MarketAxess Announces Monthly Volume Statistics for December 2022

NEW YORK | January 5, 2023 - MarketAxess Holdings Inc. (Nasdaq: MKTX), the operator of a leading electronic trading platform for fixed-income securities, and the provider of market data and post-trade services for the global fixed-income markets, today announced monthly trading volume for December 2022 and preliminary variable transaction fees per million ("FPM") for the month of December and the quarter ended December 31, 2022.[1]

Select December 2022 highlights*

- Strong December with **27%** increase in total credit average daily volume ("ADV") to **$10.6** billion.
- **Record 22.8% (+140 bps)** composite corporate bond estimated market share,[2] up from **21.4%**.
- **26%** increase in U.S. high-grade ADV to **$5.1** billion with estimated market share of **23.4%**. Estimated U.S. high-grade TRACE market ADV increased **27%**.
- **25%** increase in U.S. high-yield ADV to **$1.6** billion with **record** estimated market share of **21.4% (+310 bps)**, up from **18.3%**.
- Emerging markets ADV of **$2.1** billion, down slightly; flat excluding the impact of foreign currency fluctuations. Emerging markets market volumes down **22%**. **Record 32.9%** estimated market share of FINRA TRACE-reportable emerging markets trading volume.[3]
- **Record 19.6% (+520 bps)** estimated Eurobonds market share, up from **14.4%**. **$1.4** billion in Eurobonds ADV, representing an increase of **56%**; up approximately **63%** excluding the impact of foreign currency fluctuations.
- **$473** million in municipal bond ADV with **record** estimated market share of **5.5% (+330 bps)**.
- **38%** of total credit trading volume was executed via **Open Trading®**, up from **36%**. Estimated **price improvement**[4] via Open Trading was approximately **$79** million, and average estimated **price improvement per million** was **$1,042**.
- The preliminary FPM for total credit for December was **$165**, compared to **$163** in November. The increase in U.S. high-grade average fees per million in December, driven in part by an increase in duration during the month, was partially offset by lower average fees per million in other credit products due to product mix.[1]

**All comparisons versus December 2021 unless otherwise noted.*

Chris Concannon, President and COO of MarketAxess commented:

"We delivered another strong month with a 27% increase in total credit ADV, driven by a 26% increase in U.S. high-grade ADV and record estimated market share across high-yield, emerging markets, Eurobonds and municipals. These market share gains reflect the powerful benefits of our unique all-to-all liquidity pool.

Open Trading estimated price improvement[4] was approximately $79 million in December and average estimated price improvement per million was approximately $1,042. For full-year 2022, estimated price improvement was approximately $946 million, 65% above the prior year.

The strong share gains we delivered this year reflect the increasing strength of our franchise, driven by the investments we have made to expand our product and geographic foundation. We believe that these strong results and the favorable backdrop for fixed income markets in 2023 create a very attractive operating environment for our model in the new year."

Table 1: December 2022 trading ADV

			CREDIT							RATES		
$ in millions (unaudited)	US/UK Trading Days[5]	Total ADV	Total Credit	High-Grade	High-Yield	Emerging Markets	Eurobonds	Municipal Bonds	Total Rates	US Govt. Bonds	Agcy./Other Govt. Bonds
Dec-22	21/20	$27,191	$10,613	$5,069	$1,557	$2,148	$1,350	$473	$16,578	$16,235	$343
Dec-21	22/21	$24,505	$8,386	$4,024	$1,248	$2,151	$867	$83	$16,119	$15,882	$237
% Change		11%	27%	26%	25%	(0%)	56%	470%	3%	2%	45%

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Table 1A: December 2022 estimated market share

	CREDIT						RATES
(unaudited)	High-Grade	High-Yield	High-Grade/High-Yield Combined	Eurobonds	Composite Corporate Bond[2]	Municipals	US Govt. Bonds
Dec-22	23.4%	21.4%	22.9%	19.6%	22.8%	5.5%	3.1%
Dec-21	23.6%	18.3%	22.1%	14.4%	21.4%	2.2%	2.8%
Bps Change	*(20) bps*	*+310 bps*	*+80 bps*	*+520 bps*	*+140 bps*	*+330 bps*	*+30 bps*

Table 1B: 4Q22 trading ADV

			CREDIT						RATES		
$ in millions (unaudited)	US/UK Trading Days[5]	Total ADV	Total Credit	High-Grade	High-Yield	Emerging Markets	Eurobonds	Municipal Bonds	Total Rates	US Govt. Bonds	Agcy./Other Govt. Bonds
4Q22	61/63	$30,424	$12,042	$5,487	$1,805	$2,666	$1,569	$500	$18,382	$18,026	$356
4Q21	62/64	$29,158	$9,711	$4,482	$1,355	$2,590	$1,169	$107	$19,447	$19,087	$360
% Change		4%	24%	22%	33%	3%	34%	367%	(5%)	(6%)	(1%)

Table 1C: 4Q22 estimated market share

	CREDIT						RATES
(unaudited)	High-Grade	High-Yield	High-Grade/High-Yield Combined	Eurobonds	Composite Corporate Bond[2]	Municipals	US Govt. Bonds
4Q22	21.1%	20.5%	20.9%	18.2%	20.9%	5.0%	3.1%
4Q21	21.2%	15.5%	19.5%	13.2%	18.8%	2.4%	2.9%
Bps Change	*(10) bps*	*+500 bps*	*+140 bps*	*+500 bps*	*+210 bps*	*+260 bps*	*+20 bps*

