Top Dealers Continue to Dominate Swaps Business

Systemic risk has been reduced, but so has competition

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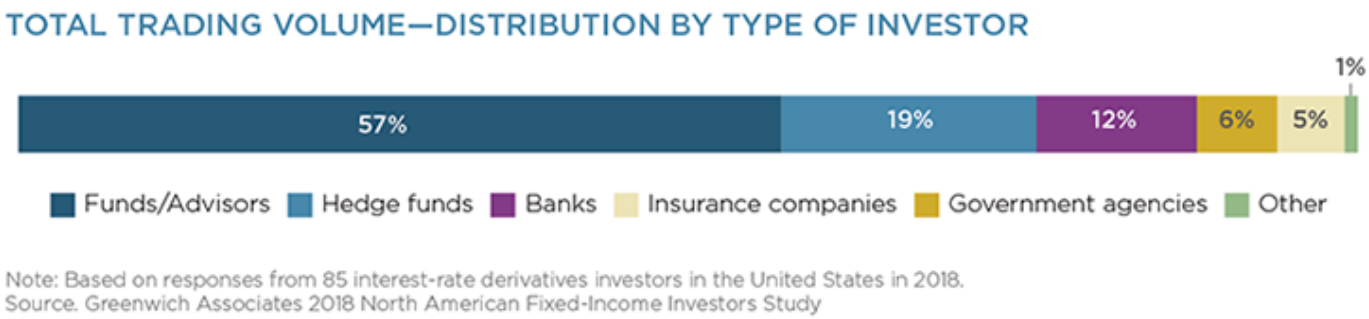
Executive Summary:



We have examined in previous years a variety of structural issues in the swaps market that discourage new entrants from stepping into the fray. The capital intensity of the business is the primary one, but details being debated this year as swaps trading rules are in flux-such as post-trade name give-up, the ability to trade via "any means of interstate commerce" and moving toward a market where RFQ to 1 is explicitly permitted-are worthy of deeper examination.

Methodology:

In the first half of 2018, Greenwich Associates conducted interviews with 85 interest-rate derivatives investors in the United States as part of its annual North American Fixed-Income Investors Study.



Note: Based on responses from 85 interest-rate derivatives investors in the United States in 2018.
Source. Greenwich Associates 2018 North American Fixed-Income Investors Study

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