

MarketAxess Announces Monthly Volume Statistics for March and First Quarter 2024

Record Quarterly Total Credit Trading ADV of \$15.0 Billion, Driven by Record U.S. High-Grade ADV of \$7.5 Billion, Record Emerging Markets ADV of \$3.6 Billion and Record Eurobonds ADV of \$2.0 Billion

NEW YORK | April 3, 2024 - MarketAxess Holdings Inc. (Nasdaq: MKTX), the operator of a leading electronic trading platform for fixed-income securities, today announced trading volume and preliminary variable transaction fees per million (“FPM”) for March and the first quarter ended March 31, 2024.¹

Chris Concannon, CEO of MarketAxess, commented:

“In the first quarter, we delivered **record** total credit ADV of **\$15.0 billion**, driven by an **18.0%** increase in U.S. high-grade ADV, a **17.3%** increase in emerging markets ADV and a **10.6%** increase in Eurobonds ADV. **Record levels of ADV** across these product areas helped offset significantly lower levels of U.S. high-yield trading activity on the platform, driven by continued low levels of credit spread volatility. The roll-out of MarketAxess X-Pro is continuing and client engagement is increasing with approximately **12.5%** of U.S. credit trading volume executed on X-Pro in the quarter.”

Select 1Q24 highlights*

- **Record** total credit average daily trading volume (“ADV”) of **\$15.0 billion**, up **9.2%**.
- **Record** U.S. high-grade ADV of **\$7.5 billion**, up **18.0%** on a **21.3%** increase in estimated market ADV. Estimated market share of **19.3%**, down from **19.9%** in the prior year.
- U.S. high-yield ADV of **\$1.4 billion**, down **29.4%**. Estimated market share of **12.9%**, down from **18.3%** in the prior year. U.S. high-yield estimated market ADV increased **0.5%**. We believe the decrease in U.S. high-yield estimated market share year-over-year was driven, in part, by **lower levels of credit spread volatility** and a **greater focus on the new issue calendar** by our long only client segment.
 - Lower levels of credit spread volatility drove an estimated **54.3%** decrease in ETF market maker client activity on the platform, and high-yield ETF notional market volume traded declined **25.2%** compared to 1Q23.
 - U.S. high-yield new issuance was **\$87.6 billion** in 1Q24, up **116.5%** from the prior year.
- **Record** emerging markets ADV of **\$3.6 billion**, up **17.3%**. The year-over-year increase was due to a **13.1%** increase in hard currency trading ADV and **record** local currency markets ADV, up **29.8%**.
 - Our Latin America and Asia-Pacific clients generated **record** levels of ADV in the quarter, up **11.1%** and **54.8%**, respectively, reflecting continued international expansion.
- **Record** Eurobonds ADV of **\$2.0 billion**, up **10.6%**.²
- Municipal bond ADV of **\$419 million**, down **6.4%** with estimated market ADV down **18.5%**. Estimated market share of **6.5%**, up from **5.7%** in the prior year.²
- **AxessIQ**, the order and execution workflow solution designed for wealth management and private banking clients, achieved ADV of **\$140.1 million**, up **22.2%** from the prior year.
- **Record \$44.2 billion** in total portfolio trading volume, up **40.6%**.
- **34%** Open Trading® share³ of total credit trading volume, down from **37%** in the prior year.
- Total rates ADV of **\$17.7 billion**, down **27.9%** versus the prior year.
- The preliminary FPM¹ for total credit for 1Q24 was approximately **\$154**, compared to **\$165** in the prior year, and **\$156** in 4Q23. The decline in total credit FPM compared to the prior year was due principally to product mix shift. The preliminary FPM for total rates was approximately **\$4.70**, compared to **\$4.12** in the prior year.

*All comparisons versus 1Q23 unless otherwise noted.

Table 1: March 2024 trading ADV

\$ in millions (unaudited)	US/UK Trading Days ⁴	Total ADV	CREDIT						RATES		
			Total Credit	High-Grade	High-Yield	Emerging Markets	Eurobonds	Municipal Bonds	Total Rates	US Govt. Bonds	Agcy./Other Govt. Bonds
Mar-24	20/20	\$31,831	\$14,814	\$7,233	\$1,361	\$3,533	\$2,255	\$417	\$17,017	\$16,450	\$567
Mar-23	23/23	\$39,882	\$12,882	\$6,128	\$1,823	\$2,685	\$1,824	\$401	\$27,000	\$26,602	\$398
% Change		(20%)	15%	18%	(25%)	32%	24%	4%	(37%)	(38%)	42%

Table 1A: March 2024 estimated market share

(unaudited)	CREDIT				RATES
	High-Grade	High-Yield	High-Grade/High-Yield Combined	Municipals ²	US Govt. Bonds ²
Mar-24	19.3%	12.7%	17.9%	6.6%	2.0%
Mar-23	19.9%	18.9%	19.7%	5.6%	3.0%
Bps Change	<i>(60) bps</i>	<i>(620) bps</i>	<i>(180) bps</i>	<i>+100 bps</i>	<i>(100) bps</i>

