

MarketAxess Announces Monthly Volume Statistics for July 2024

NEW YORK | August 5, 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 July 2024.¹

Chris Concannon, CEO of MarketAxess, commented:

“In July, we delivered **12%** growth in total credit ADV, driven by an **18%** increase in U.S. high-grade, an **18%** increase in Eurobonds, a **7%** increase in emerging markets and a **65%** increase in Municipal bonds on **record** estimated market share. We also generated **record** portfolio trading ADV of **\$972 million**. These strong results helped offset a decline in U.S. high-yield ADV. We are not pleased with the progression of U.S. credit market share in July, but we are encouraged by the prospect for potential increases in market volatility in the coming months. We believe that our strategy, including the expansion of our portfolio trading offering and dealer solutions, through the roll-out of MarketAxess X-Pro to our global client base, will drive future market share expansion in U.S. credit.”

Select July 2024 highlights*

- Total average daily volume (“ADV”) of **\$35.1 billion**, up **24.1%** on strong growth in total credit ADV to **\$12.8 billion**, up **12.3%**, and a **32.0%** increase in total rates ADV.

U.S. Credit

- U.S. high-grade ADV of **\$6.1 billion**, up **17.9%** on a **26.5%** increase in estimated market ADV. Estimated market share was **18.6%**, down from **19.9%** in the prior year.
- U.S. high-yield ADV of **\$1.1 billion**, down **17.7%**, with estimated market share of **12.5%**, down from **17.1%** in the prior year. U.S. high-yield estimated market ADV increased **12.4%** compared to the prior year.

Other Credit

- Emerging markets ADV of **\$3.2 billion**, up **7.1%**, with strong regional contribution across the **LATAM**, **EMEA** and **APAC** regions. The increase was driven by a **5.4%** increase in hard currency ADV, and a **10.6%** increase in local currency markets ADV.
- Eurobonds ADV of **\$1.8 billion**, up **17.8%** compared to the prior year.
- Municipal bond ADV of **\$575 million**, up **65.2%**, with estimated market ADV up **5.4%**. **Record** estimated market share of **8.6%**, up from **5.5%** in the prior year.²

Strategic Priority Related Protocols & Workflow Tools

- **Record \$972 million** in portfolio trading ADV, up **178.5%** from July 2023, and up **11.9%** from June 2024. Our estimated market share of U.S. high grade and U.S. high-yield TRACE portfolio trading was **17.2%** in July 2024, up from **15.5%** in June 2024. Portfolio trading represented **10.6%** of U.S. high-grade and U.S. high-yield TRACE in July 2024, compared to **10.4%** in June 2024.
- **35%** Open Trading share³ of total credit trading volume, up from **34%** in the prior year.
- Dealer RFQ ADV of **\$1.0 billion** across all credit products increased **9.5%**.
- **AxessIQ**, the order and execution workflow solution designed for wealth management and private banking clients, achieved ADV of **\$116 million**, up **11.8%** from the prior year.

Rates

- Total rates ADV of **\$22.3 billion**, up **32.0%** versus the prior year.²

Variable Transaction Fees Per Million (FPM)

- The preliminary FPM¹ for total credit for July 2024 was approximately **\$143**, down from **\$160** in the prior year, and down from **\$148** in June. **The decline in total credit FPM year-over-year was due to protocol and product mix shift, principally increased portfolio trading and lower levels of U.S. high-yield activity.** The preliminary FPM for total rates was approximately **\$3.99**, compared to **\$4.63** in the prior year.

*All comparisons versus July 2023 unless otherwise noted.

Table 1: July 2024 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
Jul-24	22/23	\$35,135	\$12,791	\$6,090	\$1,128	\$3,157	\$1,832	\$575	\$22,344	\$21,332	\$1,012
Jul-23	20/21	\$28,315	\$11,393	\$5,164	\$1,370	\$2,947	\$1,555	\$348	\$16,922	\$16,530	\$392
% Change		24%	12%	18%	(18%)	7%	18%	65%	32%	29%	158%

Table 1A: July 2024 estimated market share

(unaudited)	CREDIT				RATES
	High-Grade	High-Yield	High-Grade/High-Yield Combined	Municipals ²	US Govt. Bonds ²
Jul-24	18.6%	12.5%	17.3%	8.6%	2.5%
Jul-23	19.9%	17.1%	19.2%	5.5%	2.4%
Bps Change	<i>(130) bps</i>	<i>(460) bps</i>	<i>(190) bps</i>	<i>+310 bps</i>	<i>+10 bps</i>

¹ The FPM for total credit and total rates for July 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 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 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.

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 July 31,					
	2024		2023		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	\$ 133,981	\$ 6,090	\$ 103,276	\$ 5,164	29.7 %	17.9 %
High-yield	24,806	1,128	27,401	1,370	(9.5)	(17.7)
Emerging markets	69,452	3,157	58,932	2,947	17.9	7.1
Eurobonds	42,137	1,832	32,659	1,555	29.0	17.8
Other credit	12,847	584	7,143	357	79.9	63.6
Total credit trading¹	<u>283,223</u>	<u>12,791</u>	<u>229,411</u>	<u>11,393</u>	23.5	12.3
Rates						
U.S. government bonds ²	469,305	21,332	330,607	16,530	42.0	29.1
Agency and other government bonds ¹	23,153	1,012	8,090	392	186.2	158.2
Total rates trading	<u>492,458</u>	<u>22,344</u>	<u>338,697</u>	<u>16,922</u>	45.4	32.0
Total trading	<u>\$ 775,681</u>	<u>\$ 35,135</u>	<u>\$ 568,108</u>	<u>\$ 28,315</u>	36.5	24.1
Number of U.S. Trading Days³		22		20		
Number of U.K. Trading Days⁴		23		21		

In millions (unaudited)	Year-to-Date Ended July 31,					
	2024		2023		% Change	
	Volume	ADV	Volume	ADV	Volume	ADV
Credit						
High-grade	\$ 995,419	\$ 6,818	\$ 849,230	\$ 5,897	17.2 %	15.6 %
High-yield	194,433	1,332	241,664	1,678	(19.5)	(20.6)
Emerging markets	501,084	3,432	419,030	2,910	19.6	17.9
Eurobonds	299,252	2,036	267,520	1,845	11.9	10.4
Other credit	66,890	458	60,555	420	10.5	9.0
Total credit trading¹	<u>2,057,078</u>	<u>14,076</u>	<u>1,837,999</u>	<u>12,750</u>	11.9	10.4
Rates						
U.S. government bonds ²	2,752,018	18,849	2,762,026	19,181	(0.4)	(1.7)
Agency and other government bonds ¹	103,285	703	61,872	427	66.9	64.6
Total rates trading	<u>2,855,303</u>	<u>19,552</u>	<u>2,823,898</u>	<u>19,608</u>	1.1	(0.3)
Total trading	<u>\$ 4,912,381</u>	<u>\$ 33,628</u>	<u>\$ 4,661,897</u>	<u>\$ 32,358</u>	5.4	3.9
Number of U.S. Trading Days³		146		144		
Number of U.K. Trading Days⁴		147		145		

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.