

MarketAxess Announces Monthly Volume Statistics for June and Second Quarter 2023

NEW YORK | July 6, 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 second quarter ended June 30, 2023.¹

Chris Concannon, CEO of MarketAxess, commented:

“June and second quarter market trends reflect dramatically lower credit spread volatility versus the prior year same periods. The second quarter trading range of credit spreads for U.S. high-grade and U.S. high-yield bond indices was approximately 1/3rd of last year’s second quarter levels, reducing client activity for some segments of the market. Despite lower volatility, Open Trading share of total credit trading volume was in line with the prior year at approximately 34%, and we delivered estimated price improvement of \$157 million⁵ to clients in the quarter. Client adoption of our growing suite of trading automation tools remains strong and estimated market share trends continue to be positive in our international product areas and municipal bonds.”

Select 2Q23 highlights*

- U.S. high-grade average daily volume (“ADV”) of **\$5.7 billion**, with estimated market share of **20.7%** reflecting the impact of a **17%** increase in the new issue calendar compared to the prior year.
- U.S. high-yield ADV of **\$1.5 billion** with estimated market share of **16.5%**. Low credit spread volatility has reduced trading activity by ETF market makers in U.S. high-yield, with estimated U.S. high-yield TRACE market ADV down **13.2%**.
- Emerging markets ADV of **\$2.7 billion** decreased from **\$2.8 billion** in the prior year; decrease of **12.3%** in emerging markets estimated market ADV.² Local markets emerging markets trading volume increased **10.7%** to **\$75.0 billion** and represented a **record 44.1%** of total emerging markets trading volume in the quarter. Local markets trading volume in the quarter benefited from a record **\$31.2 billion** in June, representing a **31.9%** increase compared to the prior year.
- **30.2%** increase in Eurobonds ADV to a **record \$1.9 billion** with a **record 18.4% (+330 bps)** estimated market share, up from **15.1%**.³
- Municipal bond ADV of **\$389 million**, up **4.8%**, with estimated market share of **5.8% (+190 bps)**, up from **3.9%**. Municipal bond market ADV decreased **30.1%**.
- **34%** Open Trading[®] share⁴ of total credit trading volume. Estimated **price improvement**⁵ via Open Trading was approximately **\$157 million** in the quarter and is **\$409 million** year-to-date through second quarter 2023.
- The preliminary FPM¹ for total credit for second quarter 2023 was approximately **\$157** (**\$160** excluding the impact of client crossing programs in Eurobonds in April 2023), compared to **\$166** in the prior year. The decline in total credit FPM was principally due to the mix of credit products, specifically the decline in U.S. high-yield trading volume which is the highest FPM product. The preliminary FPM for total rates was **\$4.80**, compared to **\$4.21** in second quarter 2022.

*All comparisons versus second quarter 2022 unless otherwise noted.

Table 1: June 2023 trading ADV

\$ in millions (unaudited)	US/UK Trading Days ⁶	Total ADV	CREDIT						RATES		
			Total Credit	High-Grade	High-Yield	Emerging Markets	Eurobonds	Municipal Bonds	Total Rates	US Govt. Bonds	Agcy./Other Govt. Bonds
Jun-23	21/22	\$27,276	\$12,284	\$5,660	\$1,453	\$3,053	\$1,733	\$370	\$14,992	\$14,577	\$415
Jun-22	21/20	\$33,360	\$12,675	\$5,809	\$1,971	\$2,854	\$1,622	\$379	\$20,685	\$20,245	\$440
% Change		(18%)	(3%)	(3%)	(26%)	7%	7%	(2%)	(28%)	(28%)	(6%)

