



# TRADEWEB MARKETS MONTHLY ACTIVITY REPORT

OCTOBER 2019

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# TRADEWEB MARKETS – ACTIVITY RECAP

OCTOBER 2019

## CONTINUED STRONG GROWTH IN OCTOBER 2019

Average daily volume (ADV) across rates, credit, equities and money markets for Tradeweb Markets was \$704.5 billion (bn) in October 2019, an increase of 20.8 percent (%) year over year (YoY). Average daily trades for the month totaled 52,292.

Trading activity at Tradeweb during the month mostly met or exceeded levels recorded a year ago during a period of heightened market volatility. The increase was driven by an increase in mortgage trading of 15.9% to ADV of \$178.1 bn. Interest rate derivatives trading rose 77.1% YoY to \$200.7 bn, with longer tenor swaps and swaptions up 36.3% YoY. At the short end of the curve, repo trading increased 8.2% YoY to \$181.7 bn. Activity in cash credit rose 35.3% YoY to a new record, following growth in US credit and Chinese bonds. U.S. high grade credit trading was up 36.5% YoY powered by increasing electronic trading. As a result, Tradeweb set a new record of 14.9% in high grade TRACE volume, and a new record for fully-electronic high grade with 6.7% of TRACE volume. Activity in Chinese bonds increased 171.7% YoY to \$1.2 bn. European credit trading rose 4.9% YoY to \$1.4 bn. European ETFs increased 7.4% to \$1.4 bn.

Among the markets in which Tradeweb operates:

- Average daily volume (ADV) in U.S. Government Bonds of \$77.9 billion (bn) decreased 11.3 percent (%) month over month (MoM) and 0.1% year over year (YoY).
- ADV in European Government Bonds of \$20.3 bn fell 19.6% MoM and 10.2% YoY.
- ADV in Mortgages of \$178.1 bn declined 9.9% MoM and rose 15.9% YoY.
- ADV in Rates Derivatives of \$200.7 bn fell 31.0% MoM and rose 77.1% YoY.
- In U.S. Credit, ADV in High-Grade of \$3.2 bn increased 7.6% MoM and 36.5% YoY while ADV in High-Yield of \$0.4 bn decreased 2.0% MoM and increased 17.8% YoY.
- ADV in European Credit of \$1.4 bn rose 1.5% MoM and 4.9% YoY.
- ADV in U.S. ETFs of \$2.3 bn fell 32.7% MoM and 49.4% YoY.
- ADV in European ETFs of \$1.4 bn decreased 25.3% MoM and increased 7.4% YoY.
- ADV in Chinese Bonds of \$1.2 bn rose 15.3% MoM and 171.7% YoY.

