

Technology Transforming a Vast Corporate Bond Market

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There are a lot more bonds to trade today



By the end of 2016, corporate debt issuance has jumped an amazing 200% to \$1.5 trillion

U.S. CORPORATE DEBT ISSUANCE

USD billions



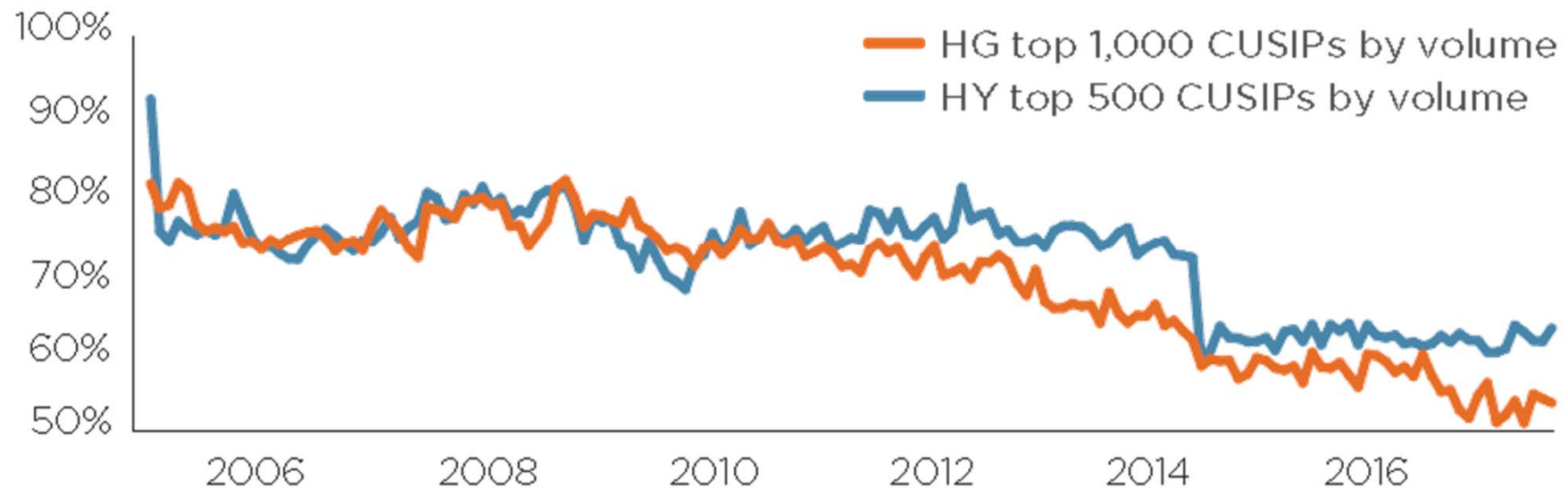
Source: SIFMA

And the market has embraced this diversity



The market's post-crisis liquidity decline has been spread across an increasingly diverse list of bond issues and represents a challenge that is driving a search for new skills and new technology on buy-side trading desks