Table 1A: June 2023 estimated market share

(unaudited)	CREDIT						RATES
	High-Grade	High-Yield	High-Grade/High-Yield Combined	Eurobonds ³	Composite Corporate Bond ⁷	Municipals	US Govt. Bonds
Jun-23	20.6%	16.3%	19.6%	16.3%	19.2%	5.3%	2.5%
Jun-22	22.7%	19.0%	21.6%	17.2%	21.2%	4.4%	3.4%
Bps Change	<i>(210) bps</i>	<i>(270) bps</i>	<i>(200) bps</i>	<i>(90) bps</i>	<i>(200) bps</i>	<i>+90 bps</i>	<i>(90) bps</i>

Table 1B: 2Q23 trading ADV

\$ in millions (unaudited)	US/UK Trading Days ⁶	Total ADV	CREDIT						RATES		
			Total Credit	High-Grade	High-Yield	Emerging Markets	Eurobonds	Municipal Bonds	Total Rates	US Govt. Bonds	Agcy./Other Govt. Bonds
2Q23	62/60	\$27,828	\$12,226	\$5,697	\$1,474	\$2,714	\$1,942	\$389	\$15,602	\$15,163	\$439
2Q22	62/60	\$35,389	\$12,290	\$5,803	\$1,771	\$2,828	\$1,491	\$371	\$23,099	\$22,657	\$442
% Change		(21%)	(1%)	(2%)	(17%)	(4%)	30%	5%	(32%)	(33%)	(1%)

Table 1C: 2Q23 estimated market share

(unaudited)	CREDIT						RATES
	High-Grade	High-Yield	High-Grade/High-Yield Combined	Eurobonds ³	Composite Corporate Bond ⁷	Municipals	US Govt. Bonds
2Q23	20.7%	16.5%	19.7%	18.4%	19.7%	5.8%	2.5%
2Q22	22.3%	17.3%	20.9%	15.1%	20.2%	3.9%	3.7%
Bps Change	<i>(160) bps</i>	<i>(80) bps</i>	<i>(120) bps</i>	<i>+330 bps</i>	<i>(50) bps</i>	<i>+190 bps</i>	<i>(120) bps</i>

Table 1D: Rolling 6-month trading ADV (period ending June 30, 2023 compared to period ending June 30, 2022)

\$ in millions (unaudited)	US/UK Trading Days ⁶	Total ADV	CREDIT						RATES		
			Total Credit	High-Grade	High-Yield	Emerging Markets	Eurobonds	Municipal Bonds	Total Rates	US Govt. Bonds	Agcy./Other Govt. Bonds
Jun-23	124/124	\$33,014	\$12,972	\$6,016	\$1,728	\$2,904	\$1,894	\$418	\$20,042	\$19,608	\$434
Jun-22	124/123	\$36,447	\$12,147	\$5,660	\$1,699	\$2,944	\$1,492	\$329	\$24,300	\$23,867	\$433
% Change		(9%)	7%	6%	2%	(1%)	27%	27%	(18%)	(18%)	0%

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

(unaudited)	CREDIT						RATES
	High-Grade	High-Yield	High-Grade/High-Yield Combined	Eurobonds ³	Composite Corporate Bond ⁷	Municipals	US Govt. Bonds
Jun-23	20.3%	17.5%	19.6%	17.1%	19.4%	6.1%	3.0%
Jun-22	21.5%	16.2%	20.0%	13.4%	19.1%	4.1%	3.7%
Bps Change	<i>(120) bps</i>	<i>+130 bps</i>	<i>(40) bps</i>	<i>+370 bps</i>	<i>+30 bps</i>	<i>+200 bps</i>	<i>(70) bps</i>

¹The FPM for total credit and total rates for the second quarter ended June 30, 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. Excluding the impact of client crossing programs in April 2023, Eurobonds estimated market share for second quarter 2023 and the rolling 6-month period ending June 30, 2023 would have been approximately 16.9% and 16.4%, respectively.

