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Centrally Cleared Credit Trade Analysis

DTCC is publishing the following special report to provide an analysis of percentage of central clearing for CDS trades for transactions executed for the period from September 1, 2012 through and including March 29, 2013. The analysis was prepared using data available in the DTCC Trade Information Warehouse (TIW).

The analysis examines the size of both centrally cleared and bi-lateral uncleared credit transactions, and illustrates what portion of the total credit market is represented in each category. Definitions of terms used in the analysis are described in the table on the following page.

Data Type	Definition
Volume Data	All trades submitted and Confirmed by Participants within specified date range

Field	Definition
Participant	Dealers are categorized as those firms in the business of making markets utilizing internal DTCC definitions.
Product	Single Name includes all CDS activity including all reference entities and sub-products that are ineligible for clearing, unless specified otherwise. Index includes CDX activity, untranching and tranching, including indices that are ineligible for clearing.
Gross Notional (Bi-lateral) Market Risk Activity	All transactions that change the risk position between two parties, where neither party is a CCP. This includes New trades, Terminations of existing transactions, and assignments of existing transactions to a third party. This excludes transactions which did not result in a change in the market risk position of the market participants, and are not market activity. For example, central counterparty clearing of existing bilateral trades and portfolio compression both terminate existing transactions and re-book new transactions or amend existing transactions. These transactions still maintain the same risk profile and consequently are not included as "market risk transfer activity" transactions. Additionally, this analysis excludes transactions such as amendments, intra-family trades and double counting of prime brokerage activity.
Gross Notional (Bi-lateral) Market Risk Activity Percent of Total	This represents the Total Gross Notional Market Risk Activity divided by the Gross Notional (Bi-lateral) Market Risk Activity.
"New" Cleared Trades (CCP)	All New Confirmed Certain Trades submitted by a CCP. The total is divided by 2 to avoid double counting. Each of Same Day (first instance of a trade facing a CCP) and Backloaded Cleared Trades (previously bilaterally executed, terminated by a CCP, and re-booked as a new trade) are included. This does not include "replacement" trades, which are transactions that replace the terminations from Clearing Compression.
"New" Cleared Trades (CCP) Percent of Total	This represents the Total Gross Notional Market Risk Activity divided by the "New" Cleared Trades (CCP).
Total Gross Notional Market Risk Activity	The sum of Gross Notional (Bi-lateral) Market Risk Activity and "New" Cleared Trades (CCP) as defined above.

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