MarketAxess Announces Volume Statistics for April 2023

NEW YORK | May 3, 2023 - MarketAxess Holdings Inc. (Nasdaq: MKTX), the operator of a leading electronic trading platform for fixed-income securities, today announced monthly trading volume and preliminary variable transaction fees per million ("FPM") for the month of April 2023.[1]

Chris Concannon, CEO of MarketAxess, commented:
"After a very strong start to the year, characterized by higher levels of industry volumes, April credit market volumes were weaker than prior months. We believe that this is due to short term dislocations in the banking sector and the impact of lower new issue activity."

Select April 2023 highlights*

- **$12.4 billion** in total credit average daily volume ("ADV"), up **1.3%**, reflecting the adverse impact of the banking sector dislocation on April trading volumes.
- U.S. high-grade ADV of **$5.7 billion** with estimated market share of **21.5%**. Estimated U.S. high-grade TRACE market ADV decreased **0.2%**.
- U.S. high-yield ADV of **$1.4 billion** with estimated market share of **16.6%**. Trading volume from ETF participants decreased approximately **50%** in April 2023 versus March 2023. Estimated U.S. high-yield TRACE market ADV decreased **10.7%**.
- Emerging markets ADV of **$2.6 billion**, down **10.3%**; decrease of **21.8%** in emerging markets estimated market ADV.[2]
- **63.3%** increase in Eurobonds ADV to a **record $2.3 billion** with a **record 21.8% (+780 bps)** estimated market share, up from **14.0%**.[3] The strong increase in ADV and estimated market share was driven by a large amount of client crossing programs in April that carry a lower average fee per million. Excluding the impact of client crossing programs, estimated market share[3] would have been approximately **16.9% (+290 bps)**.
- **14.6%** increase in municipal bond ADV to **$392 million**, with estimated market share of **6.2% (+250 bps)**, up from **3.7%**.
- **36% (+200 bps)** Open Trading® share[4] of total credit trading volume. Estimated **price improvement**[5] via Open Trading was approximately **$48 million**.
- The preliminary FPM[1] for total credit for April 2023 was approximately **$151, or $159 excluding the impact of client crossing programs**. **The impact of crossing programs, combined with a mix shift in total credit volume, specifically lower contribution from U.S. high-yield, were the primary drivers of the decline in preliminary total credit FPM in April 2023 compared to March 2023**. The preliminary FPM for total rates was **$5.00**, compared to **$3.92** in April 2022.

**All comparisons versus April 2022 unless otherwise noted.*

Table 1: April 2023 trading ADV

			CREDIT						RATES		
$ in millions (unaudited)	US/UK Trading Days[6]	Total ADV	Total Credit	High-Grade	High-Yield	Emerging Markets	Eurobonds	Municipal Bonds	Total Rates	US Govt. Bonds	Agcy./Other Govt. Bonds
Apr-23	19/18	$27,843	$12,393	$5,663	$1,445	$2,559	$2,329	$392	$15,450	$14,950	$500
Apr-22	20/19	$38,139	$12,237	$5,961	$1,647	$2,852	$1,426	$342	$25,902	$25,544	$358
% Change		(27%)	1%	(5%)	(12%)	(10%)	63%	15%	(40%)	(41%)	40%

Table 1A: April 2023 estimated market share

	CREDIT						RATES
(unaudited)	High-Grade	High-Yield	High-Grade/High-Yield Combined	Eurobonds	Composite Corporate Bond[7]	Municipals	US Govt. Bonds
Apr-23	21.5%	16.6%	20.3%	21.8%	21.0%	6.2%	2.2%
Apr-22	22.6%	16.9%	21.1%	14.0%	20.1%	3.7%	3.6%
Bps Change	*(110) bps*	*(30) bps*	*(80) bps*	*+780 bps*	*+90 bps*	*+250 bps*	*(140) bps*

Table 1B: Rolling 6-month trading ADV *(period ending April 2023 and April 2022)*

			CREDIT						RATES		
$ in millions (unaudited)	US/UK Trading Days[6]	Total ADV	Total Credit	High-Grade	High-Yield	Emerging Markets	Eurobonds	Municipal Bonds	Total Rates	US Govt. Bonds	Agcy./Other Govt. Bonds
Apr-23	122/124	$33,713	$12,881	$5,935	$1,806	$2,846	$1,821	$459	$20,832	$20,414	$418
Apr-22	124/125	$34,501	$11,160	$5,201	$1,530	$2,829	$1,353	$232	$23,341	$22,965	$376
% Change		(2%)	15%	14%	18%	1%	35%	98%	(11%)	(11%)	11%