⁴ 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, 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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Contacts

INVESTOR RELATIONS

Stephen Davidson

MarketAxess Holdings Inc.
+1 212 813 6313
sdavidson2@marketaxess.com

MEDIA RELATIONS

Marisha Mistry

MarketAxess Holdings Inc.
+1 917 267 1232
mmistry@marketaxess.com

William McBride

RF | Binder
+1 917 239 6726

Table 2: Trading Volume Detail

In millions (unaudited)	Month Ended June 30,					
	2023		2022		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	\$ 118,868	\$ 5,660	\$ 121,988	\$ 5,809	(2.6) %	(2.6) %
High-yield	30,509	1,453	41,396	1,971	(26.3)	(26.3)
Emerging markets	64,103	3,053	59,939	2,854	6.9	7.0
Eurobonds	38,124	1,733	32,440	1,622	17.5	6.8
Other credit	8,105	385	8,796	419	(7.9)	(8.1)
Total credit trading¹	259,709	12,284	264,559	12,675	(1.8)	(3.1)
Rates						
U.S. government bonds ²	306,127	14,577	425,146	20,245	(28.0)	(28.0)
Agency and other government bonds ¹	8,990	415	9,004	440	(0.2)	(5.7)
Total rates trading	315,117	14,992	434,150	20,685	(27.4)	(27.5)
Total trading	\$ 574,826	\$ 27,276	\$ 698,709	\$ 33,360	(17.7)	(18.2)
Number of U.S. Trading Days³		21		21		
Number of U.K. Trading Days⁴		22		20		

In millions (unaudited)	Quarter Ended June 30,					
	2023		2022		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	\$ 353,239	\$ 5,697	\$ 359,785	\$ 5,803	(1.8) %	(1.8) %
High-yield	91,390	1,474	109,829	1,771	(16.8)	(16.8)
Emerging markets	168,257	2,714	175,314	2,828	(4.0)	(4.0)
Eurobonds	116,495	1,942	89,480	1,491	30.2	30.2
Other credit	24,729	399	24,586	397	0.6	0.5
Total credit trading¹	754,110	12,226	758,994	12,290	(0.6)	(0.5)
Rates						
U.S. government bonds ²	940,127	15,163	1,404,750	22,657	(33.1)	(33.1)
Agency and other government bonds ¹	26,721	439	26,845	442	(0.5)	(0.7)
Total rates trading	966,848	15,602	1,431,595	23,099	(32.5)	(32.5)
Total trading	\$ 1,720,958	\$ 27,828	\$ 2,190,589	\$ 35,389	(21.4)	(21.4)
Number of U.S. Trading Days³		62		62		
Number of U.K. Trading Days⁴		60		60		

Table 2: Trading Volume Detail (continued)

In millions (unaudited)	Year-to-Date Ended June 30,					
	2023		2022		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	\$ 745,954	\$ 6,016	\$ 701,878	\$ 5,660	6.3 %	6.3 %
High-yield	214,263	1,728	210,656	1,699	1.7	1.7
Emerging markets	360,098	2,904	365,054	2,944	(1.4)	(1.4)
Eurobonds	234,861	1,894	183,556	1,492	28.0	26.9
Other credit	53,412	430	43,661	352	22.3	22.2
Total credit trading¹	<u>1,608,588</u>	<u>12,972</u>	<u>1,504,805</u>	<u>12,147</u>	6.9	6.8
Rates						
U.S. government bonds ²	2,431,419	19,608	2,959,466	23,867	(17.8)	(17.8)
Agency and other government bonds ¹	53,782	434	53,363	433	0.8	0.2
Total rates trading	<u>2,485,201</u>	<u>20,042</u>	<u>3,012,829</u>	<u>24,300</u>	(17.5)	(17.5)
Total trading	<u>\$ 4,093,789</u>	<u>\$ 33,014</u>	<u>\$ 4,517,634</u>	<u>\$ 36,447</u>	(9.4)	(9.4)
Number of U.S. Trading Days³		124		124		
Number of U.K. Trading Days⁴		124		123		

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.