

MarketAxess Announces Monthly Volume Statistics for April 2024

NEW YORK | May 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 April 2024.¹

Chris Concannon, CEO of MarketAxess, commented:

“In April, we delivered strong growth in credit ADV of **11.9%**, driven by a **16.4%** increase in U.S. high-grade on stronger market volumes, a **31.7%** increase in emerging markets, and a **13.3%** increase in municipal bonds. We were pleased that credit spread volatility increased in the back-half of April, which drove an increase in hedge fund client activity, resulting in higher levels of U.S. high-yield estimated market share relative to recent trends. In April, approximately **57%** of our portfolio trading volume was executed on X-Pro, as we continue the roll-out to our largest clients.”

Select April highlights*

- Total average daily volume (“ADV”) of **\$34.1 billion**, up **22.6%** on a strong rebound in total rates trading ADV, up **31.3%**, and strong growth in total credit ADV to **\$13.9 billion**, up **11.9%**.
- U.S. high-grade ADV of **\$6.6 billion**, up **16.4%** driven by a **39.6%** increase in estimated market ADV. The strong increase in market volumes was driven by an **81%** increase in portfolio trading and dealer-to-dealer trading volume in April, which represented approximately **62%** of the growth in the market year-over-year (see table below). Estimated market share was **17.9%** (**18.2%** including the impact of single-dealer portfolio trades),² down from **21.5%** (**21.7%** including the impact of single-dealer portfolio trades)² in the prior year.

| (unaudited) | U.S. High Grade TRACE | | | | | |
|----------------|-----------------------|----------------|--------------------------|----------------|---|----------------|
| | Portfolio Trading | | Dealer-to-Dealer Trading | | Portfolio Trading & Dealer-to-Dealer Combined | |
| | Average Daily Volume | % Mix of TRACE | Average Daily Volume | % Mix of TRACE | Average Daily Volume | % Mix of TRACE |
| Apr-24 | \$4,165 | 11.3% | \$10,166 | 27.7% | \$14,331 | 39.0% |
| Apr-23 | \$1,455 | 5.5% | \$6,449 | 24.5% | \$7,904 | 30.0% |
| % / BPS Change | 186% | +580 bps | 58% | +320 bps | 81% | +900 bps |

- U.S. high-yield ADV of **\$1.4 billion**, down **1.2%**, with estimated market share of **13.9%**, down from **16.6%** in the prior year, but up from **12.7%** in March 2024. U.S. high-yield estimated market ADV increased **18.1%**. 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 **16.9%** decrease in ETF market maker client activity on the platform in April compared to the prior year. During the last two weeks of the month, however, hedge fund client activity increased on higher levels of credit spread volatility, resulting in an increase in estimated market share.
 - U.S. high-yield new issuance was **\$26.4 billion** in April, up **43.5%** from the prior year.
- Emerging markets ADV of **\$3.4 billion**, up **31.7%**. The year-over-year increase was due to a **29.1%** increase in hard currency trading ADV and **record** local currency markets ADV, up **53.5%**.³
- Eurobonds ADV of **\$2.0 billion**, down **13.0%**.³ The prior year included a large amount of client crossing programs, which benefited ADV and decreased FPM in prior year. Excluding the impact of client crossing programs in the prior year period, ADV would have increased **12.2%**.
- Municipal bond ADV of **\$444 million**, up **13.3%**, with estimated market ADV up **1.7%** compared to the prior year. Estimated market share of **6.4%**, up from **5.7%** in the prior year.³
- **AxessIQ**, the order and execution workflow solution designed for wealth management and private banking clients, achieved ADV of **\$125 million**, up **22.3%** from the prior year.

- **Record \$19.7 billion** in total portfolio trading volume, up **198.1%**. **85%** of total portfolio trading volume on our platform was in-competition; single-dealer portfolio trades are excluded from reported trading volumes. Portfolio Trading represented an estimated **9.7%** of total TRACE, up from an estimated **5.1%** in the prior year.
 - There was heightened portfolio trading activity during the last week of the month, and on the last day of trading in April, MarketAxess represented approximately **40%** of the estimated U.S. high-grade portfolio trading market.
 - Approximately **57%** of total portfolio trading volume was executed over X-Pro in April.
- **35%** Open Trading[®] share⁴ of total credit trading volume, down from **36%** in the prior year.
- Total rates ADV of **\$20.3 billion**, up **31.3%** versus the prior year, driven by an increase in client participation.
- The preliminary FPM¹ for total credit for April was approximately **\$150**, compared to **\$152** in the prior year, which includes the impact of client crossing programs in the prior year as discussed above. The preliminary FPM for total rates was approximately **\$4.40**, compared to **\$4.96** in the prior year.

