

MarketAxess Announces Monthly Volume Statistics for October 2023

NEW YORK | November 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 October 2023.¹

Chris Concannon, CEO of MarketAxess, commented:

“We delivered solid growth in U.S. high-grade, Eurobonds and municipal bond ADV in October compared to the prior year, and estimated market volumes registered strong increases versus September 2023, reflecting an improving market backdrop. We benefited from an increase in credit spread volatility and ETF market maker activity, which drove improvement in U.S. high-yield ADV and estimated market share compared to September. The adoption of MarketAxess X-Pro continues to expand, with **35%** of portfolio trading volume executed over the platform in October, up from **18%** in third quarter 2023. We believe that X-Pro and our unique proprietary data are enhancing the client experience for portfolio trading, and we are well positioned to increase our market share in the coming quarters, as we continue to roll-out enhanced functionality.”

Select October 2023 highlights*

- Total credit average daily trading volume (“ADV”) of **\$12.7 billion**, up **1.8%** versus the prior year, and up **7.6%** versus September 2023 levels.
- U.S. high-grade ADV of **\$6.0 billion**, up **7.8%** from the prior year, and up **11.1%** versus September 2023. Estimated market share of **20.3%**, up from **19.8%** in the prior year, and up from **19.5%** in September 2023. U.S. high-grade estimated market ADV increased **4.9%**, compared to the prior year, and was up **6.6%** versus September 2023.
- U.S. high-yield ADV of **\$1.6 billion**, down **19.0%** compared to the prior year, but up **22.4%** from September 2023 levels. Estimated market share of **16.7%**, down from **21.0%** in the prior year, but up from **15.4%** in September 2023. U.S. high-yield estimated market ADV increased **1.7%** versus the prior year, and increased **12.7%** compared to September 2023. The decrease in U.S. high-yield ADV and estimated market share year-over-year was driven principally by lower levels of credit spread volatility, resulting in a decrease in ETF market maker activity.
- Emerging markets ADV of **\$2.8 billion**, up **0.3%** from the prior year, consisting of a **16.0%** increase in local markets trading ADV, mostly offset by a **5.7%** decline in hard currency trading ADV; **0.3%** increase in emerging markets estimated market ADV compared to the prior year, and a **6.7%** increase compared to September 2023.²
- **7.4%** increase in Eurobonds ADV to **\$1.7 billion**. Eurobonds estimated market ADV increased **22.8%**.³
- Municipal bond ADV of **\$532 million**, up **10.9%** from the prior year, and up **24.6%** from September 2023. The year-over-year increase includes a **17.3%** increase in non-taxable municipal bond ADV. Estimated market share of **5.1%**, up from **4.4%** in the prior year; estimated market ADV down **5.8%**, compared to the prior year, but up **43.3%** compared to September.
- **Record \$15.1 billion** in total portfolio trading volume, up **15.9%** from October 2022, and up **45.9%** from September 2023. Approximately **35%** of portfolio trading volume was executed over MarketAxess X-Pro, our new trading platform, in October 2023 compared to approximately **18%** in the 3Q23.
- **35%** Open Trading® share⁴ of total credit trading volume, down from **37%** in the prior year, but up from **33%** in September 2023.
- The preliminary FPM¹ for total credit for October 2023 was approximately **\$153**, compared to **\$155** in 3Q23 and **\$164** in October 2022. The decline in total credit FPM in October compared to the prior year was due principally to a change in the mix of credit products traded, specifically a decline in U.S. high-yield trading volume, which is

the highest FPM product, and the lower duration of bonds traded in U.S. high-grade. The preliminary FPM for total rates was **\$4.47**, compared to **\$4.14** in the prior year.

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

Table 1: October 2023 trading ADV

\$ in millions (unaudited)	US/UK Trading Days ⁵	Total ADV	CREDIT						RATES		
			Total Credit	High-Grade	High-Yield	Emerging Markets	Eurobonds	Municipal Bonds	Total Rates	US Govt. Bonds	Agcy./Other Govt. Bonds
Oct-23	21/22	\$32,937	\$12,655	\$5,984	\$1,623	\$2,800	\$1,707	\$532	\$20,282	\$19,863	\$419
Oct-22	20/21	\$31,982	\$12,427	\$5,549	\$2,004	\$2,791	\$1,589	\$480	\$19,555	\$19,224	\$331
% Change		3%	2%	8%	(19%)	0%	7%	11%	4%	3%	27%

Table 1A: October 2023 estimated market share

(unaudited)	CREDIT						RATES
	High-Grade	High-Yield	High-Grade/High-Yield Combined	Eurobonds ³	Composite Corporate Bond ⁶	Municipals	US Govt. Bonds
Oct-23	20.3%	16.7%	19.4%	15.5%	18.8%	5.1%	2.9%
Oct-22	19.8%	21.0%	20.1%	17.8%	20.2%	4.4%	3.4%
Bps Change	+50 bps	(430) bps	(70) bps	(230) bps	(140) bps	+70 bps	(50) bps

