

MarketAxess Announces Monthly Volume Statistics for June and Second Quarter 2024

NEW YORK | July 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 June and the second quarter ended June 30, 2024.¹

Chris Concannon, CEO of MarketAxess, commented:

“In the second quarter, we delivered **12.4%** growth in total credit ADV, driven by strength in U.S. high-grade (**+13.0%**), emerging markets (**+23.0%**), municipals (**+34.2%**) and Eurobonds (**+8.3%**). We exited the second quarter with U.S. high-grade estimated market share of **19.9%** in June (**20.2%** including single-dealer portfolio trades), reflecting sequential monthly improvement through the quarter. A **record 56%** of our portfolio trading volume was executed on X-Pro during the quarter, as momentum continues to build with the roll-out.”

Select June 2024 highlights*

- Total average daily volume (“ADV”) of **\$36.5 billion**, up **33.8%** (**+13.5%** compared to May 2024) on strong growth in total credit ADV to **\$14.0 billion**, up **14.3%** (**+5.0%** compared to May 2024), and a **49.8%** increase in total rates ADV (**+19.4%** compared to May 2024).

U.S. Credit

- U.S. high-grade ADV of **\$6.6 billion**, up **17.0%** (**+8.2%** compared to May 2024) on a **21.2%** increase in estimated market ADV (**+1.2%** compared to May 2024). Estimated market share was **19.9%** (**20.2%** including single-dealer portfolio trades),² down from **20.6%** (**20.7%** including single-dealer portfolio trades) in the prior year, but up from **18.6%** (**19.2%** including single-dealer portfolio trades) in May 2024.²
- U.S. high-yield ADV of **\$1.3 billion**, down **13.8%** (down **5.2%** compared to May 2024), with estimated market share of **13.9%** (**14.1%** including single-dealer portfolio trades),² down from **16.3%** (**16.4%** including single-dealer portfolio trades) in the prior year, but up from **12.8%** (**13.1%** including single-dealer portfolio trades) in May 2024.² U.S. high-yield estimated market ADV increased **1.1%** compared to the prior year, but decreased **12.7%** compared to May 2024.

Other Credit

- Emerging markets ADV of **\$3.6 billion**, up **17.9%** (**+17.1%** compared to May 2024) with strong regional contribution across the **LATAM**, **EMEA** and **APAC** regions. The year-over-year increase was driven by a **25.1%** increase in hard currency ADV, and **record** local currency markets ADV, up **12.0%**.
- Eurobonds ADV of **\$2.0 billion**, up **16.1%** compared to the prior year, but down **11.5%** from May 2024.
- Municipal bond ADV of **\$549 million**, up **48.4%** (down **4.9%** compared to May 2024), with estimated market ADV down **6.2%** (down **1.1%** compared to May 2024). Estimated market share of **7.8%**, up from **4.9%** in the prior year, but down from **8.1%** in May 2024.³

Select Protocols and Open Trading®

- **\$16.6 billion** in total portfolio trading volume, up **104.6%** compared to the prior year, but down **10.8%** from May 2024.³ Approximately **55%** of our portfolio trading volume was executed on X-Pro in June 2024.
- **34%** Open Trading share⁴ of total credit trading volume, up from **33%** in the prior year, and in line with May 2024.

Rates

- Total rates ADV of **\$22.5 billion**, up **49.8%** versus the prior year, and up **19.4%** from May 2024.

Variable Transaction Fees Per Million (FPM)

- The preliminary FPM¹ for total credit for June 2024 was approximately **\$148**, down from **\$156** in the prior year, and down slightly from **\$149** in May. The decline in total credit FPM year-over-year was due to product and protocol mix shift, principally lower levels of U.S. high-yield activity and increased portfolio trading. The preliminary FPM for total rates was approximately **\$4.40**, compared to **\$4.58** in the prior year.

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

Select 2Q24 highlights**

- Total ADV of **\$34.2 billion**, up **22.8%** on strong growth in total credit ADV to **\$13.7 billion**, up **12.4%**, and a **30.9%** increase in total rates ADV.

U.S. Credit

- U.S. high-grade ADV of **\$6.4 billion**, up **13.0%** on a **24.9%** increase in estimated market ADV. Estimated market share was **18.7%** (**19.2%** including single-dealer portfolio trades),² down from **20.7%** (**20.8%** including single-dealer portfolio trades).²
- U.S. high-yield ADV of **\$1.3 billion**, down **9.3%**, with estimated market share of **13.5%** (**13.8%** including single-dealer portfolio trades),² down from **16.5%** (**16.6%** including single-dealer portfolio trades).² U.S. high-yield estimated market ADV increased **11.1%**. 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 **37.1%** decrease in ETF market maker client activity on the platform.
 - U.S. high-yield new issuance was **\$77.9 billion**, up **43.9%** from the prior year.

