

MarketAxess Announces Monthly Volume Statistics for December and Fourth Quarter 2023

Record 4Q23 Portfolio Trading Volume, Up 36%; Record \$33.4 Billion in Municipal Bonds Trading Volume

NEW YORK | January 4, 2024 - 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 fourth quarter ended December 31, 2023.¹

Chris Concannon, CEO of MarketAxess, commented:

“In the fourth quarter of 2023, total credit ADV increased approximately **9%** compared to the prior year and increased **18%** from 3Q23 levels, which benefited from **record** portfolio trading and **record** municipal bond trading volume. Client engagement with MarketAxess X-Pro, our unique proprietary data products and our automated solutions continues to build, and we believe that the strong market volumes in 4Q23 reflect an improving market backdrop as we begin 2024.”

Select 4Q23 highlights*

- Total credit average daily trading volume (“ADV”) of **\$13.1 billion**, up **8.9%** versus the prior year, and up **17.5%** versus 3Q23 levels.
- U.S. high-grade ADV of **\$6.2 billion**, up **13.3%** from the prior year, and up **20.0%** versus 3Q23. Estimated market share of **20.9%**, down slightly from **21.1%** in the prior year, and up from **20.0%** in 3Q23. U.S. high-grade estimated market ADV increased **13.9%**, compared to the prior year, and was up **14.7%** versus 3Q23.
- U.S. high-yield ADV of **\$1.7 billion**, down **8.4%** compared to the prior year, but up **27.8%** from 3Q23 levels. Estimated market share of **17.2%**, down from **20.5%** in the prior year, but up from **16.1%** in 3Q23. U.S. high-yield estimated market ADV increased **9.0%** versus the prior year, and increased **19.4%** compared to 3Q23. The decrease in U.S. high-yield estimated market share year-over-year was driven principally by an estimated **18.6%** decrease in ETF market maker activity on the platform.
- Emerging markets ADV of **\$2.9 billion**, up **9.8%** from the prior year, and up **4.6%** from 3Q23 levels. The year-over-year increase was principally due to a **25.6%** increase in local currency trading ADV. Emerging markets estimated market ADV increased **12.1%**, compared to the prior year, and increased **4.2%** compared to 3Q23.²
- Eurobonds ADV of **\$1.8 billion**, up **12.6%** from the prior year, and up **19.1%** from 3Q23.
- **Record** municipal bond ADV of **\$539 million**, up **7.8%** from the prior year, and up **38.9%** from 3Q23. Estimated market share of **5.8%**, up from **5.0%** in the prior year and in line with 3Q23 levels. Estimated market ADV down **7.0%** compared to the prior year, but up **38.5%** compared to 3Q23.
- **AxessIQ**, the order and execution workflow solution designed for wealth management and private banking clients, achieved **record** ADV of **\$140.6 million**, up **67.0%** from the prior year, and up **41.9%** from 3Q23 levels.
- **Record \$41.8 billion** in total portfolio trading volume, up **35.8%** from the prior year, and up **52.1%** from 3Q23. Approximately **\$11.6 billion**, or **30.3%**, of our portfolio trading volume (in-competition only) was executed over MarketAxess X-Pro, our new trading platform, compared to approximately **\$4.8 billion**, or **18.2%**, in 3Q23.
- **36%** Open Trading® share³ of total credit trading volume, down from **38%** in the prior year, but up from **34%** in 3Q23.
- Total rates ADV of **\$16.5 billion**, down **10.1%** versus the prior year, and down **8.8%** from 3Q23 levels.
- The preliminary FPM¹ for total credit for 4Q23 was approximately **\$156**, compared to **\$164** in the prior year, and **\$155** in 3Q23. The decline in total credit FPM compared to the prior year was due principally to product and protocol mix shift. The preliminary FPM for total rates was **\$4.50**, compared to **\$4.16** in the prior year.

*All comparisons versus 4Q22 unless otherwise noted.

Table 1: December 2023 trading ADV

| \$ in millions (unaudited) | US/UK Trading Days ⁴ | Total ADV | Total Credit | CREDIT | | | | | RATES | | |
|-------------------------------|------------------------------------|--------------|-----------------|------------|------------|---------------------|-----------|--------------------|----------------|-------------------|----------------------------|
| | | | | High-Grade | High-Yield | Emerging Markets | Eurobonds | Municipal Bonds | Total Rates | US Govt. Bonds | Agcy./Other Govt. Bonds |
| Dec-23 | 20/19 | \$26,994 | \$12,262 | \$6,133 | \$1,412 | \$2,649 | \$1,580 | \$480 | \$14,732 | \$14,380 | \$352 |
| Dec-22 | 21/20 | \$27,191 | \$10,613 | \$5,069 | \$1,557 | \$2,148 | \$1,350 | \$473 | \$16,578 | \$16,235 | \$343 |
| % Change | | (1%) | 16% | 21% | (9%) | 23% | 17% | 1% | (11%) | (11%) | 3% |

Table 1A: December 2023 estimated market share

| (unaudited) | CREDIT | | | | | | RATES |
|-------------------|------------|------------|-----------------------------------|------------------------|--|------------|-------------------|
| | High-Grade | High-Yield | High-Grade/High-Yield Combined | Eurobonds ⁵ | Composite Corporate Bond ⁶ | Municipals | US Govt. Bonds |
| Dec-23 | 22.1% | 18.2% | 21.3% | 16.7% | 20.8% | 6.5% | 2.0% |
| Dec-22 | 23.4% | 21.4% | 22.9% | 19.6% | 22.8% | 5.5% | 3.1% |
| Bps Change | (130) bps | (320) bps | (160) bps | (290) bps | (200) bps | +100 bps | (110) bps |