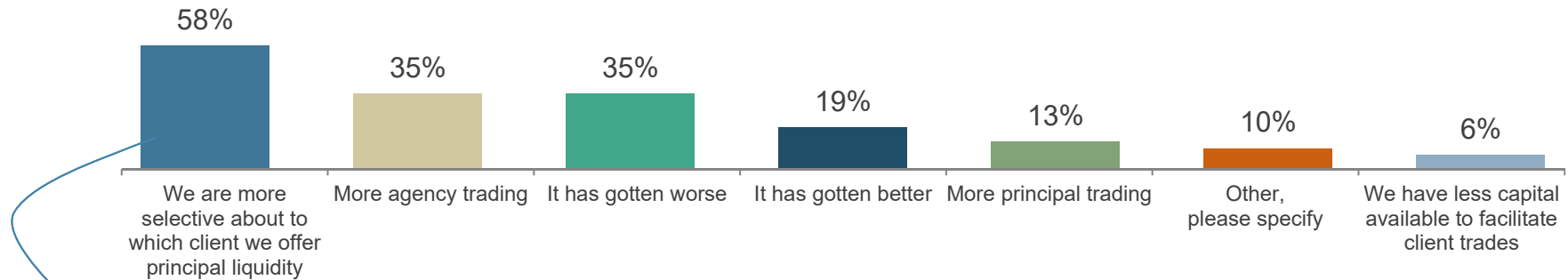
TRACE Liquidity Concentration



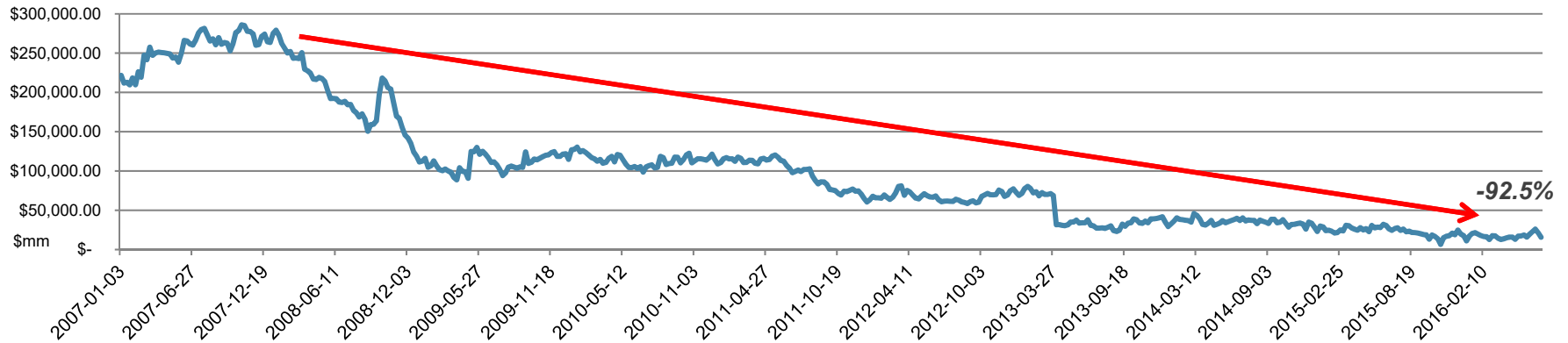
Source: MarketAxess

Dealers still not willing or able to put capital to work

Changes to Provision of Liquidity in Corporate Bond Market



Dealer Inventories and Corporate Debt Outstanding

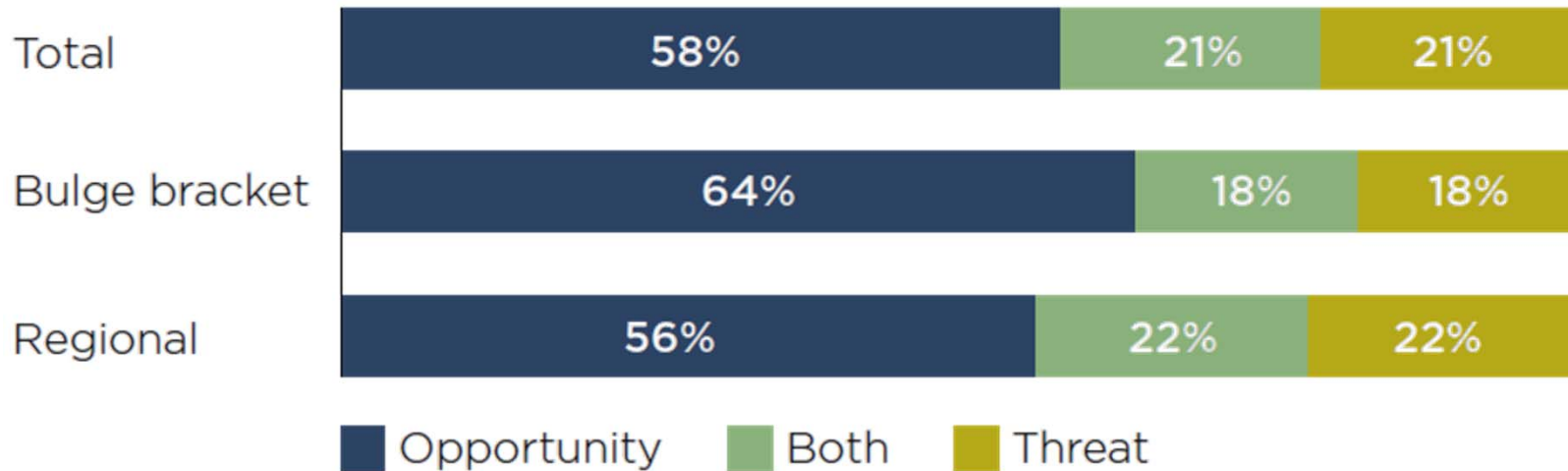


Source: sfma

Base: 31; Q9. How has your provision of liquidity in the corporate bond market changed in the past 2 years? (Corporate Bonds ONLY)