Other Credit

- Emerging markets ADV of **\$3.3 billion**, up **23.0%** with strong regional contribution across the **LATAM, EMEA** and **APAC** regions. The increase was driven by a **25.6%** increase in hard currency ADV, and a **17.4%** increase in local markets ADV.
 - **91%** increase in hard currency block trading activity.
 - **Record \$4.7 billion** in emerging markets portfolio trading volume.
- Eurobonds ADV of **\$2.1 billion**, up **8.3%**.
- Municipal bond ADV of **\$522 million**, up **34.2%**, with estimated market ADV down **2.1%**. **Record** estimated market share of **7.4%**, up from **5.4%** in the prior year.³

Select Protocols, Open Trading & Workflow Tools

- **Record \$55.0 billion** in total portfolio trading volume, up **142.8%** compared to the prior year, and up **24.4%** from 1Q24.³ A **record 56%** of our portfolio trading volume was executed on X-Pro.
- **34%** Open Trading share⁴ of total credit trading volume, in line with the prior year.
- Dealer RFQ ADV of **\$1.2 billion** across all credit products increased **27.3%**.
- **AxessIQ**, the order and execution workflow solution designed for wealth management and private banking clients, achieved ADV of **\$135 million**, up **22.5%** from the prior year.

Rates

- Total rates ADV of **\$20.4 billion**, up **30.9%** versus the prior year.

Variable Transaction Fees Per Million (FPM)

- The preliminary FPM¹ for total credit for 2Q24 was approximately **\$148**, down from **\$157** in the prior year, and down from **\$154** in 1Q24. The decline in total credit FPM year-over-year was due to product and protocol mix shift, principally lower levels of U.S. high-yield activity and increased portfolio trading. The preliminary FPM for total rates was approximately **\$4.50**, compared to **\$4.70** in the prior year.

****All comparisons versus 2Q23 unless otherwise noted.**

Table 1: June 2024 ADV

\$ in millions (unaudited)	US/UK Trading Days ⁵	Total ADV	Total Credit	CREDIT					RATES		
				High-Grade	High-Yield	Emerging Markets	Eurobonds	Municipal Bonds	Total Rates	US Govt. Bonds	Agcy./Other Govt. Bonds
Jun-24	19/20	\$36,501	\$14,046	\$6,622	\$1,252	\$3,601	\$2,012	\$549	\$22,455	\$21,521	\$934
Jun-23	21/22	\$27,276	\$12,284	\$5,660	\$1,453	\$3,053	\$1,733	\$370	\$14,992	\$14,577	\$415
% Change		34%	14%	17%	(14%)	18%	16%	48%	50%	48%	125%

Table 1A: June 2024 estimated market share

(unaudited)	CREDIT				RATES
	High-Grade	High-Yield	High-Grade/High-Yield Combined	Municipals ³	US Govt. Bonds ³
Jun-24	19.9%	13.9%	18.6%	7.8%	2.4%
Jun-23	20.6%	16.3%	19.6%	4.9%	2.1%
Bps Change	(70) bps	(240) bps	(100) bps	+290 bps	+30 bps

Table 1B: 2Q24 ADV

\$ in millions (unaudited)	US/UK Trading Days ⁵	Total ADV	Total Credit	CREDIT					RATES		
				High-Grade	High-Yield	Emerging Markets	Eurobonds	Municipal Bonds	Total Rates	US Govt. Bonds	Agcy./Other Govt. Bonds
2Q24	63/61	\$34,169	\$13,743	\$6,436	\$1,337	\$3,337	\$2,103	\$522	\$20,426	\$19,634	\$792
2Q23	62/60	\$27,828	\$12,226	\$5,697	\$1,474	\$2,714	\$1,942	\$389	\$15,602	\$15,163	\$439
% Change		23%	12%	13%	(9%)	23%	8%	34%	31%	29%	80%

Table 1C: 2Q24 estimated market share

(unaudited)	CREDIT				RATES
	High-Grade	High-Yield	High-Grade/High-Yield Combined	Municipals ³	US Govt. Bonds ³
2Q24	18.7%	13.5%	17.6%	7.4%	2.3%
2Q23	20.7%	16.5%	19.7%	5.4%	2.1%
Bps Change	(200) bps	(300) bps	(210) bps	+200 bps	+20 bps

¹ The FPM for total credit and total rates for June 2024 and 2Q24 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 The Company is highlighting the impact of single-dealer portfolio trading volume on U.S. high-grade and U.S. high-yield trading volume and estimated market share, but will continue to exclude single-dealer portfolio trading activity from each product's aggregated trading volume and 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 the Financial Industry Regulatory Authority (“FINRA”) Trade Reporting and Compliance Engine (“TRACE”) reported volumes are available on the Company’s website at investor.marketaxess.com/volume.