Table 1B: Rolling 6-month trading ADV (period ending October 31, 2023, compared to period ending October 31, 2022)

\$ in millions (unaudited)	US/UK Trading Days ⁵	Total ADV	CREDIT						RATES		
			Total Credit	High-Grade	High-Yield	Emerging Markets	Eurobonds	Municipal Bonds	Total Rates	US Govt. Bonds	Agcy./Other Govt. Bonds
Oct-23	127/128	\$29,393	\$11,740	\$5,493	\$1,414	\$2,793	\$1,618	\$411	\$17,652	\$17,237	\$415
Oct-22	126/126	\$32,405	\$11,652	\$5,393	\$1,754	\$2,699	\$1,397	\$388	\$20,753	\$20,372	\$381
% Change		(9%)	1%	2%	(19%)	3%	16%	6%	(15%)	(15%)	9%

Table 1C: Rolling 6-month estimated market share (period ending October 31, 2023, compared to period ending October 31, 2022)

(unaudited)	CREDIT						RATES
	High-Grade	High-Yield	High-Grade/High-Yield Combined	Eurobonds ³	Composite Corporate Bond ⁶	Municipals	US Govt. Bonds
Oct-23	20.1%	16.3%	19.2%	15.7%	18.8%	5.6%	2.9%
Oct-22	21.2%	18.9%	20.6%	16.9%	20.4%	4.4%	3.5%
Bps Change	(110) bps	(260) bps	(140) bps	(120) bps	(160) bps	+120 bps	(60) bps

¹ The FPM for total credit and total rates for October 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 60% of the total emerging markets market beginning in September 2023, up from the earlier estimate of 55%) and FINRA TRACE-reportable emerging markets trading volume, principally U.S. dollar denominated corporates.

³ Eurobonds estimated market ADV and estimated market share are derived from MarketAxess TraX data for Eurobonds and covered bonds market trading volume, which is currently estimated to represent approximately 80% of the total European market beginning in September 2023, up from the previous estimate of 70%.

⁴ Open Trading share of total credit trading volume 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 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.

⁶ 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, market conditions 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](https://twitter.com/MarketAxess).

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Table 2: Trading Volume Detail

In millions (unaudited)	Month Ended October 31,					
	2023		2022		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	\$ 125,665	\$ 5,984	\$ 110,978	\$ 5,549	13.2 %	7.8 %
High-yield	34,080	1,623	40,076	2,004	(15.0)	(19.0)
Emerging markets	58,793	2,800	55,829	2,791	5.3	0.3
Eurobonds	37,559	1,707	33,367	1,589	12.6	7.4
Other credit	11,359	541	9,874	494	15.0	9.5
Total credit trading¹	<u>267,456</u>	<u>12,655</u>	<u>250,124</u>	<u>12,427</u>	6.9	1.8
Rates						
U.S. government bonds ²	417,127	19,863	384,482	19,224	8.5	3.3
Agency and other government bonds ¹	9,054	419	6,865	331	31.9	26.6
Total rates trading	<u>426,181</u>	<u>20,282</u>	<u>391,347</u>	<u>19,555</u>	8.9	3.7
Total trading	<u>\$ 693,637</u>	<u>\$ 32,937</u>	<u>\$ 641,471</u>	<u>\$ 31,982</u>	8.1	3.0
Number of U.S. Trading Days³		21		20		
Number of U.K. Trading Days⁴		22		21		

In millions (unaudited)	Year-to-Date Ended October 31,					
	2023		2022		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	\$ 1,197,923	\$ 5,759	\$ 1,140,773	\$ 5,484	5.0 %	5.0 %
High-yield	329,854	1,586	354,797	1,706	(7.0)	(7.0)
Emerging markets	595,225	2,862	586,792	2,821	1.4	1.5
Eurobonds	367,400	1,750	297,227	1,429	23.6	22.5
Other credit	89,956	432	77,695	374	15.8	15.5
Total credit trading¹	<u>2,580,358</u>	<u>12,389</u>	<u>2,457,284</u>	<u>11,814</u>	5.0	4.9
Rates						
U.S. government bonds ²	3,964,435	19,060	4,632,493	22,272	(14.4)	(14.4)
Agency and other government bonds ¹	89,303	426	81,509	391	9.6	9.0
Total rates trading	<u>4,053,738</u>	<u>19,486</u>	<u>4,714,002</u>	<u>22,663</u>	(14.0)	(14.0)
Total trading	<u>\$ 6,634,096</u>	<u>\$ 31,875</u>	<u>\$ 7,171,286</u>	<u>\$ 34,477</u>	(7.5)	(7.5)
Number of U.S. Trading Days³		208		208		
Number of U.K. Trading Days⁴		210		208		

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.