As such, dealers are embracing e-trading

PERCEPTION OF THE GROWTH OF ELECTRONIC TRADING*

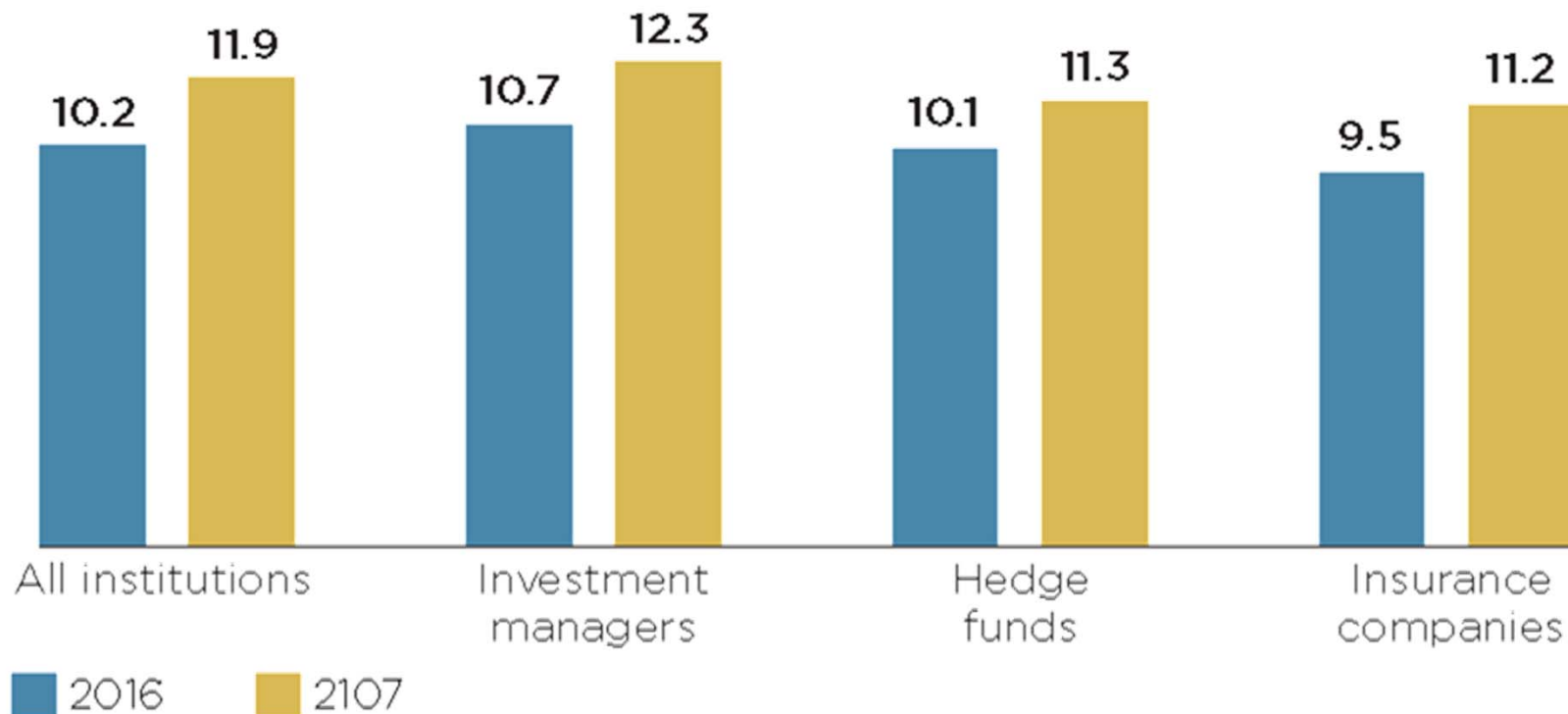


Note: *21% both. Based on 38 respondents: 11 bulge bracket and 27 regional respondents.
 Source: Greenwich Associates 2017 Fixed-Income Dealers Study

E-trading has helped the buy side branch out

The buy side is now looking to more traditional liquidity providers as well, with the average number of meaningful dealer relationships up 20%