# TRADEWEB MARKETS – SINGLE COUNT

OCTOBER 2019

Asset Class	Product	October 2019		September 2019		October 2018		MoM	YoY
		ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)	ADV	ADV
Rates	Cash	279,827	6,176,064	315,298	6,330,665	256,445	5,665,503	-11.25%	9.12%
	U.S. Government Bonds	77,945	1,714,784	88,328	1,766,569	78,038	1,716,844	-11.76%	-0.12%
	European Government Bonds	20,350	468,043	25,324	531,801	22,650	520,941	-19.64%	-10.15%
	Mortgages	178,057	3,917,259	197,684	3,953,683	153,632	3,379,897	-9.93%	15.90%
	Other Government Bonds	3,475	75,977	3,962	78,611	2,125	47,822	-12.28%	63.54%
	Derivatives	200,746	4,521,336	290,771	5,912,578	113,361	2,545,083	-30.96%	77.09%
	Swaps/Swaptions ≥ 1Y	143,516	3,241,152	167,661	3,428,649	105,312	2,363,293	-14.40%	36.28%
	Swaps/Swaptions < 1Y	56,758	1,269,807	122,481	2,471,346	7,485	169,390	-53.66%	658.29%
	Futures	472	10,377	629	12,583	563	12,401	-25.03%	-16.28%
	<b>Total</b>	<b>480,573</b>	<b>10,697,400</b>	<b>606,069</b>	<b>12,243,243</b>	<b>369,806</b>	<b>8,210,587</b>	<b>-20.71%</b>	<b>29.95%</b>
Credit	Cash	6,375	138,063	5,995	122,335	4,711	103,221	6.33%	35.31%
	U.S. High-Grade	3,168	69,704	2,944	58,871	2,321	51,072	7.64%	36.48%
	U.S. High-Yield	358	7,869	365	7,299	304	6,680	-2.00%	17.79%
	European Credit	1,366	31,415	1,346	28,261	1,302	29,942	1.49%	4.92%
	Municipal Bonds	217	4,769	227	4,541	285	6,263	-4.53%	-23.85%
	Chinese Bonds	1,198	22,770	1,040	21,835	441	7,938	15.26%	171.74%
	Other Credit Bonds	68	1,537	74	1,528	59	1,325	-8.53%	15.67%
	Derivatives	9,935	222,817	21,667	444,405	9,824	220,845	-54.15%	1.13%
	Swaps	9,935	222,817	21,667	444,405	9,824	220,845	-54.15%	1.13%
	<b>Total</b>	<b>16,310</b>	<b>360,880</b>	<b>27,662</b>	<b>566,739</b>	<b>14,535</b>	<b>324,065</b>	<b>-41.04%</b>	<b>12.21%</b>
Money Markets	Cash	200,238	4,483,509	229,078	4,670,700	189,472	4,206,343	-12.59%	5.68%
	Repurchase Agreements (Repo)	181,696	4,074,334	210,655	4,301,035	167,880	3,730,032	-13.75%	8.23%
	Other Money Markets	18,542	409,175	18,423	369,664	21,592	476,311	0.65%	-14.12%
	<b>Total</b>	<b>200,238</b>	<b>4,483,509</b>	<b>229,078</b>	<b>4,670,700</b>	<b>189,472</b>	<b>4,206,343</b>	<b>-12.59%</b>	<b>5.68%</b>
Equities	Cash	3,695	84,980	5,284	107,562	5,833	134,152	-30.08%	-36.65%
	U.S. ETFs	2,288	52,632	3,400	68,006	4,523	104,028	-32.70%	-49.41%
	European ETFs	1,406	32,348	1,884	39,557	1,310	30,124	-25.33%	7.38%
	Derivatives	3,649	83,934	3,908	80,026	3,466	79,725	-6.62%	5.28%
	Convertibles/Swaps/Options	2,364	54,366	1,470	30,720	842	19,363	60.75%	180.77%
	Futures	1,286	29,567	2,438	49,307	2,624	60,362	-47.26%	-51.02%
	<b>Total</b>	<b>7,344</b>	<b>168,914</b>	<b>9,192</b>	<b>187,589</b>	<b>9,299</b>	<b>213,877</b>	<b>-20.10%</b>	<b>-21.02%</b>
		ADV (USD mm)	Average Daily Trades	ADV (USD mm)	Average Daily Trades	ADV (USD mm)	Average Daily Trades	MoM	YoY
<b>Total</b>		<b>704,465</b>	<b>52,292</b>	<b>872,002</b>	<b>55,045</b>	<b>583,112</b>	<b>47,139</b>	<b>-19.21%</b>	<b>20.81%</b>

## PRODUCT CATEGORIES INCLUDE

**U.S. Government Bonds:** U.S. Treasury bills, notes and bonds, and Treasury Inflation-protected Securities.

**Mortgages:** To-be-announced mortgage-backed securities, specified pools, collateralized mortgage obligations, commercial mortgage-backed securities, other mortgage derivatives and other asset-backed securities.

**Other Government Bonds:** Japanese, Canadian, Australian and New Zealand government bonds, covered bonds (including Pfandbriefe), other government-guaranteed securities, supranational, sub-sovereign and agency bonds/debentures. Starting in February 2019, Canadian Government Bonds effected on Tradeweb by non-Canadian clients have been added to these volumes.