Table 1C: Rolling 6-month estimated market share *(period ending April 2023 and April 2022)*

	CREDIT						RATES
(unaudited)	High-Grade	High-Yield	High-Grade/High-Yield Combined	Eurobonds	Composite Corporate Bond[7]	Municipals	US Govt. Bonds
Apr-23	20.7%	18.6%	20.1%	17.5%	20.0%	5.9%	2.8%
Apr-22	21.5%	15.8%	19.8%	12.9%	18.8%	3.7%	3.3%
Bps Change	*(80) bps*	*+280 bps*	*+30 bps*	*+460 bps*	*+120 bps*	*+220 bps*	*(50) bps*

[1] The FPM for total credit and total rates for the month of April 2023 are preliminary and may be revised in subsequent updates and public filings. The Company undertakes no obligation to update any fee information in future press releases.

[2] Emerging markets estimated market ADV is derived by combining MarketAxess TraX emerging markets trading volume (currently estimated to represent approximately 55% of the total emerging markets market) and FINRA TRACE-reportable emerging markets trading volume, principally U.S. dollar denominated corporates.

[3] Eurobonds estimated market share is derived from MarketAxess TraX data for Eurobonds and covered bonds market trading volume, which is currently estimated to represent approximately 70% of the total European market.

[4] Open Trading share at the product level is derived by taking total Open Trading volume in the product divided by the total product trading volume. Total credit Open Trading share is derived by taking total Open Trading volume across all credit products where Open Trading is offered and dividing by total credit trading volume across all credit products where Open Trading is offered.

[5] Estimated price improvement consists of estimated liquidity taker price improvement (defined as the difference between the winning price and the best disclosed dealer cover price) and estimated liquidity provider price improvement (defined as the difference between the winning price and then current Composite+ bid or offer level, offer if the provider is buying, bid if provider is selling) at the time of the inquiry.

[6] The number of U.S. trading days is based on the SIFMA holiday recommendation calendar and the number of U.K. trading days is based primarily on the U.K. Bank holiday schedule.

[7] Composite corporate bond estimated market share is defined as combined estimated market share across U.S. high-grade (derived from FINRA TRACE reported data), U.S. high-yield (derived from FINRA TRACE reported data), emerging markets (derived from FINRA TRACE-reportable emerging markets volume, principally U.S. dollar denominated corporates) and Eurobonds (derived from MarketAxess TRAX data which is currently estimated to represent approximately 70% of the total European market) product areas.

Reported MarketAxess volume in all product categories includes only fully electronic trading volume. MarketAxess trading volumes, TRACE reported volumes and MarketAxess Post-Trade processed volumes are available on the Company's website at investor.marketaxess.com/volume.

Cautionary Note Regarding Forward-Looking Statements

This press release may contain forward-looking statements, including statements about the outlook and prospects for Company and industry growth, as well as statements about the Company's future financial and operating performance. These and other statements that relate to future results and events are based on MarketAxess' current expectations. The Company's actual results in future periods may differ materially from those currently expected or desired because of a number of risks and uncertainties, including: global economic, political and market factors; risks relating to the COVID-19 pandemic, including the possible effects of the economic conditions worldwide resulting from the COVID-19 pandemic; adverse effects as a result of climate change or other ESG risks that could affect our reputation; the level of trading volume transacted on the MarketAxess platform; the rapidly evolving nature of the electronic financial services industry; the level and intensity of competition in the fixed-income electronic trading industry and the pricing pressures that may result; reputational or credibility risks related to our data products and index business; the variability of our growth rate; our ability to introduce new fee plans and our clients' response; our ability to attract clients or adapt our technology and marketing strategy to new markets; risks related to our growing international operations; our dependence on our broker-dealer clients; the loss of any of our significant institutional investor clients; our exposure to risks resulting from non-performance by counterparties to transactions executed between our clients in which we act as an intermediary in matched principal trades; risks related to self-clearing; risks related to sanctions levied against states or individuals that could expose us to operational or regulatory risks; the effect of rapid market or technological changes on us and the users of our technology; our dependence on third-party suppliers for key products and services; our ability to successfully maintain the integrity of our trading platform and our response to system failures, capacity constraints and business interruptions; the occurrence of design defects, errors, failures or delays with our platforms; our vulnerability to malicious cyber-attacks and attempted data security breaches; our actual or perceived failure to comply with privacy and data protection laws; our ability to protect our intellectual property rights or technology and defend against intellectual property infringement or other claims; our ability to enter into strategic alliances and to acquire other businesses and successfully integrate them with our business; our dependence on our management team and our ability to attract and retain talent; limitations on our flexibility because we operate in a highly regulated industry; the increasing government regulation of us and our clients; risks related to the divergence of U.K. and European Union legal and regulatory requirements following the U.K.'s exit from the European Union; our exposure to costs and penalties related to our extensive regulation; our risks of litigation and securities laws liability; our future capital needs and our ability to obtain capital when needed; limitations on our operating flexibility contained in our credit agreement; and other factors. The Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. More information about these and other factors affecting MarketAxess' business and prospects is contained in MarketAxess' periodic filings with the Securities and Exchange Commission and can be accessed at www.marketaxess.com.