INVESTMENT-GRADE CREDIT INVESTORS

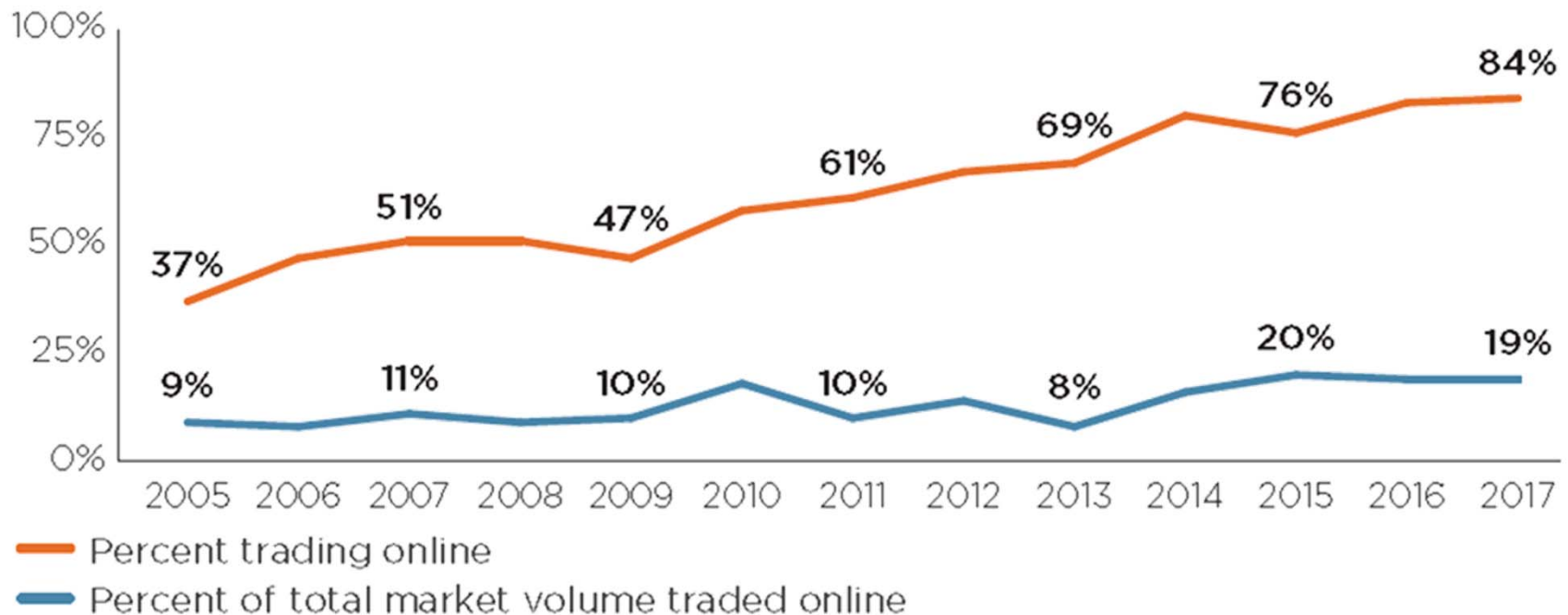


Note: Based on 111 responses from investment-grade credit investors in the United States.
 Source: Greenwich Associates 2017 U.S. Fixed-Income Study

Investment grade e-trading is maturing

Investors are adopting electronic trading, and electronic tools and venues are rapidly maturing

INVESTMENT-GRADE CORPORATE BONDS



Note: Based on 115 responses in 2005, 107 in 2006, 147 in 2007, 132 in 2008, 141 in 2009, 146 in 2010, 124 in 2011, 121 in 2012, 123 in 2013, 104 in 2014, 105 in 2015, 102 in 2016, and 102 in 2017.

Source: Greenwich Associates 2017 U.S. Fixed-Income Study

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Electronic Trading for Corporate Bonds