Table 1B: 1Q24 trading ADV

\$ in millions (unaudited)	US/UK Trading Days ⁴	Total ADV	CREDIT						RATES		
			Total Credit	High-Grade	High-Yield	Emerging Markets	Eurobonds	Municipal Bonds	Total Rates	US Govt. Bonds	Agcy./Other Govt. Bonds
1Q24	61/63	\$32,632	\$14,982	\$7,475	\$1,400	\$3,630	\$2,045	\$419	\$17,650	\$17,144	\$506
1Q23	62/64	\$38,202	\$13,721	\$6,334	\$1,982	\$3,094	\$1,849	\$447	\$24,481	\$24,053	\$428
% Change		(15%)	9%	18%	(29%)	17%	11%	(6%)	(28%)	(29%)	18%

Table 1C: 1Q24 estimated market share

(unaudited)	CREDIT				RATES
	High-Grade	High-Yield	High-Grade/High-Yield Combined	Municipals ²	US Govt. Bonds ²
1Q24	19.3%	12.9%	17.9%	6.5%	2.0%
1Q23	19.9%	18.3%	19.5%	5.7%	3.0%
Bps Change	<i>(60) bps</i>	<i>(540) bps</i>	<i>(160) bps</i>	<i>+80 bps</i>	<i>(100) bps</i>

¹ The FPM for total credit and total rates for 1Q24 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 See "General Notes Regarding the Data Presented" below.

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.

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 is no longer 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; 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; 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, products or services; our vulnerability to malicious cyber-attacks and attempted cybersecurity 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; adverse effects as a result of climate change or other ESG risks that could affect our reputation; our future capital needs and our ability to obtain capital when needed; limitations on our operating flexibility contained in our credit agreement; our exposure to financial institutions by holding cash in excess of federally insured limits; 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. Our automated and algorithmic trading solutions, combined with our integrated and actionable data offerings, help our clients make faster, better-informed decisions on when and how to trade on our platform. 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 X [@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

Table 2: Trading Volume Detail

In millions (unaudited)	Month Ended March 31,					
	2024		2023		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	\$ 144,659	\$ 7,233	\$ 140,951	\$ 6,128	2.6 %	18.0 %
High-yield	27,228	1,361	41,930	1,823	(35.1)	(25.3)
Emerging markets	70,661	3,533	61,746	2,685	14.4	31.6
Eurobonds	45,108	2,255	41,960	1,824	7.5	23.6
Other credit	8,650	432	9,710	422	(10.9)	2.4
Total credit trading¹	<u>296,306</u>	<u>14,814</u>	<u>296,297</u>	<u>12,882</u>	-	15.0
Rates						
U.S. government bonds ²	329,008	16,450	611,850	26,602	(46.2)	(38.2)
Agency and other government bonds ¹	11,360	567	9,147	398	24.2	42.5
Total rates trading	<u>340,368</u>	<u>17,017</u>	<u>620,997</u>	<u>27,000</u>	(45.2)	(37.0)
Total trading	<u>\$ 636,674</u>	<u>\$ 31,831</u>	<u>\$ 917,294</u>	<u>\$ 39,882</u>	(30.6)	(20.2)
Number of U.S. Trading Days³		20		23		
Number of U.K. Trading Days⁴		20		23		

In millions (unaudited)	Quarter and Year-to-Date Ended March 31,					
	2024		2023		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	\$ 455,998	\$ 7,475	\$ 392,715	\$ 6,334	16.1 %	18.0 %
High-yield	85,379	1,400	122,873	1,982	(30.5)	(29.4)
Emerging markets	221,427	3,630	191,841	3,094	15.4	17.3
Eurobonds	128,849	2,045	118,366	1,849	8.9	10.6
Other credit	26,335	432	28,683	462	(8.2)	(6.5)
Total credit trading¹	<u>917,988</u>	<u>14,982</u>	<u>854,478</u>	<u>13,721</u>	7.4	9.2
Rates						
U.S. government bonds ²	1,045,796	17,144	1,491,292	24,053	(29.9)	(28.7)
Agency and other government bonds ¹	31,626	506	27,061	428	16.9	18.2
Total rates trading	<u>1,077,422</u>	<u>17,650</u>	<u>1,518,353</u>	<u>24,481</u>	(29.0)	(27.9)
Total trading	<u>\$ 1,995,410</u>	<u>\$ 32,632</u>	<u>\$ 2,372,831</u>	<u>\$ 38,202</u>	(15.9)	(14.6)
Number of U.S. Trading Days³		61		62		
Number of U.K. Trading Days⁴		63		64		

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.