



# TRADEWEB MARKETS MONTHLY ACTIVITY REPORT

OCTOBER 2021

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# TRADEWEB MARKETS – ACTIVITY RECAP

OCTOBER 2021

## TRADEWEB REPORTS RECORD TRADING VOLUME FOR OCTOBER 2021

Total trading volume for October 2021 was a record \$25.6 trillion (tn), and average daily volume (ADV) for the month was a record \$1.26tn, an increase of 39.4 percent (%) year over year (YoY). Average daily trades for the month totaled 68,394.

In October, Tradeweb facilitated record activity in U.S. Treasuries, European Government Bonds, Rates Derivatives, and U.S. High Yield credit. Additionally, Tradeweb set new records in TRACE market share for both U.S. High Grade and U.S. High Yield, capturing 22.3% and 11.0% respectively, with a record 7.5% of U.S. High Yield transacted fully electronically.

## RATES

**U.S. government bond ADV was up 77.5% YoY to \$148.9 billion (bn)<sup>1</sup>, and European government bond ADV was up 32.7% YoY to \$36.3bn.**

Record activity in U.S. government bonds was driven by a combination of factors including record trading across institutional and wholesale markets, boosted by streaming protocols, as well as the addition of the Nasdaq Fixed Income business. Record activity in European government bond trading continued to benefit from strong activity in UK Gilts. Steady global government bond issuance, along with recent rising rates market volatility, remained supportive of trading.

**Mortgage ADV was down 6.5% YoY to \$201.0bn.**

Declining issuance and record home price appreciation weighed on overall market activity.

**Swaps/swaptions ≥ 1-year ADV was up 68.3% YoY to \$202.9bn, and total rates derivatives ADV was up 135.8% YoY to \$491.3bn.**

Swaps/swaptions ≥ 1-year volumes were driven by robust client interest in the request-for-market (RFM) protocol and continued engagement from international clients. Record emerging markets activity reflected continued momentum due to the continued adoption of electronic trading. Market focus on evolving central bank policy drove record trading in swaps/swaptions < 1-year.

## CREDIT

**U.S. Credit ADV was up 25.8% YoY to \$6.6bn and European credit ADV was up 15.2% YoY to \$1.8bn.**

Continued strong growth in U.S. and European credit was driven by client adoption of the request-for-quote (RFQ) protocol, session-based trading, and the further growth of portfolio trading. U.S. High Yield ADV set a new record, as did trading across Tradeweb AllTrade. U.S. High Grade TRACE market share was 22.3%, of which 12.8% was transacted fully electronically, and U.S. High Yield TRACE market share was 11.0%, of which 7.5% was transacted fully electronically.

**Credit derivatives ADV was down 3.7% YoY to \$11.4bn.**

Waning credit market volatility weighed on volumes.

## EQUITIES

**U.S. ETF ADV was up 5.4% YoY to \$4.9bn and European ETF ADV was up 25.1% YoY to \$2.2bn.**

Continued growth of institutional clients contributed to higher volumes in U.S. and European markets. In the U.S., the strong growth in institutional trading more than offset declining wholesale activity as a result of waning equity market volatility.

## MONEY MARKETS

**Repurchase Agreement ADV was up 1.9% YoY to \$328.5bn.**

The addition of new clients on the platform continued to support growth in Global Repo activity. Retail money markets activity remained pressured by the low interest rate environment.

<sup>1</sup> U.S. government bond volumes include wholesale U.S. Treasury volumes from the Nasdaq Fixed Income business. Tradeweb acquired on June 25, 2021

# TRADEWEB MARKETS – SINGLE COUNT

OCTOBER 2021

Asset Class	Product	October 2021		September 2021		October 2020		MoM	YoY
		ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)	ADV	ADV
Rates	Cash	391,029	7,860,591	352,537	7,436,828	330,453	6,969,236	10.92%	18.33%
	U.S. Government Bonds <sup>1</sup>	148,915	2,978,291	134,350	2,821,340	83,886	1,761,608	10.84%	77.52%
	European Government Bonds	36,251	761,279	34,435	757,568	27,327	601,191	5.28%	32.66%
	Mortgages	200,974	4,019,478	179,593	3,771,449	214,979	4,514,551	11.91%	-6.51%
	Other Government Bonds	4,890	101,543	4,159	86,471	4,262	91,885	17.56%	14.73%
	Derivatives	491,348	10,052,242	276,730	5,937,049	208,354	4,492,369	77.55%	135.82%
	Swaps/Swaptions ≥ 1Y	202,936	4,166,203	187,768	4,030,121	120,588	2,587,435	8.08%	68.29%
	Swaps/Swaptions < 1Y	287,389	5,865,583	88,178	1,890,443	87,194	1,892,927	225.92%	229.60%
	Futures	1,023	20,457	785	16,485	572	12,007	30.28%	78.87%
Total		882,377	17,912,833	629,267	13,373,877	538,807	11,461,605	40.22%	63.76%
Credit	Cash	10,436	203,717	9,321	196,726	8,471	172,778	11.96%	23.20%
	U.S. High Grade	5,458	109,151	4,980	104,574	4,667	98,011	9.60%	16.93%
	U.S. High Yield	1,115	22,297	885	18,583	557	11,697	25.99%	100.15%
	European Credit	1,833	38,495	2,024	44,533	1,591	35,002	-9.44%	15.22%
	Municipal Bonds	187	3,747	174	3,649	210	4,406	7.82%	-10.70%
	Chinese Bonds	1,728	27,654	1,120	22,390	1,348	21,566	54.39%	28.23%
	Other Credit Bonds	115	2,372	139	2,996	98	2,097	-17.29%	17.56%
	Derivatives	11,387	234,078	28,275	607,554	11,821	253,811	-59.73%	-3.67%
	Swaps	11,387	234,078	28,275	607,554	11,821	253,811	-59.73%	-3.67%
Total		21,823	437,795	37,596	804,280	20,292	426,589	-41.95%	7.55%
Equities	Cash	7,134	149,815	8,002	170,321	6,441	141,694	-10.84%	10.77%
	U.S. ETFs	4,931	103,542	5,718	120,070	4,679	102,934	-13.77%	5.38%
	European ETFs	2,203	46,273	2,284	50,250	1,762	38,760	-3.53%	25.07%
	Derivatives	5,904	123,987	7,518	158,571	5,180	113,955	-21.46%	13.98%
	Convertibles/Swaps/Options	2,971	62,399	3,538	74,812	2,299	50,572	-16.00%	29.26%
	Futures	2,933	61,588	3,980	83,759	2,881	63,382	-26.31%	1.80%
Total		13,038	273,801	15,519	328,892	11,620	255,648	-15.99%	12.20%
Money Markets	Cash	343,265	6,950,940	339,319	7,201,725	333,805	7,088,806	1.16%	2.83%
	Repurchase Agreements (Repo)	328,532	6,655,973	326,823	6,939,108	322,280	6,846,049	0.52%	1.94%
	Other Money Markets	14,733	294,968	12,496	262,617	11,525	242,756	17.90%	27.83%
Total		343,265	6,950,940	339,319	7,201,725	333,805	7,088,806	1.16%	2.83%
		ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)	MoM	YoY
Total		1,260,504	25,575,369	1,021,702	21,708,775	904,525	19,232,648	23.37%	39.36%

