

European Market Participants Believe Greater Transparency Needed in Fixed Income Markets

Concerns Remain About Likely Impact on Liquidity

LONDON, June 3, 2014 (GLOBE NEWSWIRE) -- According to a survey of over 200 senior buy- and sell-side market participants at the European Capital Markets Forum, hosted by Trax and MarketAxess last month, 58% of institutional market participants believe that there is not enough transparency in the European corporate fixed income markets.

While most of the participants polled noted that the corporate debt capital markets needed to be more transparent, many were still undecided as to whether the transparency regime proposed by EU regulators will in fact improve or harm liquidity.

With the incoming MiFID II regulations slated to improve transparency and market efficiency, 55% of respondents stated that they thought MiFID II would, in practice, have a negative impact upon liquidity. When asked specifically about the likely impact of increased pre and post-trade transparency, 46% felt it would diminish liquidity, with 41% believing it would improve liquidity.

Commenting on the results, Rick McVey, Chief Executive Officer of MarketAxess, said: "Transparency and the cultivation of more open, competitive markets are the primary aims of both regulators and market participants. But, transparency needs to be calibrated in a way which does not damage market liquidity. The survey conducted at our flagship European event shows that nearly two-thirds of market participants believe that there is currently insufficient transparency in the fixed income market, but there is still work to be done to create a suitable framework that does not negatively impact liquidity. This shows how carefully regulators need to progress the detailed Level Two rules, and underpins the importance of the constructive work we have been doing with the industry on calibration of trade reporting."

Additional key findings from the survey include:

- | 63% of respondents said that their biggest concern in the next 12 months was the increasing volume of regulation in the market and preparing their business for the implementation of the impending rules.
- | However, 79% of those polled did not believe the development of the detailed MiFID II Level Two rules would be completed in the next 12 months.
- | 48% of participants thought that shorter settlement cycles under T+2 would both reduce risk and increase efficiency, with 41% believing it would just increase efficiency, and 11% that it would just reduce risk.
- | Only 50% of respondents said their firms have already established a project team for T+2.
- | 54% of those polled said that major system upgrades would be needed to meet new client classification and trading requirements.

About MarketAxess

MarketAxess operates a leading electronic trading platform that enables fixed-income market participants to efficiently trade corporate bonds and other types of fixed-income instruments using MarketAxess' patented trading technology. Over 1,000 institutional investor and broker-dealer firms are active users of the MarketAxess trading platform, accessing global liquidity in U.S. high-grade corporate bonds, emerging markets and high-yield bonds, European bonds, U.S. agency bonds, credit default swaps and other fixed-income securities. MarketAxess SEF Corporation has received temporary registration from the U.S. Commodity Futures Trading Commission to operate a swap execution facility. MarketAxess also offers a number of trading-related products and services, including: market data to assist clients with trading decisions; connectivity solutions that facilitate straight-through processing; technology services to optimize trading environments; and execution services for exchange-traded fund managers and other clients. Through its Trax® division, MarketAxess also offers a range of pre- and post-trade services, including trade matching, regulatory transaction reporting and market and reference data, across a range of fixed-income products. Trax is the trading name of Xtrakter Ltd., a MarketAxess group company.

MarketAxess maintains its headquarters in New York and has offices in London, Boston, Chicago, Los Angeles, Salt Lake City, São Paulo and Singapore. For more information, please visit www.marketaxess.com.

About Trax

Trax is a leading provider of capital market data, trade matching and regulatory reporting services to the global securities market. In 2013 Trax processed 1.12 billion of transactions on behalf of its user community. Trax provides capital market firms with information to assist them in conducting net asset valuations, mark-to-market calculations, fixed-income portfolio mapping, liquidity and volume modelling, as well as reference data population updates. It also provides a wide range of pricing data for approximately 69,000 unique bonds, volume data on over 50,000 individual bonds as well as securities reference data for over 300,000 government bonds, corporate bonds, medium-term notes and private derivative issues.

Trax is based in London and was originally established in 1985. Acquired by MarketAxess in 2013, Trax is a trading name of Xtrakter Ltd. and is a wholly owned subsidiary of MarketAxess Holdings, Inc.

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