



TRADEWEB MARKETS MONTHLY ACTIVITY REPORT

OCTOBER 2018

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TRADEWEB MARKETS – ACTIVITY RECAP

OCTOBER 2018

MARKET ACTIVITY REMAINED ROBUST IN OCTOBER

Market activity remained robust in October 2018 following an active September. Average daily volume (ADV) for Tradeweb Markets of \$584.4 billion (bn) across rates, credit, money markets and equities during the month increased 38.8 percent (%) year over year while average daily trades of 47,210 represented a new record.

Government bond yields gapped notably higher to multi-year records early in the month, specifically for 10-Year U.S. Treasuries and Japanese Government Bonds, before declining as the weeks progressed. Market volatility in U.S. equities rose as several of the major stock indices dipped into correction territory. As yields on longer-dated Treasuries rose above recent ranges a further rise in mortgage-backed securities trading occurred. Market activity in derivatives declined slightly month over month after swap rolling activity in September.

Activity at Tradeweb continued to set new records. U.S. high-grade credit volume averaged \$2.3 bn per day in October and accounted for 10.8% of TRACE volume – a new record. Mortgage volume of \$153.6 bn per day represented the highest level in over five years. As market volumes and volatility spiked in equities, U.S. and European ETF volumes rose sharply. European government and corporate bond volumes continued to rise as the ECB further tapered its bond purchases.

Among the markets in which Tradeweb operates:

- Average daily volume (ADV) in U.S. Government Bonds of \$79.3 billion (bn) increased 10.6 percent (%) month over month (MoM) and rose 40.9% year over year (YoY).
- ADV in European Government Bonds of \$22.7 bn increased 11.8% MoM and 40.4% YoY.
- ADV in Mortgages of \$153.6 bn increased 8.0% MoM and 9.4% YoY.
- ADV in Rates Derivatives of \$112.8 bn decreased 21.3% MoM and rose 130.3% YoY.
- In U.S. Credit, ADV in High-Grade of \$2.3 bn rose 12.7% MoM and 54.7% YoY while ADV in High-Yield of \$0.3 bn increased 16.1% MoM and 64.1% YoY.
- ADV in European Credit of \$1.3 bn increased 2.6% MoM and rose 17.4% YoY.
- ADV in U.S. ETFs of \$4.5 bn rose 54.4% MoM and 119.1% YoY.
- ADV in European ETFs of \$1.3 bn increased 20.9% MoM and 76.0% YoY.
- ADV in Chinese Bonds of \$0.4 bn fell 11.6% MoM and increased 33.1% YoY.

TRADEWEB MARKETS – SINGLE COUNT

OCTOBER 2018

Business	Product	October 2018		September 2018		October 2017		MoM	YoY
		ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)	ADV	ADV
Rates	U.S. Government Bonds	79,287	1,744,317	71,718	1,362,644	56,288	1,182,046	10.55%	40.86%
	European Government Bonds	22,650	520,941	20,266	405,330	16,135	354,970	11.76%	40.38%
	Mortgages	153,631	3,379,889	142,206	2,701,918	140,427	2,948,974	8.03%	9.40%
	Other Government Bonds	2,125	47,822	2,204	42,123	1,442	31,139	-3.60%	47.38%
	Derivatives	112,797	2,532,683	143,250	2,780,427	48,970	1,041,105	-21.26%	130.34%
	EFP Futures	563	12,401	518	9,852	459	9,641	8.69%	22.73%
Credit	U.S. High-Grade	2,315	50,934	2,054	39,028	1,497	31,437	12.71%	54.65%
	U.S. High-Yield	304	6,680	262	4,971	185	3,886	16.05%	64.08%
	European Credit	1,302	29,942	1,270	25,390	1,109	24,388	2.55%	17.43%
	Municipal Bonds	285	6,263	275	5,224	265	5,571	3.53%	7.32%
	Chinese Bonds	441	7,935	499	9,474	331	7,285	-11.59%	33.14%
	Other Credit Bonds	65	1,466	73	1,415	83	1,782	-10.71%	-21.91%
	Derivatives	9,824	220,845	15,431	301,493	5,223	111,384	-36.34%	88.10%
Money Markets	Repurchase Agreements (Repo)	167,880	3,730,032	164,477	3,159,195	122,980	2,592,714	2.07%	36.51%
	Other Money Markets	21,592	476,308	20,688	394,373	20,959	441,405	4.37%	3.02%
Equities	U.S. ETFs	4,523	104,028	2,930	55,662	2,064	45,410	54.39%	119.13%
	European ETFs	1,310	30,124	1,083	21,660	744	16,370	20.93%	76.02%
	Derivatives	902	20,753	1,732	34,541	536	11,783	-47.90%	68.46%
	EFP Futures	2,564	58,972	1,508	28,646	1,361	29,948	70.06%	88.35%