About MarketAxess

MarketAxess (Nasdaq: MKTX) operates a leading electronic trading platform that delivers greater trading efficiency, a diversified pool of liquidity and significant cost savings to institutional investors and broker-dealers across the global fixed-income markets. Over 2,000 firms leverage MarketAxess' patented technology to efficiently trade fixed-income securities. MarketAxess' award-winning Open Trading® marketplace is widely regarded as the preferred all-to-all trading solution in the global credit markets. Founded in 2000, MarketAxess connects a robust network of market participants through an advanced full trading lifecycle solution that includes automated trading solutions, intelligent data and index products and a range of post-trade services. Learn more at www.marketaxess.com and on Twitter @MarketAxess.

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Table 2: Trading Volume Detail

In millions (unaudited)	Month Ended April 30, 2023 Volume	2023 ADV	2022 Volume	2022 ADV	% Change Volume	% Change ADV
Credit						
High-grade	$ 107,594	$ 5,663	$ 119,225	$ 5,961	(9.8) %	(5.0) %
High-yield	27,462	1,445	32,938	1,647	(16.6)	(12.3)
Emerging markets	48,621	2,559	57,034	2,852	(14.8)	(10.3)
Eurobonds	41,928	2,329	27,099	1,426	54.7	63.3
Other credit	7,548	397	7,024	351	7.5	13.1
Total credit trading[1]	233,153	12,393	243,320	12,237	(4.2)	1.3
Rates						
U.S. government bonds[2]	284,041	14,950	510,870	25,544	(44.4)	(41.5)
Agency and other government bonds[1]	9,210	500	6,955	358	32.4	39.7
Total rates trading	293,251	15,450	517,825	25,902	(43.4)	(40.4)
Total trading	$ 526,404	$ 27,843	$ 761,145	$ 38,139	(30.8)	(27.0)
Number of U.S. Trading Days[3]		19		20		
Number of U.K. Trading Days[4]		18		19		

In millions (unaudited)	Year-to-Date Ended April 30, 2023 Volume	2023 ADV	2022 Volume	2022 ADV	% Change Volume	% Change ADV
Credit						
High-grade	$ 500,309	$ 6,177	$ 461,318	$ 5,626	8.5 %	9.8 %
High-yield	150,335	1,856	133,764	1,631	12.4	13.8
Emerging markets	240,462	2,969	246,773	3,009	(2.6)	(1.3)
Eurobonds	160,294	1,955	121,175	1,478	32.3	32.3
Other credit	36,231	447	26,099	318	38.8	40.6
Total credit trading[1]	1,087,631	13,404	989,129	12,062	10.0	11.1
Rates						
U.S. government bonds[2]	1,775,333	21,918	$ 2,065,587	25,190	(14.1)	(13.0)
Agency and other government bonds[1]	36,271	444	33,473	408	8.4	8.8
Total rates trading	1,811,604	22,362	2,099,060	25,598	(13.7)	(12.6)
Total trading	$ 2,899,235	$ 35,766	$ 3,088,189	$ 37,660	(6.1)	(5.0)
Number of U.S. Trading Days[3]		81		82		
Number of U.K. Trading Days[4]		82		82		

[1] Consistent with FINRA TRACE reporting standards, both sides of trades are included in the Company's reported volumes when the Company executes trades on a matched principal basis between two counterparties.

[2] Consistent with industry standards, U.S. government bond trades are single-counted.

[3] The number of U.S. trading days is based on the SIFMA holiday recommendation calendar.

[4] The number of U.K. trading days is based primarily on the U.K. Bank holiday schedule.