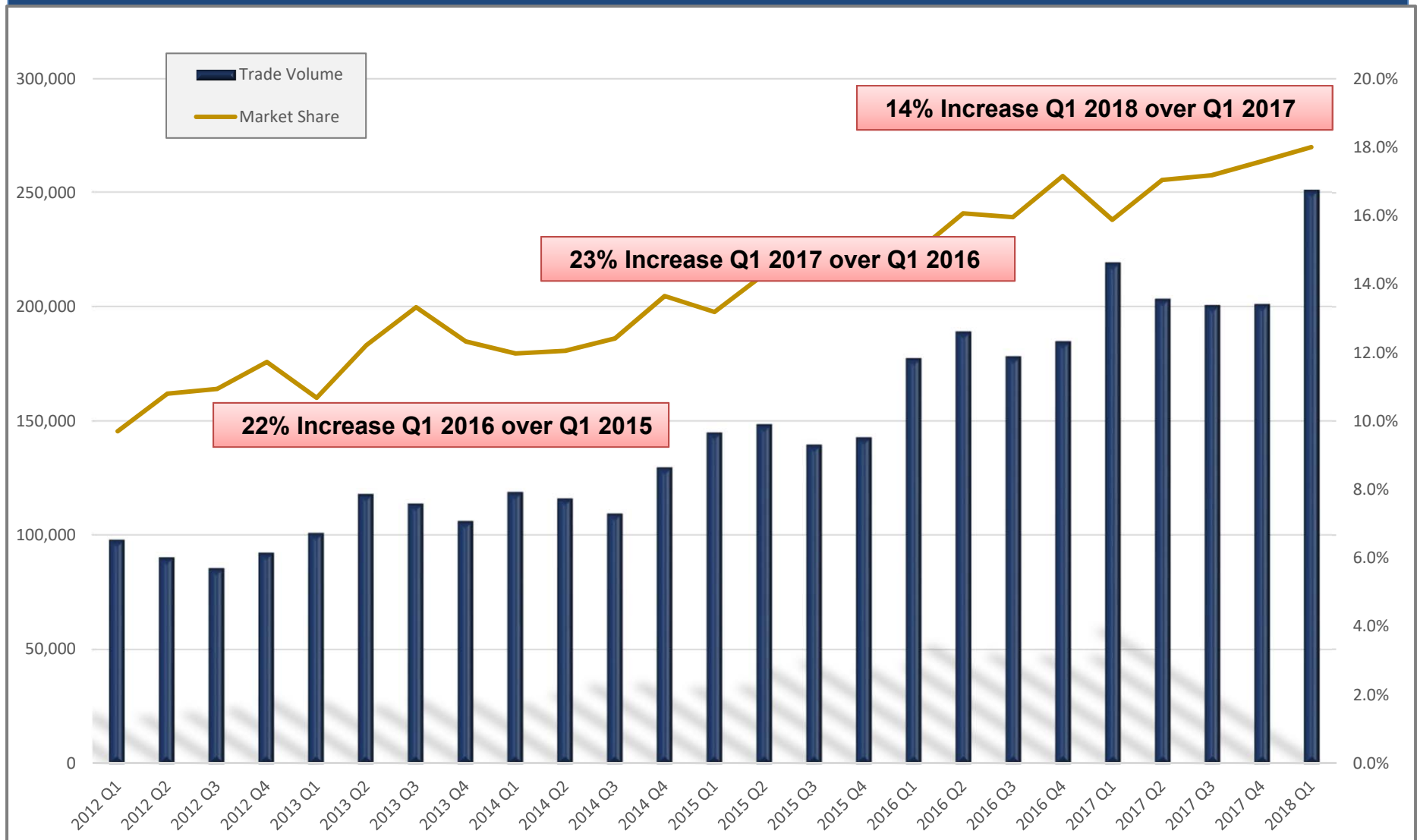


Most important factors when selecting a fixed-income trading venue

1. Price improvement
2. All-to-all trading
3. Dealer-provided pricing
4. Anonymous trading
5. OMS connectivity
6. Trading protocol flexibility
7. Access to new liquidity providers

Note: Based on 63 responses in 2017 and 46 in 2016. Other responses include volume on platform.
Source: Greenwich Associates 2017 Market Structure and Trading Technology Study

MarketAxess Quarterly Market Share



A Powerful Network

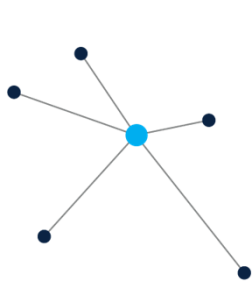
A powerful network
More than 1,300
investors and dealers