Due to variances in how portfolio trading market participants utilized the portfolio trading TRACE “flag,” the Company previously used its own internal methodology for calculating portfolio trading as an estimated percentage of TRACE volume and the Company’s estimated market share. The Company is reviewing recent improvements in the TRACE data, but it now believes that the portfolio trading TRACE “flag” more accurately reflects the true size of the portfolio trading market. As such, at this time, the Company is not presenting portfolio trading as an estimated percentage of TRACE volume or the Company’s portfolio trading estimated market share for June 2024.

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 June 30,					
	2024		2023		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	\$ 125,814	\$ 6,622	\$ 118,868	\$ 5,660	5.8 %	17.0 %
High-yield	23,788	1,252	30,509	1,453	(22.0)	(13.8)
Emerging markets	68,426	3,601	64,103	3,053	6.7	17.9
Eurobonds	40,231	2,012	38,124	1,733	5.5	16.1
Other credit	10,608	559	8,105	385	30.9	45.2
Total credit trading¹	<u>268,867</u>	<u>14,046</u>	<u>259,709</u>	<u>12,284</u>	3.5	14.3
Rates						
U.S. government bonds ²	408,907	21,521	306,127	14,577	33.6	47.6
Agency and other government bonds ¹	18,550	934	8,990	415	106.3	125.1
Total rates trading	<u>427,457</u>	<u>22,455</u>	<u>315,117</u>	<u>14,992</u>	35.7	49.8
Total trading	<u>\$ 696,324</u>	<u>\$ 36,501</u>	<u>\$ 574,826</u>	<u>\$ 27,276</u>	21.1	33.8
Number of U.S. Trading Days³		19		21		
Number of U.K. Trading Days⁴		20		22		

In millions (unaudited)	Quarter Ended June 30,					
	2024		2023		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	\$ 405,440	\$ 6,436	\$ 353,239	\$ 5,697	14.8 %	13.0 %
High-yield	84,248	1,337	91,390	1,474	(7.8)	(9.3)
Emerging markets	210,205	3,337	168,257	2,714	24.9	23.0
Eurobonds	128,266	2,103	116,495	1,942	10.1	8.3
Other credit	33,376	530	24,729	399	35.0	32.8
Total credit trading¹	<u>861,535</u>	<u>13,743</u>	<u>754,110</u>	<u>12,226</u>	14.2	12.4
Rates						
U.S. government bonds ²	1,236,917	19,634	940,127	15,163	31.6	29.5
Agency and other government bonds ¹	48,506	792	26,721	439	81.5	80.4
Total rates trading	<u>1,285,423</u>	<u>20,426</u>	<u>966,848</u>	<u>15,602</u>	32.9	30.9
Total trading	<u>\$ 2,146,958</u>	<u>\$ 34,169</u>	<u>\$ 1,720,958</u>	<u>\$ 27,828</u>	24.8	22.8
Number of U.S. Trading Days³		63		62		
Number of U.K. Trading Days⁴		61		60		

Table 2: Trading Volume Detail (continued)

In millions (unaudited)	Year-to-Date Ended June 30,					
	2024		2023		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	\$ 861,438	\$ 6,947	\$ 745,954	\$ 6,016	15.5 %	15.5 %
High-yield	169,627	1,368	214,263	1,728	(20.8)	(20.8)
Emerging markets	431,632	3,481	360,098	2,904	19.9	19.9
Eurobonds	257,115	2,074	234,861	1,894	9.5	9.5
Other credit	59,705	481	53,412	430	11.8	11.9
Total credit trading¹	<u>1,779,517</u>	<u>14,351</u>	<u>1,608,588</u>	<u>12,972</u>	10.6	10.6
Rates						
U.S. government bonds ²	2,282,713	18,409	2,431,419	19,608	(6.1)	(6.1)
Agency and other government bonds ¹	80,132	646	53,782	434	49.0	48.8
Total rates trading	<u>2,362,845</u>	<u>19,055</u>	<u>2,485,201</u>	<u>20,042</u>	(4.9)	(4.9)
Total trading	<u>\$ 4,142,362</u>	<u>\$ 33,406</u>	<u>\$ 4,093,789</u>	<u>\$ 33,014</u>	1.2	1.2
Number of U.S. Trading Days³		124		124		
Number of U.K. Trading Days⁴		124		124		

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.