Table 1B: 4Q23 trading ADV

| \$ in millions (unaudited) | US/UK Trading Days ⁴ | Total ADV | Total Credit | CREDIT | | | | | RATES | | |
|-------------------------------|------------------------------------|--------------|-----------------|------------|------------|---------------------|-----------|--------------------|----------------|-------------------|----------------------------|
| | | | | High-Grade | High-Yield | Emerging Markets | Eurobonds | Municipal Bonds | Total Rates | US Govt. Bonds | Agcy./Other Govt. Bonds |
| 4Q23 | 62/63 | \$29,641 | \$13,108 | \$6,215 | \$1,653 | \$2,927 | \$1,767 | \$539 | \$16,533 | \$16,106 | \$427 |
| 4Q22 | 61/63 | \$30,424 | \$12,042 | \$5,487 | \$1,805 | \$2,666 | \$1,569 | \$500 | \$18,382 | \$18,026 | \$356 |
| % Change | | (3%) | 9% | 13% | (8%) | 10% | 13% | 8% | (10%) | (11%) | 20% |

Table 1C: 4Q23 estimated market share

| (unaudited) | CREDIT | | | | | | RATES |
|-------------------|------------|------------|-----------------------------------|------------------------|--|------------|-------------------|
| | High-Grade | High-Yield | High-Grade/High-Yield Combined | Eurobonds ⁵ | Composite Corporate Bond ⁶ | Municipals | US Govt. Bonds |
| 4Q23 | 20.9% | 17.2% | 20.0% | 15.7% | 19.4% | 5.8% | 2.3% |
| 4Q22 | 21.1% | 20.5% | 20.9% | 18.2% | 20.9% | 5.0% | 3.1% |
| Bps Change | (20) bps | (330) bps | (90) bps | (250) bps | (150) bps | +80 bps | (80) bps |

¹The FPM for total credit and total rates for 4Q23 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 total emerging markets) and FINRA TRACE-reportable emerging markets trading volume, principally U.S. dollar denominated corporates.

³ 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.

⁴ 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.

⁵ 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.

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.

General Notes Regarding the Data Presented

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.

For periods beginning with January 2024, the Company will be making changes to the market volume data used to calculate estimated market share for Municipal and U.S. Government Bonds. For Municipal Bonds, the Company previously used estimates, derived from data issued by the Municipal Securities Rule Making Board ("MSRB"), including estimates for new issuance, commercial paper and variable-rate trading activity, and excluded these volumes from the estimated market volume data. While the Company still uses estimates, the new methodology for identifying and excluding these volumes from the market volume data is now based on MSRB "flags" to identify new issuance, commercial paper, and variable-rate volumes. For U.S. Government Bonds, the previous data source for estimated market volumes was the Federal Reserve Bank's Reported Primary Dealer U.S. Treasury Bond Trading Volumes, which was reported on a one-week lag. The new source for U.S. Government Bond trading volumes is FINRA's U.S. Treasury TRACE data. The Company believes that the refined methodology used for Municipal Bonds, and the new data source for U.S. Government Bonds, will provide more accurate measures of estimated market volumes and estimated market share. Prior comparable periods will be recast retrospectively for both Municipal and U.S. Government Bonds to conform to the updated presentation of the data. Beginning in January 2024, the new estimated market volume data will also be 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).

###

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

Table 2: Trading Volume Detail (continued)

| In millions (unaudited) | Year-to-Date Ended December 31, | | | | | |
|--|---------------------------------|------------------|---------------------|------------------|----------|--------|
| | 2023 | | 2022 | | % Change | |
| | Volume | ADV | Volume | ADV | Volume | ADV |
| Credit | | | | | | |
| High-grade | \$ 1,457,559 | \$ 5,854 | \$ 1,364,530 | \$ 5,480 | 6.8 % | 6.8 % |
| High-yield | 398,275 | 1,599 | 424,812 | 1,706 | (6.2) | (6.3) |
| Emerging markets | 717,877 | 2,883 | 693,560 | 2,785 | 3.5 | 3.5 |
| Eurobonds | 441,171 | 1,758 | 362,713 | 1,451 | 21.6 | 21.2 |
| Other credit | 112,451 | 451 | 99,225 | 398 | 13.3 | 13.3 |
| Total credit trading¹ | <u>3,127,333</u> | <u>12,545</u> | <u>2,944,840</u> | <u>11,820</u> | 6.2 | 6.1 |
| Rates | | | | | | |
| U.S. government bonds ² | 4,545,850 | 18,256 | 5,347,607 | 21,476 | (15.0) | (15.0) |
| Agency and other government bonds ¹ | 106,933 | 427 | 96,782 | 388 | 10.5 | 10.1 |
| Total rates trading | <u>4,652,783</u> | <u>18,683</u> | <u>5,444,389</u> | <u>21,864</u> | (14.5) | (14.5) |
| Total trading | <u>\$ 7,780,116</u> | <u>\$ 31,228</u> | <u>\$ 8,389,229</u> | <u>\$ 33,684</u> | (7.3) | (7.3) |
| Number of U.S. Trading Days³ | | 249 | | 249 | | |
| Number of U.K. Trading Days⁴ | | 251 | | 250 | | |

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.