	ADV (USD mm)	Average Daily Trades	ADV (USD mm)	Average Daily Trades	ADV (USD mm)	Average Daily Trades
Total	584,360	47,210	592,445	42,639	421,058	34,535

PRODUCT CATEGORIES INCLUDE

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

Other Government Bonds: Japanese, Australian and New Zealand government bonds, covered bonds (including Pfandbriefe), other government-guaranteed securities, supranational, sub-sovereign and agency bonds/debentures.

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

Rates Derivatives: Swaps and swapions.

Rates EFP 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 (BCCL).

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

Credit Derivatives: Index and single name credit default swaps.

Other Money Markets: Agency discount notes, commercial paper, certificates of deposits (including structured CDs), and deposits.

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

Equity Derivatives: Swaps, options, and convertible bonds.

Equities EFP Futures: Futures leg of EFPs.

VOLUMES

Volumes include Tradeweb, Dealerweb and Tradeweb Direct. Except with respect to U.S. Treasuries, both legs 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.

U.S. CORPORATE AND MUNICIPAL BONDS

USING MARKET REPORTING STANDARDS

OCTOBER 2018

TRADEWEB MARKETS

Product	Type	October 2018						September 2018						October 2017						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	Electronically Processed	1,506	33,130	6.7%	223	4,908	0.5%	1,305	24,790	5.9%	202	3,834	0.4%	1,062	22,292	5.0%	135	2,831	0.3%	15.42%	10.56%	41.87%	65.49%
	Fully Electronic	909	19,992	4.1%	9,625	211,739	20.2%	843	16,014	3.8%	9,157	173,992	19.8%	537	11,277	2.6%	7,731	162,356	19.8%	7.82%	5.10%	69.22%	24.49%
	Total	2,415	53,122	10.8%	9,848	216,647	20.7%	2,148	40,803	9.8%	9,359	177,826	20.3%	1,598	33,568	7.6%	7,866	165,187	20.1%	12.44%	5.22%	51.06%	25.19%
U.S. High-Yield	Electronically Processed	176	3,878	1.9%	54	1,197	0.4%	165	3,127	2.1%	41	774	0.3%	107	2,255	1.2%	30	629	0.2%	7.10%	33.56%	64.15%	81.65%
	Fully Electronic	137	3,009	1.5%	1,571	34,568	10.7%	107	2,034	1.4%	1,534	29,153	11.4%	96	2,011	1.1%	1,731	36,345	13.0%	27.76%	2.41%	42.81%	-9.21%
	Total	313	6,887	3.4%	1,626	35,765	11.1%	272	5,161	3.5%	1,575	29,927	11.7%	203	4,266	2.3%	1,761	36,974	13.3%	15.25%	3.21%	54.09%	-7.67%
Municipal Bond*	Total	-	-	-	-	-	-	433	8,226	3.8%	8,396	159,519	21.3%	412	9,064	4.1%	7,633	167,915	21.5%	-	-	-	-

REPORTED MARKET

Product	October 2018						September 2018						October 2017						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)	22,338	491,446		47,670	1,048,729		21,938	416,828		46,160	877,038		21,035	441,725		39,053	820,119		1.82%	3.27%	6.20%	22.06%
U.S. High-Yield (TRACE)	9,085	199,879		14,632	321,904		7,842	149,005		13,451	255,577		8,742	183,574		13,267	278,616		15.85%	8.78%	3.93%	10.29%
Municipal Bonds (MSRB)*	-	-		-	-		11,414	216,858		39,424	749,052		9,985	219,670		35,570	782,538		-	-	-	-

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.

