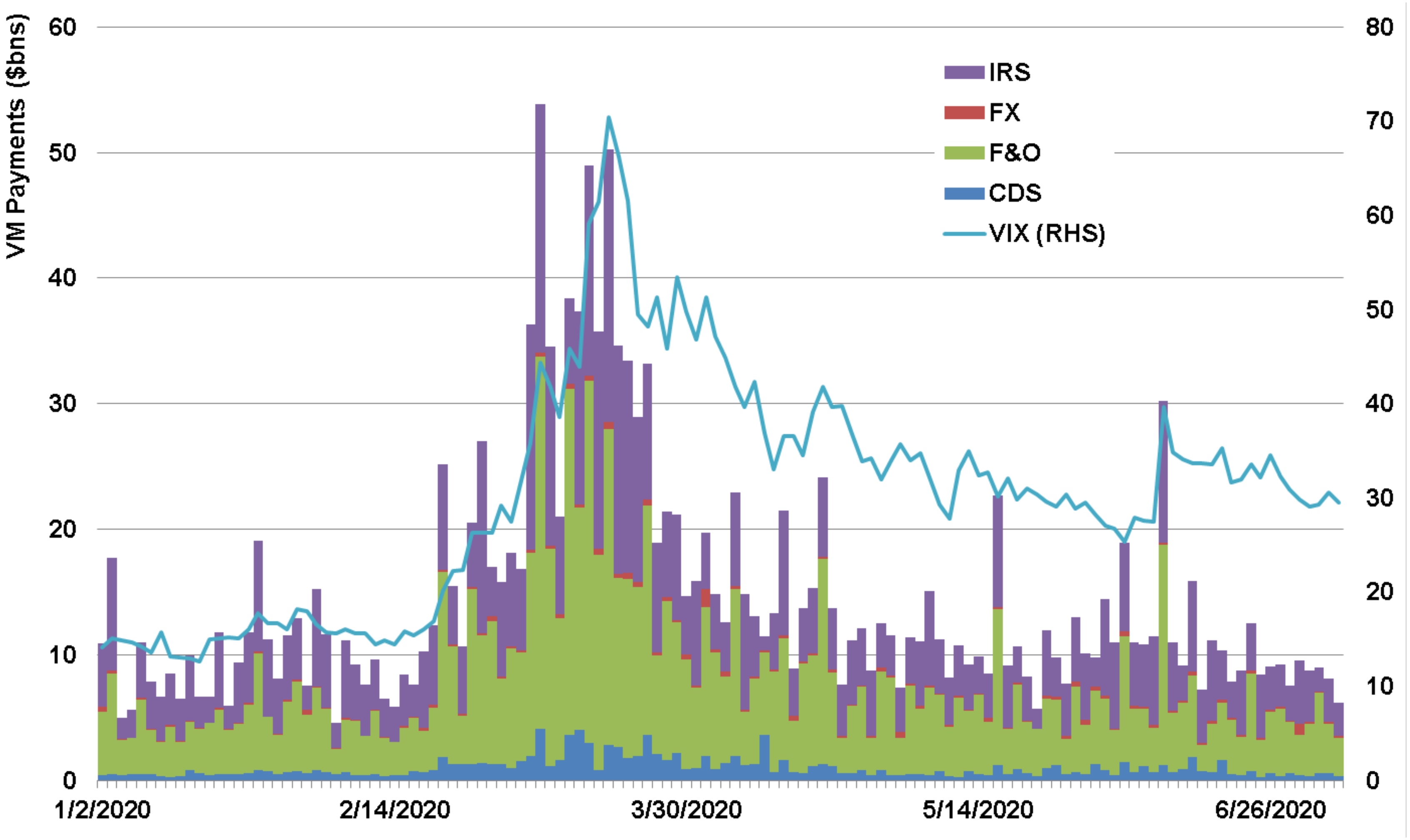
Liquidity demand at DCOs



Red bars represent aggregate VM pays and blue bars represent net IM increases

VM generally correlated with volatility measures



Margin trends often dependent on participant type

Aggregate change in IM requirements for IRS customer accounts in Q1