

MarketAxess Announces Monthly Volume Statistics for November 2023

Record Total Credit Trading Volume of \$303.3 Billion; Record Eurobonds Trading Volume of \$43.7 Billion and Record Municipal Bond Trading Volume of \$12.6 Billion

NEW YORK | December 5, 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 November 2023.¹

Chris Concannon, CEO of MarketAxess, commented:

“We delivered record total credit trading volume in November, driven by strong growth across all credit products. The adoption of MarketAxess X-Pro continues to expand, with **30%** of our portfolio trading volume executed over the X-Pro platform quarter-to-date, up from **18%** in third quarter 2023. We believe that the continued improvement in the market backdrop, and the high levels of client engagement with X-Pro, our unique proprietary data products, and our automated trading solutions, position us for growth in the coming quarters.”

Select November 2023 highlights*

- Total credit average daily trading volume (“ADV”) of **\$14.3 billion**, up **9.3%** versus the prior year, and up **13.4%** versus October 2023 levels.
- U.S. high-grade ADV of **\$6.5 billion**, up **11.2%** from the prior year, and up **9.0%** versus October 2023. Estimated market share of **20.6%**, up slightly from **20.5%** in the prior year, and up from **20.3%** in October 2023. U.S. high-grade estimated market ADV increased **10.7%**, compared to the prior year, and was up **7.8%** versus October 2023.
- U.S. high-yield ADV of **\$1.9 billion**, up **2.5%** compared to the prior year, and up **17.9%** from October 2023 levels. Estimated market share of **17.0%**, down from **19.3%** in the prior year, but up from **16.7%** in October 2023. U.S. high-yield estimated market ADV increased **16.5%** versus the prior year, and increased **16.0%** compared to October 2023. The decrease in U.S. high-yield estimated market share year-over-year was driven principally by lower levels of credit spread volatility, resulting in an estimated **8.1%** decrease in ETF market maker activity on the platform. ETF market maker activity increased an estimated **17.1%** from October 2023 levels.
- Emerging markets ADV of **\$3.3 billion**, up **7.6%** from the prior year, and up **18.5%** from October 2023 levels. The year-over-year increase was principally due to a **21.8%** increase in local currency trading ADV. The month-over-month increase was driven by strong growth across both hard and local currency markets trading ADV. Emerging markets estimated market ADV increased **15.2%**, compared to the prior year, and increased **21.1%** compared to October 2023.²
- Eurobonds ADV of **\$2.0 billion**, up **13.7%** from the prior year, and up **16.5%** from October 2023. Eurobonds estimated market ADV increased **31.7%** versus the prior year, and increased **18.7%** compared to October 2023.³
- **Record** municipal bond ADV of **\$601 million**, up **9.9%** from the prior year, and up **13.0%** from October 2023. Estimated market share of **6.0%**, up from **5.3%** in the prior year and **5.1%** in October 2023. Estimated market ADV down **3.6%** compared to the prior year, and down **4.1%** compared to October 2023.
- **AxessIQ**, our order and execution workflow solution designed for wealth management and private banking clients, achieved record ADV of **\$157 million**, up **63.5%** from the prior year, and up **35.3%** from October 2023 levels.
- **\$13.2 billion** in total portfolio trading volume, up **56.7%** from November 2022, but down **13.1%** from record levels in October 2023. Quarter-to-date, approximately **\$7.5 billion**, or **29.6%**, of our portfolio trading volume was executed over MarketAxess X-Pro, our new trading platform, compared to approximately **\$4.8 billion**, or **18.2%**, in 3Q23.

- **35%** Open Trading® share⁴ of total credit trading volume, down from **38%** in the prior year, but in line with October 2023 levels.
- Total Rates ADV of **\$14.5 billion**, down **24.1%** versus the prior year, and down **28.5%** from October 2023 levels. U.S. Treasury ADV on the platform in November was negatively impacted by an outage at ICBC, the third-party the Company was then using for U.S. Treasury settlement services.
- The preliminary FPM¹ for total credit for November 2023 was approximately **\$157**, compared to **\$163** in the prior year, and **\$153** in October 2023. Quarter-to-date, the FPM was **\$155**, in line with 3Q23 levels. The decline in total credit FPM compared to the prior year was due principally to product and protocol mix shift. The increase in total credit FPM compared to October 2023 was driven by improved U.S. high-grade FPM, specifically, more favorable Open Trading mix, and the higher duration of bonds traded, principally on lower bond yields. The preliminary FPM for total rates was **\$5.00**, compared to **\$4.18** in the prior year.

*All comparisons versus November 2022 unless otherwise noted.

