

MarketAxess Announces Monthly Volume Statistics for August 2023

NEW YORK | September 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 August 2023.¹

Chris Concannon, CEO of MarketAxess, commented:

“In August, we delivered growth in U.S. high-grade trading volumes and strong growth in volumes across our international businesses in emerging markets and Eurobonds. We also registered strong growth in municipal bond trading volume and estimated market share after successfully adding connectivity with leading liquidity providers through our continued integration with the Munibrokers platform. However, a combination of continued low levels of credit spread volatility and the seasonal summer slow-down in August have negatively impacted ETF market maker client activity in U.S. high-yield. We have seen further adoption of our new trading platform, powered by unique proprietary data that we believe will help us drive continued share gains in portfolio trading and other sophisticated automated trading solutions for clients.”

Select August 2023 highlights*

- Total credit average daily volume (“ADV”) of **\$10.4 billion**, up **2.3%**.
- U.S. high-grade ADV of **\$5.0 billion**, up **2.1%** with estimated market share of **20.6%**. U.S. high-grade estimated market ADV increased **2.6%**.
- U.S. high-yield ADV of **\$1.2 billion**, down **18.6%** with estimated market share of **15.9%**. U.S. high-yield estimated market ADV decreased **7.5%**. The decrease in U.S. high-yield estimated market share was driven principally by low levels of credit spread volatility, resulting in a decrease in ETF market maker activity on the platform.
- **6.0%** increase in emerging markets ADV to **\$2.5 billion** driven by a **31.3%** increase in local markets trading volume, partially offset by a **6.1%** decline in hard currency trading volume; **3.2%** decrease in emerging markets estimated market ADV.²
- **19.7%** increase in Eurobonds ADV to **\$1.3 billion** with estimated market share of **15.4%**. Eurobonds estimated market ADV increased **38.0%**.³
- Municipal bond ADV of **\$388 million**, up **17.9%** with estimated market share of **5.8%**. Municipal bond estimated market ADV increased **2.5%**.
- **\$10.1 billion** in total portfolio trading volume, up from **\$7.1 billion** in July 2023 and **\$4.7 billion** in August 2022.
- **34%** Open Trading® share⁴ of total credit trading volume, down from **37%** in the prior year on lower volatility. Estimated **price improvement**⁵ via Open Trading was approximately **\$40 million** and is **\$493 million** year-to-date through August 2023 on lower volatility.
- The preliminary FPM¹ for total credit for August 2023 was approximately **\$154**, compared to **\$167** in the prior year. Quarter-to-date, the preliminary FPM¹ for total credit was **\$157**, in line with second quarter 2023 levels. The decline in total credit FPM in August 2023 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 driven primarily by higher bond yields. The preliminary FPM for total rates was **\$3.90**, compared to **\$3.95** in the prior year.

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

Table 1: August 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
Aug-23	23/22	\$29,805	\$10,399	\$5,011	\$1,200	\$2,540	\$1,250	\$388	\$19,406	\$19,072	\$334
Aug-22	23/22	\$30,615	\$10,168	\$4,908	\$1,475	\$2,396	\$1,044	\$329	\$20,447	\$20,158	\$289
% Change		(3%)	2%	2%	(19%)	6%	20%	18%	(5%)	(5%)	16%

Table 1A: August 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
Aug-23	20.6%	15.9%	19.5%	15.4%	19.1%	5.8%	3.0%
Aug-22	20.7%	18.0%	20.0%	17.8%	20.3%	5.0%	3.3%
Bps Change	(10) bps	(210) bps	(50) bps	(240) bps	(120) bps	+80 bps	(30) bps

Table 1B: Rolling 6-month trading ADV (period ending August 31, 2023 compared to period ending August 31, 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
Aug-23	128/126	\$30,424	\$11,884	\$5,568	\$1,471	\$2,714	\$1,735	\$384	\$18,540	\$18,135	\$405
Aug-22	128/126	\$34,495	\$11,655	\$5,482	\$1,659	\$2,776	\$1,362	\$354	\$22,840	\$22,454	\$386
% Change		(12%)	2%	2%	(11%)	(2%)	27%	8%	(19%)	(19%)	5%

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

(unaudited)	CREDIT						RATES
	High-Grade	High-Yield	High-Grade/High-Yield Combined	Eurobonds ³	Composite Corporate Bond ⁷	Municipals	US Govt. Bonds
Aug-23	20.4%	17.0%	19.6%	17.3%	19.5%	5.9%	2.9%
Aug-22	21.5%	17.1%	20.3%	15.2%	19.8%	4.3%	3.6%
Bps Change	(110) bps	(10) bps	(70) bps	+210 bps	(30) bps	+160 bps	(70) bps

¹ The FPM for total credit and total rates for August 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 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 70% of the total European market.

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 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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Table 2: Trading Volume Detail

In millions (unaudited)	Month Ended August 31,					
	2023		2022		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	\$ 115,260	\$ 5,011	\$ 112,890	\$ 4,908	2.1 %	2.1 %
High-yield	27,594	1,200	33,923	1,475	(18.7)	(18.6)
Emerging markets	58,421	2,540	55,111	2,396	6.0	6.0
Eurobonds	27,498	1,250	22,968	1,044	19.7	19.7
Other credit	9,163	398	7,941	345	15.4	15.4
Total credit trading¹	237,936	10,399	232,833	10,168	2.2	2.3
Rates						
U.S. government bonds ²	438,656	19,072	463,643	20,158	(5.4)	(5.4)
Agency and other government bonds ¹	7,489	334	6,520	289	14.9	15.6
Total rates trading	446,145	19,406	470,163	20,447	(5.1)	(5.1)
Total trading	\$ 684,081	\$ 29,805	\$ 702,996	\$ 30,615	(2.7)	(2.6)
Number of U.S. Trading Days³		23		23		
Number of U.K. Trading Days⁴		22		22		

In millions (unaudited)	Year-to-Date Ended August 31,					
	2023		2022		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	\$ 964,490	\$ 5,775	\$ 909,644	\$ 5,447	6.0 %	6.0 %
High-yield	269,258	1,612	276,324	1,655	(2.6)	(2.6)
Emerging markets	477,451	2,859	471,943	2,826	1.2	1.2
Eurobonds	295,018	1,767	232,081	1,398	27.1	26.4
Other credit	69,718	417	59,898	359	16.4	16.2
Total credit trading¹	2,075,935	12,430	1,949,890	11,685	6.5	6.4
Rates						
U.S. government bonds ²	3,200,682	19,166	3,829,101	22,929	(16.4)	(16.4)
Agency and other government bonds ¹	69,361	415	65,807	396	5.4	4.8
Total rates trading	3,270,043	19,581	3,894,908	23,325	(16.0)	(16.1)
Total trading	\$ 5,345,978	\$ 32,011	\$ 5,844,798	\$ 35,010	(8.5)	(8.6)
Number of U.S. Trading Days³		167		167		
Number of U.K. Trading Days⁴		167		166		

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.