Advanced features
State-of-the-art
technology

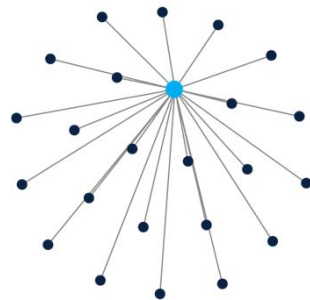


**Greater source
of global liquidity**



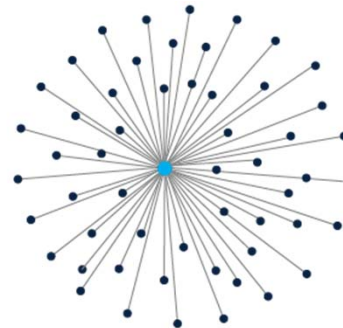
Pre-2000

One to few
One investor (center blue)
can trade with a few
dealers over the phone.



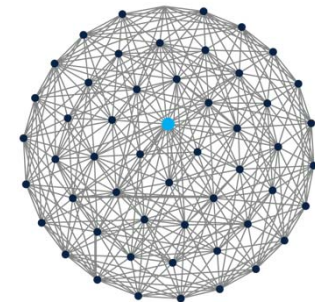
Pre-Crisis

One to more
One investor can trade
with up to 30 dealers
on MarketAxess.



Crisis

One to many
MarketAxess expanded
the liquidity pool to include
over 90 major and regional
dealers.



Today

All-to-all
Open Trading allows
global market participants
to trade with over 1,300
investor and dealer firms.