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

Table 1: April 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 |
| Apr-24 | 22/21 | \$34,149 | \$13,866 | \$6,589 | \$1,428 | \$3,371 | \$2,027 | \$444 | \$20,283 | \$19,565 | \$718 |
| Apr-23 | 19/18 | \$27,843 | \$12,393 | \$5,663 | \$1,445 | \$2,559 | \$2,329 | \$392 | \$15,450 | \$14,950 | \$500 |
| % Change | | 23% | 12% | 16% | (1%) | 32% | (13%) | 13% | 31% | 31% | 44% |

Table 1A: April 2024 estimated market share

| (unaudited) | CREDIT | | | | RATES |
|-------------------|------------------|------------------|--------------------------------|-------------------------|-----------------------------|
| | High-Grade | High-Yield | High-Grade/High-Yield Combined | Municipals ³ | US Govt. Bonds ³ |
| Apr-24 | 17.9% | 13.9% | 17.1% | 6.4% | 2.3% |
| Apr-23 | 21.5% | 16.6% | 20.3% | 5.7% | 2.2% |
| Bps Change | <i>(360) bps</i> | <i>(270) bps</i> | <i>(320) bps</i> | <i>+70 bps</i> | <i>+10 bps</i> |

¹ The FPM for total credit and total rates for April 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 April 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 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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Table 2: Trading Volume Detail

| In millions (unaudited) | Month Ended April 30, | | | | | |
|--|-----------------------|------------------|-------------------|------------------|----------|--------|
| | 2024 | | 2023 | | % Change | |
| | Volume | ADV | Volume | ADV | Volume | ADV |
| Credit | | | | | | |
| High-grade | \$ 144,951 | \$ 6,589 | \$ 107,594 | \$ 5,663 | 34.7 % | 16.4 % |
| High-yield | 31,416 | 1,428 | 27,462 | 1,445 | 14.4 | (1.2) |
| Emerging markets | 74,154 | 3,371 | 48,621 | 2,559 | 52.5 | 31.7 |
| Eurobonds | 42,564 | 2,027 | 41,928 | 2,329 | 1.5 | (13.0) |
| Other credit | 9,932 | 451 | 7,548 | 397 | 31.6 | 13.6 |
| Total credit trading¹ | <u>303,017</u> | <u>13,866</u> | <u>233,153</u> | <u>12,393</u> | 30.0 | 11.9 |
| Rates | | | | | | |
| U.S. government bonds ² | 430,424 | 19,565 | 284,041 | 14,950 | 51.5 | 30.9 |
| Agency and other government bonds ¹ | 15,212 | 718 | 9,210 | 500 | 65.2 | 43.6 |
| Total rates trading | <u>445,636</u> | <u>20,283</u> | <u>293,251</u> | <u>15,450</u> | 52.0 | 31.3 |
| Total trading | <u>\$ 748,653</u> | <u>\$ 34,149</u> | <u>\$ 526,404</u> | <u>\$ 27,843</u> | 42.2 | 22.6 |
| Number of U.S. Trading Days³ | | 22 | | 19 | | |
| Number of U.K. Trading Days⁴ | | 21 | | 18 | | |

| In millions (unaudited) | Year-to-Date Ended April 30, | | | | | |
|--|------------------------------|------------------|---------------------|------------------|----------|--------|
| | 2024 | | 2023 | | % Change | |
| | Volume | ADV | Volume | ADV | Volume | ADV |
| Credit | | | | | | |
| High-grade | \$ 600,949 | \$ 7,240 | \$ 500,309 | \$ 6,177 | 20.1 % | 17.2 % |
| High-yield | 116,795 | 1,407 | 150,335 | 1,856 | (22.3) | (24.2) |
| Emerging markets | 295,581 | 3,561 | 240,462 | 2,969 | 22.9 | 19.9 |
| Eurobonds | 171,413 | 2,041 | 160,294 | 1,955 | 6.9 | 4.4 |
| Other credit | 36,267 | 436 | 36,231 | 447 | 0.1 | (2.5) |
| Total credit trading¹ | <u>1,221,005</u> | <u>14,685</u> | <u>1,087,631</u> | <u>13,404</u> | 12.3 | 9.6 |
| Rates | | | | | | |
| U.S. government bonds ² | 1,476,220 | 17,786 | 1,775,333 | 21,918 | (16.8) | (18.9) |
| Agency and other government bonds ¹ | 46,838 | 559 | 36,271 | 444 | 29.1 | 25.9 |
| Total rates trading | <u>1,523,058</u> | <u>18,345</u> | <u>1,811,604</u> | <u>22,362</u> | (15.9) | (18.0) |
| Total trading | <u>\$ 2,744,063</u> | <u>\$ 33,030</u> | <u>\$ 2,899,235</u> | <u>\$ 35,766</u> | (5.4) | (7.6) |
| Number of U.S. Trading Days³ | | 83 | | 81 | | |
| Number of U.K. Trading Days⁴ | | 84 | | 82 | | |

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.