Municipal bond volume and trade count numbers reflect all trades reported to MSRB.

Electronically Processed include voice trades processed electronically on Tradeweb.

Day counts for corporate bonds reflect all SIFMA trading days.

Day counts for municipal bonds reflect all MSRB reporting 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 are 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 are 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 are better than BB+/Ba1/BB+ and 1 of 3 are equal or worse, then the bond is HG. (i.e. The bond is split rated: 1 HG, 1 HY)

* MSRB volumes are not available at time of publication. Data will be updated when it becomes available.

DERIVATIVES AND U.S. ETFS

USING MARKET REPORTING STANDARDS

OCTOBER 2018

TRADEWEB MARKETS

Product	October 2018						September 2018						October 2017						MoM		YoY	
	Volume (USD mm)			DV01 (USD mm)			Volume (USD mm)			DV01 (USD mm)			Volume (USD mm)			DV01 (USD mm)			ADV	AD DV01	ADV	AD DV01
	ADV	Total	% of Reported	Avg Daily	Total	% of Reported	ADV	Total	% of Reported	Avg Daily	Total	% of Reported	ADV	Total	% of Reported	Avg Daily	Total	% of Reported				
Rates Derivatives (SEF)	78,649	1,808,930	22.9%	36	820	36.3%	99,171	1,983,427	27.0%	40	809	39.8%	40,005	880,120	16.4%	20	443	26.9%	-20.69%	-11.90%	96.60%	76.99%
Credit Derivatives (SEF)	5,485	126,158	11.3%	-	-	-	9,445	188,900	16.3%	-	-	-	3,862	84,963	13.0%	-	-	-	-41.93%	-	42.03%	-
U.S. ETFS	4,523	104,028	3.3%	-	-	-	2,930	55,662	3.7%	-	-	-	2,064	45,410	1.7%	-	-	-	54.39%	-	119.13%	-

REPORTED MARKET

Product	October 2018						September 2018						October 2017						MoM		YoY	
	Volume (USD mm)			DV01 (USD mm)			Volume (USD mm)			DV01 (USD mm)			Volume (USD mm)			DV01 (USD mm)			ADV	AD DV01	ADV	AD DV01
	ADV	Total		Avg Daily	Total		ADV	Total		Avg Daily	Total		ADV	Total		Avg Daily	Total					
Rates Derivatives (SEF)	343,613	7,903,102		98	2,260		367,470	7,349,403		102	2,035		244,026	5,368,569		75	1,648		-6.49%	-3.44%	40.81%	31.14%
Credit Derivatives (SEF)	48,656	1,119,086		-	-		58,101	1,162,014		-	-		29,799	655,569		-	-		-16.26%	-	63.28%	-
U.S. ETFS (CBOE)	136,539	3,140,390		-	-		78,361	1,488,866		-	-		124,193	2,732,249		-	-		74.24%	-	9.94%	-

FOOTNOTES

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

Swaps

- All volumes converted to U.S. Dollars.
- DV01 (dollar value of 1 basis point) is calculated at time of trade based on internal model.
- Volumes and DV01s include all reported legs of multiple leg trades.
- Day counts reflect all SEF trading days.

ETFS

- ETFS include ETFS and the ETF leg of EFP trades.
- Total (notional) volumes from Cboe Global Markets.

TOTAL SEF VOLUMES AND DV01 (EXCLUDING FRAS) FROM



DISCLOSURES

ABOUT TRADEWEB MARKETS

Tradeweb Markets builds and operates many of the world's most efficient financial marketplaces, providing market participants with greater transparency and efficiency in fixed income and derivatives. Focused on applying technology to enhance efficiency throughout the trade lifecycle, Tradeweb pioneered straight-through-processing in fixed income and now supports marketplaces for more than 20 asset classes with electronic execution, processing, post-trade analysis and market data in an integrated workflow. Tradeweb Markets serves the dealer-to-customer markets through the Tradeweb institutional platform, inter-dealer trading through Dealerweb, and the US-based retail fixed income community on Tradeweb Direct. Customers rely on Tradeweb to drive the evolution of fixed income and derivatives through flexible trading architecture and more efficient, transparent markets. For more information, visit www.tradeweb.com.

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