**Rates Futures:** Government bond futures leg of exchange for physicals (EFPs).

**U.S. High-Grade and High-Yield:** All TRACE-reported corporates, excluding convertibles (see page 3 for segmentation methodology).

**Chinese Bonds:** Chinese Interbank Bond Market (CIBM) instruments – government and corporate – transacted via Bond Connect Company Limited (BCLL).

**Other Credit Bonds:** Other developed market (including non-TRACE-reported bonds, preferreds and structured notes), developing and emerging market corporate and government bonds.

**Credit Swaps:** Index and single name credit default swaps.

**Other Money Markets:** Agency discount notes, commercial paper, certificates of deposits (including structured CDs), and deposits. Starting in February 2019, Canadian Commercial Paper effected on Tradeweb by non-Canadian clients have been added to these volumes.

**ETF:** Exchange traded funds (ETFs), ETF leg of EFPs, and net asset value trades.

**Convertibles/Swaps/Options:** Convertible bonds, equity swaps, call and put strategies, and other equity derivatives excluding futures.

**Equities Futures:** Equity futures including the futures leg of EFPs.

## VOLUMES

Volumes include Tradeweb, Dealerweb and Tradeweb Direct. Except with respect to U.S. Treasuries, both sides of a trade are included in volume totals where the trade is fully-anonymous and a Tradeweb broker-dealer is the matched principal counterparty. Riskless principal trades on Tradeweb Direct are single-count. All volumes converted to U.S. Dollars.

Volumes for Mortgages represent current face value at time of trade.

Volumes can reflect cancellations and corrections that occur after prior postings.

U.S. government bond volumes have been updated as a result of a reclassification of certain U.S. Treasury transactions.

# U.S. CORPORATE BONDS

## USING MARKET REPORTING STANDARDS

OCTOBER 2019

### TRADEWEB MARKETS

Product	Type	October 2019						September 2019						October 2018						MoM		YoY	
		Volume (USD mm)			Trades			Volume (USD mm)			Trades			Volume (USD mm)			Trades			ADV	ADT	ADV	ADT
		ADV	Total	% of Reported	ADT	Total	% of Reported	ADV	Total	% of Reported	ADT	Total	% of Reported	ADV	Total	% of Reported	ADT	Total	% of Reported				
U.S. High-Grade	Total	3,268	71,905	14.9%	10,781	237,192	23.5%	3,045	60,909	13.4%	10,505	210,102	22.0%	2,429	53,433	10.9%	10,464	230,200	21.9%	7.32%	2.63%	34.57%	3.04%
	Electronically Processed	1,792	39,431	8.1%	333	7,319	0.7%	1,778	35,559	7.8%	314	6,271	0.7%	1,506	33,130	6.7%	223	4,908	0.5%	0.81%	6.10%	19.02%	49.12%
	Fully Electronic	1,476	32,473	6.7%	10,449	229,873	22.7%	1,268	25,350	5.6%	10,192	203,831	21.3%	923	20,303	4.1%	10,241	225,292	21.5%	16.45%	2.52%	59.94%	2.03%
U.S. High-Yield	Total	373	8,207	4.0%	2,062	45,354	13.4%	380	7,598	4.1%	2,012	40,236	12.8%	313	6,885	3.4%	1,624	35,727	11.1%	-1.80%	2.47%	19.20%	26.95%
	Electronically Processed	130	2,867	1.4%	39	865	0.3%	174	3,483	1.9%	44	878	0.3%	176	3,878	1.9%	54	1,197	0.4%	-25.15%	-10.44%	-26.05%	-27.74%
	Fully Electronic	243	5,339	2.6%	2,022	44,489	13.1%	206	4,115	2.2%	1,968	39,358	12.6%	137	3,008	1.5%	1,570	34,530	10.7%	17.96%	2.76%	77.53%	28.84%