Select 4Q22 highlights**

- **24%** increase in total credit ADV to **$12.0** billion.
- **Record 20.9% (+210 bps)** composite corporate bond estimated market share,[2] up from **18.8%**.
- **22%** increase in U.S. high-grade ADV to **$5.5** billion with estimated market share of **21.1%**. Estimated U.S. high-grade TRACE market ADV increased **23%**.
- **Record** U.S. high-yield estimated market share of **20.5% (+500 bps)**, up from **15.5%,** on ADV of **$1.8** billion, representing an increase of **33%**.
- Emerging markets ADV of **$2.7** billion, up **3%**; up approximately **5%** excluding the impact of foreign currency fluctuations. Emerging markets market volumes down **22%**. **Record 31.5%** estimated market share of FINRA TRACE-reportable emerging markets trading volume.[3]
- **Record 18.2% (+500 bps)** Eurobonds estimated market share, up from **13.2%** on **record** ADV of **$1.6** billion, representing an increase of **34%**; up approximately **49%** excluding the impact of foreign currency fluctuations.
- **Record 5.0% (+260 bps)** municipal bond estimated market share on **record** ADV of **$500** million.
- **Record 38%** of total credit trading volume was executed via Open Trading, up from **36%** in the prior year. Estimated **price improvement**[4] via Open Trading was approximately **$246** million, and average estimated **price improvement per million** was **$988**.
- **Record $31** billion in portfolio trading volume, up from **$13** billion in 4Q21, and **$25** billion in 3Q22.

- **3.1% (+20 bps)** U.S. Treasury estimated market share, up from **2.9%**.
- The preliminary FPM for total credit for the quarter was **$164.0**, compared to **$165.6** in 3Q22. The preliminary FPM for total rates for the quarter was **$4.10**.[1]

***All comparisons versus 4Q21 unless otherwise noted.*

[1] The FPM for total credit and total rates for the month of December and quarter ended December 31, 2022 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] 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.

[3] Emerging markets estimated market share calculated using FINRA TRACE-reportable emerging markets trading volume, principally U.S. dollar denominated corporates.

[4] 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.

[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.

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; 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 cyber security risks; 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 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 1,900 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 the full trading lifecycle, including automated trading solutions, intelligent data 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 December 31, 2022 Volume	2022 ADV	2021 Volume	2021 ADV	% Change Volume	% Change ADV
Credit						
High-grade	$ 106,454	$ 5,069	$ 88,523	$ 4,024	20.3 %	26.0 %
High-yield	32,694	1,557	27,466	1,248	19.0	24.8
Emerging markets	45,101	2,148	47,324	2,151	(4.7)	(0.1)
Eurobonds	27,007	1,350	18,199	867	48.4	55.7
Other credit[1]	10,274	489	2,102	96	388.8	409.4
Total credit trading[2]	221,530	10,613	183,614	8,386	20.6	26.6
Rates						
U.S. Government Bonds[3]	340,932	16,235	349,408	15,882	(2.4)	2.2
Agency and other government bonds[2]	7,018	343	5,103	237	37.5	44.7
Total rates trading	347,950	16,578	354,511	16,119	(1.9)	2.8
Total trading	$ 569,480	$ 27,191	$ 538,125	$ 24,505	5.8	11.0
Number of U.S. Trading Days[4]		21		22		
Number of U.K. Trading Days[5]		20		21		

In millions (unaudited)	Quarter Ended December 31, 2022 Volume	2022 ADV	2021 Volume	2021 ADV	% Change Volume	% Change ADV
Credit						
High-grade	$ 334,735	$ 5,487	$ 277,891	$ 4,482	20.5 %	22.4 %
High-yield	110,091	1,805	84,004	1,355	31.1	33.2
Emerging markets	162,597	2,666	160,560	2,590	1.3	2.9
Eurobonds	98,853	1,569	74,817	1,169	32.1	34.2
Other credit[1]	31,404	515	7,131	115	340.4	347.8
Total credit trading[2]	737,680	12,042	604,403	9,711	22.1	24.0
Rates						
U.S. Government Bonds[3]	1,099,596	18,026	1,183,410	19,087	(7.1)	(5.6)
Agency and other government bonds[2]	22,138	356	22,685	360	(2.4)	(1.1)
Total rates trading	1,121,734	18,382	1,206,095	19,447	(7.0)	(5.5)
Total trading	$ 1,859,414	$ 30,424	$ 1,810,498	$ 29,158	2.7	4.3
Number of U.S. Trading Days[4]		61		62		
Number of U.K. Trading Days[5]		63		64		

Table 2: Trading Volume Detail (continued)

In millions (unaudited)	Year-to-Date Ended December 31, 2022		2021		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	$ 1,364,530	$ 5,480	$ 1,243,180	$ 4,973	9.8 %	10.2 %
High-yield	424,812	1,706	371,116	1,484	14.5	15.0
Emerging markets	693,560	2,785	649,455	2,598	6.8	7.2
Eurobonds	362,713	1,451	334,899	1,324	8.3	9.6
Other credit[1]	99,225	398	26,134	105	279.7	279.0
Total credit trading[2]	2,944,840	11,820	2,624,784	10,484	12.2	12.7
Rates						
U.S. Government Bonds[3]	5,347,607	21,476	4,074,451	16,298	31.2	31.8
Agency and other government bonds[2]	96,782	388	70,513	281	37.3	38.1
Total rates trading	5,444,389	21,864	4,144,964	16,579	31.3	31.9
Total trading	$ 8,389,229	$ 33,684	$ 6,769,748	$ 27,063	23.9	24.5
Number of U.S. Trading Days[4]		249		250		
Number of U.K. Trading Days[5]		250		253		

[1] Beginning January 2022, following the integration of the MuniBrokers platform, we are now including MuniBrokers variable commission related trading volume in other credit.

[2] 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.

[3] Consistent with industry standards, U.S. Government Bond trades are single-counted.

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

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