

MarketAxess Announces Monthly Volume Statistics for January 2024

Record Total Credit Trading ADV of \$15.0 billion Driven by Record U.S. High-Grade ADV of \$7.5 Billion and Record Emerging Markets ADV of \$3.7 Billion

NEW YORK | February 5, 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 January 2024.¹

Chris Concannon, CEO of MarketAxess, commented:

“We delivered **record** total credit ADV of **\$15.0 billion**, driven by a **20%** increase in U.S. high-grade ADV to a **record \$7.5 billion**, and an **8%** increase in emerging markets ADV to a **record \$3.7 billion**, on **record** levels of hard currency trading volume. The roll-out of X-Pro is continuing and client engagement is increasing with approximately **12%** of our largest client firms active on the platform. These solid results helped to offset lower levels of U.S. high-yield trading activity and estimated share on our platform driven by continued low levels of credit spread volatility. Our U.S. high-yield client franchise is strong, with a **record 1,300 active client firms**. We believe that higher levels of credit spread volatility will help drive a return to more normal levels of trading activity in U.S. high-yield in the coming months.”

Select January 2024 highlights*

- **Record** total credit average daily volume (“ADV”) of **\$15.0 billion**, up **6.9%**.
- **Record** U.S. high-grade ADV of **\$7.5 billion**, up **20.2%**. Estimated market share of **19.1%**, down slightly from **19.5%** in the prior year. Including the impact of single-dealer portfolio trades, U.S. high-grade ADV would have been **\$7.7 billion**, up **22.8%**, and estimated market share would have been **19.7%**, compared to **19.7%** in the prior year.² U.S. high-grade estimated market ADV increased **22.6%**.
- U.S. high-yield ADV of **\$1.4 billion**, down **25.4%**. Estimated market share of **13.0%**, down from **16.8%** in the prior year. U.S. high-yield estimated market ADV decreased **3.8%**. We believe the decrease in U.S. high-yield market share year-over-year was driven, in part, by **lower levels of credit spread volatility**, a greater **focus on the new issue calendar** by our long-only client segment, and a **higher mix of lower-rated bonds in U.S. high-yield TRACE market volumes**, which are less likely to trade on electronic platforms. Lower levels of credit spread volatility drove an estimated **34.5%** decrease in ETF market maker client activity on our platform.
- **Record** emerging markets ADV of **\$3.7 billion**, up **8.2%**. The year-over-year increase was driven by **record** hard currency trading volume, up **12.4%**, and **18.2%** growth in local currency markets trading volume.³
- Eurobonds ADV of **\$1.9 billion**, up **0.5%**.³
- Municipal bond ADV of **\$405 million**, down **21.5%** with estimated market ADV down **26.1%**. Estimated market share of **6.2%**, up from **6.0%** in the prior year.³
- **Record \$18.3 billion** in total portfolio trading volume, up **88.4%** from January 2023, and up **35.9%** from December 2023 levels.
- **35%** Open Trading® share⁴ of total credit trading volume, in line with the prior year.
- Total Rates ADV of **\$16.9 billion**, down **25.1%**.
- The preliminary FPM¹ for total credit for January 2024 was approximately **\$156**, down from **\$160** in the prior year, but in line with the **\$156** reported for 4Q23. 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 **\$5.30**, compared to **\$4.19** in the prior year.

**All comparisons versus January 2023 unless otherwise noted.*

Table 1: January 2024 trading ADV

\$ in millions (unaudited)	US/UK Trading Days ⁵	Total ADV	CREDIT						RATES		
			Total Credit	High-Grade	High-Yield	Emerging Markets	Eurobonds	Municipal Bonds	Total Rates	US Govt. Bonds	Agcy./Other Govt. Bonds
Jan-24	21/22	\$31,855	\$14,964	\$7,481	\$1,397	\$3,726	\$1,943	\$405	\$16,891	\$16,406	\$485
Jan-23	20/21	\$36,561	\$14,000	\$6,223	\$1,873	\$3,444	\$1,933	\$516	\$22,561	\$22,104	\$457
% Change		(13%)	7%	20%	(25%)	8%	1%	(22%)	(25%)	(26%)	6%

Table 1A: January 2024 estimated market share

(unaudited)	CREDIT				RATES
	High-Grade	High-Yield	High-Grade/High-Yield Combined	Municipals ³	US Govt. Bonds ³
Jan-24	19.1%	13.0%	17.8%	6.2%	1.8%
Jan-23	19.5%	16.8%	18.8%	6.0%	3.1%
Bps Change	(40) bps	(380) bps	(100) bps	+20 bps	(130) bps

¹ The FPM for total credit and total rates for January 2024 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 For January 2024, the Company is highlighting the impact of single-dealer portfolio trading volume on U.S. high-grade trading volume and estimated market share, but will continue to exclude single-dealer portfolio trading activity from reported trading volume, estimated market share and the total credit FPM calculation.

³ See "General Notes Regarding the Data Presented" below.

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 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.

General Notes Regarding the Data Presented

Reported MarketAxess volume in all product categories includes only fully electronic trading volume. MarketAxess trading volumes and TRACE reported volumes are available on the Company's website at investor.marketaxess.com/volume.

Beginning with January 2024, the Company will no longer be providing Emerging Markets or Eurobonds market ADV or estimated market share. The Company is currently reviewing its methodology for calculating such statistics, which historically have been derived from MarketAxess TraX data, to ensure that the statistics presented provide a complete and accurate view of the market.

In addition, for periods beginning with January 2024, the Company has made 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, provides more accurate measures of estimated market volumes and estimated market share. Prior comparable periods have been recast retrospectively for both Municipal and U.S. Government Bonds to conform to the updated presentation of the data. The new estimated market volume data is also 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 January 31,					
	2024		2023		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	\$ 157,093	\$ 7,481	\$ 124,458	\$ 6,223	26.2 %	20.2 %
High-yield	29,330	1,397	37,460	1,873	(21.7)	(25.4)
Emerging markets	78,249	3,726	68,878	3,444	13.6	8.2
Eurobonds	42,755	1,943	40,598	1,933	5.3	0.5
Other credit	8,767	417	10,536	527	(16.8)	(20.9)
Total credit trading¹	<u>316,194</u>	<u>14,964</u>	<u>281,930</u>	<u>14,000</u>	12.2	6.9
Rates						
U.S. government bonds ²	344,527	16,406	442,086	22,104	(22.1)	(25.8)
Agency and other government bonds ¹	10,516	485	9,447	457	11.3	6.1
Total rates trading	<u>355,043</u>	<u>16,891</u>	<u>451,533</u>	<u>22,561</u>	(21.4)	(25.1)
Total trading	<u>\$ 671,237</u>	<u>\$ 31,855</u>	<u>\$ 733,463</u>	<u>\$ 36,561</u>	(8.5)	(12.9)
Number of U.S. Trading Days³		21		20		
Number of U.K. Trading Days⁴		22		21		

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.