Regulations Having Little Impact on Corporates' Use of Interest-Rate Derivatives

June 16, 2014

Executive Summary:

While notional trading volumes of interest-rate derivatives saw a sizeable increase globally in 2013, corporate users continue to do the bulk of their business with a narrow list of dealers.

This continues a pre-reform derivatives market trend for corporate end-users. In contrast, the shift for financial end-users (i.e., asset managers and hedge funds) toward a more diverse dealer list for interest-rate derivatives has begun.

Methodology:

Greenwich Associates conducted in-person interviews with 364 top-tier, large corporate users of interest-rate derivatives Australia. Interviews were conducted between September and November 2013.

To be considered top tier, a firm must be a fund manager, hedge fund, central bank, retail aggregator, Fortune Global 500 firm, or have reported trading volume of more than $10 billion or sales of more than $5 billion.

Participants were asked about market trends and their relationships with their dealers.

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