### REPORTED MARKET

Product	October 2019						September 2019						October 2018						MoM		YoY	
	Volume (USD mm)			Trades			Volume (USD mm)			Trades			Volume (USD mm)			Trades			ADV	ADT	ADV	ADT
	ADV	Total		ADT	Total		ADV	Total		ADT	Total		ADV	Total		ADT	Total					
U.S. High-Grade (TRACE)	22,000	484,010		45,941	1,010,698		22,792	455,840		47,775	955,503		22,366	492,047		47,722	1,049,881		-3.47%	-3.84%	-1.63%	-3.73%
U.S. High-Yield (TRACE)	9,328	205,214		15,383	338,426		9,197	183,949		15,662	313,248		9,124	200,717		14,671	322,760		1.42%	-1.78%	2.24%	4.85%

### FOOTNOTES

Numbers include all activity on Tradeweb, Dealerweb and Tradeweb Direct.

Corporate bond volume and trade count numbers reflect all trades reported to TRACE, excluding emerging market and convertible bonds.

Monthly average capped volumes for HG and HY applied to capped trades based on TRACE reporting standards.

Electronically Processed include voice trades processed electronically on Tradeweb.

Day counts for corporate bonds reflect all SIFMA trading days.

Segmentation between HG and HY determined using the following methodology and ratings from Standards & Poor's (S&P), Moody's Investor Services and Fitch Ratings:

- If 2 of 3 of the bond's ratings are equal to or worse than BB+/Ba1/BB+ (but not including "other ratings") then the bond is HY.
- If 1 of 3 of the bond's ratings is equal to or worse than BB+/Ba1/BB+, and none are better, then the bond is HY.
- If the bond is not rated by any agency then the bond is HY.
- If 3 of 3 of the bond's ratings are better than BB+/Ba1/BB+ (but not including "other ratings") then the bond is HG.
- If 2 of 3 of the bond's ratings are better than BB+/Ba1/BB+ then the bond is HG.
- If 1 of 3 of the bond's ratings is better than BB+/Ba1/BB+, and none are equal or worse, then the bond is HG.
- If 1 of 3 of the bond's ratings is better than BB+/Ba1/BB+ and 1 of 3 is equal or worse, then the bond is HG. (i.e. The bond is split rated: 1 HG, 1 HY).

# DISCLOSURES

## FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the federal securities laws. Statements related to, among other things, our outlook and future performance, the industry and markets in which we operate, our expectations, beliefs, plans, strategies, objectives, prospects and assumptions and future events are forward-looking statements.

We have based these forward-looking statements on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. These and other important factors, including those discussed under the heading “Risk Factors” in documents of Tradeweb Markets Inc. on file with or furnished to the SEC, may cause our actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements contained in this report are not guarantees of future performance and our actual results of operations, financial condition or liquidity, and the development of the industry and markets in which we operate, may differ materially from the forward-looking statements contained in this report. In addition, even if our results of operations, financial condition or liquidity, and events in the industry and markets in which we operate, are consistent with the forward-looking statements contained in this report, they may not be predictive of results or developments in future periods.

Any forward-looking statement that we make in this report speaks only as of the date of such statement. Except as required by law, we do not undertake any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this report.

## ABOUT TRADEWEB MARKETS

Tradeweb Markets Inc. (Nasdaq: TW) is a leading, global operator of electronic marketplaces for rates, credit, equities and money markets. Founded in 1996, Tradeweb provides access to markets, data and analytics, electronic trading, straight-through-processing and reporting for more than 40 products to clients in the institutional, wholesale and retail markets. Advanced technologies developed by Tradeweb enhance price discovery, order execution and trade workflows while allowing for greater scale and helping to reduce risks in client trading operations. Tradeweb serves approximately 2,500 clients in more than 65 countries. On average, Tradeweb facilitated more than \$700 billion in notional value traded per day over the past four fiscal quarters.

For more information, please go to [www.tradeweb.com](http://www.tradeweb.com).

## LEGAL & COMPLIANCE STATEMENT

This report represents certain trades in instruments that have been reported publicly. The report does not necessarily reflect all transactions that were effected on the system. There is the possibility of errors or delays in the trade submission process. The information provided has been obtained from sources deemed to be reliable, however Tradeweb does not guarantee the accuracy of the information contained in this report.

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