Table 1: November 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
Nov-23	21/22	\$28,839	\$14,347	\$6,523	\$1,913	\$3,317	\$1,988	\$601	\$14,492	\$13,992	\$500
Nov-22	20/22	\$32,228	\$13,126	\$5,865	\$1,866	\$3,083	\$1,749	\$547	\$19,102	\$18,709	\$393
% Change		(11%)	9%	11%	3%	8%	14%	10%	(24%)	(25%)	27%

Table 1A: November 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
Nov-23	20.6%	17.0%	19.6%	15.3%	18.9%	6.0%	2.0%
Nov-22	20.5%	19.3%	20.2%	17.7%	20.3%	5.3%	2.9%
Bps Change	+10 bps	(230) bps	(60) bps	(240) bps	(140) bps	+70 bps	(90) bps

Table 1B: Rolling 6-month trading ADV (period ending November 30, 2023, compared to period ending November 30, 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
Nov-23	126/130	\$29,486	\$12,128	\$5,618	\$1,478	\$2,928	\$1,649	\$444	\$17,358	\$16,928	\$430
Nov-22	125/127	\$31,979	\$11,840	\$5,425	\$1,783	\$2,747	\$1,453	\$413	\$20,139	\$19,779	\$360
% Change		(8%)	2%	4%	(17%)	7%	13%	8%	(14%)	(14%)	19%

Table 1C: Rolling 6-month estimated market share (period ending November 30, 2023, compared to period ending November 30, 2022)

(unaudited)	CREDIT						RATES
	High-Grade	High-Yield	High-Grade/High-Yield Combined	Eurobonds ³	Composite Corporate Bond ⁶	Municipals	US Govt. Bonds
Nov-23	20.3%	16.4%	19.3%	15.7%	18.9%	5.6%	2.7%
Nov-22	21.0%	19.5%	20.6%	17.6%	20.6%	4.8%	3.4%
Bps Change	<i>(70) bps</i>	<i>(310) bps</i>	<i>(130) bps</i>	<i>(190) bps</i>	<i>(170) bps</i>	<i>+80 bps</i>	<i>(70) bps</i>

¹ The FPM for total credit and total rates for November 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 November 30,					
	2023		2022		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	\$ 136,980	\$ 6,523	\$ 117,303	\$ 5,865	16.8 %	11.2 %
High-yield	40,173	1,913	37,321	1,866	7.6	2.5
Emerging markets	69,664	3,317	61,667	3,083	13.0	7.6
Eurobonds	43,746	1,988	38,479	1,749	13.7	13.7
Other credit	12,733	606	11,256	563	13.1	7.6
Total credit trading¹	<u>303,296</u>	<u>14,347</u>	<u>266,026</u>	<u>13,126</u>	14.0	9.3
Rates						
U.S. government bonds ²	293,825	13,992	374,182	18,709	(21.5)	(25.2)
Agency and other government bonds ¹	10,800	500	8,255	393	30.8	27.2
Total rates trading	<u>304,625</u>	<u>14,492</u>	<u>382,437</u>	<u>19,102</u>	(20.3)	(24.1)
Total trading	<u>\$ 607,921</u>	<u>\$ 28,839</u>	<u>\$ 648,463</u>	<u>\$ 32,228</u>	(6.3)	(10.5)
Number of U.S. Trading Days³		21		20		
Number of U.K. Trading Days⁴		22		22		

In millions (unaudited)	Year-to-Date Ended November 30,					
	2023		2022		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	\$ 1,334,903	\$ 5,829	\$ 1,258,076	\$ 5,518	6.1 %	5.6 %
High-yield	370,027	1,616	392,118	1,720	(5.6)	(6.0)
Emerging markets	664,889	2,903	648,459	2,844	2.5	2.1
Eurobonds	411,146	1,772	335,706	1,460	22.5	21.4
Other credit	102,689	448	88,951	390	15.4	14.9
Total credit trading¹	<u>2,883,654</u>	<u>12,568</u>	<u>2,723,310</u>	<u>11,932</u>	5.9	5.3
Rates						
U.S. government bonds ²	4,258,260	18,595	5,006,675	21,959	(14.9)	(15.3)
Agency and other government bonds ¹	100,103	434	89,764	392	11.5	10.7
Total rates trading	<u>4,358,363</u>	<u>19,029</u>	<u>5,096,439</u>	<u>22,351</u>	(14.5)	(14.9)
Total trading	<u>\$ 7,242,017</u>	<u>\$ 31,597</u>	<u>\$ 7,819,749</u>	<u>\$ 34,283</u>	(7.4)	(7.8)
Number of U.S. Trading Days³		229		228		
Number of U.K. Trading Days⁴		232		230		

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.