## PRODUCT CATEGORIES INCLUDE

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

**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 (BCCCL) and CIBM Direct.

**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.

**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.

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

## VOLUMES

Volumes include Tradeweb, Dealerweb and Tradeweb Direct. 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. Note that, in wholesale markets, U.S. Treasuries volumes are single-sided, and riskless principal and intermediated trades on Tradeweb Direct are single-count.

All volumes are notional par values, unless otherwise stated, converted to U.S. Dollars.

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

Volumes for Repo represent notional value of posted collateral.

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

<sup>1</sup> U.S. government bond volumes include wholesale U.S. Treasury volumes from the Nasdaq Fixed Income business Tradeweb acquired on June 25, 2021

# U.S. CORPORATE BONDS

## USING MARKET REPORTING STANDARDS

OCTOBER 2021

### TRADEWEB MARKETS

Product	Type	October 2021						September 2021						October 2020						MoM		YoY	
		Volume (USD mm)			Trades			Volume (USD mm)			Trades			Volume (USD mm)			Trades			Volume (USD mm)		Volume (USD mm)	
		ADV	Total	% of TRACE	ADT	Total	% of TRACE	ADV	Total	% of TRACE	ADT	Total	% of TRACE	ADV	Total	% of TRACE	ADT	Total	% of TRACE	ADV	% of TRACE	ADV	% of TRACE
U.S. High Grade	Total	5,542	110,842	22.3%	12,879	257,576	28.9%	5,076	106,602	21.1%	12,349	259,326	28.3%	4,737	99,480	19.3%	10,451	219,468	23.9%	9.18%	5.69%	16.99%	15.69%
	Electronically Processed	2,357	47,136	9.5%	358	7,157	0.8%	2,183	45,852	9.1%	333	7,001	0.8%	2,405	50,501	9.8%	404	8,477	0.9%	7.94%	4.49%	-2.00%	-3.09%
	Fully Electronic	3,185	63,706	12.8%	12,521	250,419	28.1%	2,893	60,750	12.0%	12,015	252,325	27.5%	2,332	48,979	9.5%	10,047	210,991	22.9%	10.11%	6.59%	36.57%	35.05%
U.S. High Yield	Total	1,128	22,561	11.0%	2,995	59,901	20.3%	898	18,853	9.5%	2,853	59,910	19.0%	571	11,998	5.9%	2,328	48,892	15.4%	25.65%	15.36%	97.45%	84.91%
	Electronically Processed	357	7,147	3.5%	112	2,245	0.8%	317	6,664	3.4%	107	2,254	0.7%	230	4,832	2.4%	87	1,834	0.6%	12.61%	3.39%	55.30%	45.44%
	Fully Electronic	771	15,415	7.5%	2,883	57,656	19.6%	580	12,190	6.1%	2,746	57,656	18.3%	341	7,166	3.5%	2,241	47,058	14.8%	32.78%	21.90%	125.87%	111.53%

### REPORTED MARKET

Product	October 2021						September 2021						October 2020						MoM		YoY	
	Volume (USD mm)			Trades			Volume (USD mm)			Trades			Volume (USD mm)			Trades						
	ADV	Total		ADT	Total		ADV	Total		ADT	Total		ADV	Total		ADT	Total		ADV	ADT	ADV	ADT
U.S. High Grade (TRACE)	24,869	497,378		44,505	890,108		24,074	505,548		43,671	917,083		24,591	516,413		43,794	919,669		3.30%	1.91%	1.13%	1.62%
U.S. High Yield (TRACE)	10,299	205,982		14,743	294,866		9,456	198,566		15,040	315,834		9,645	202,548		15,094	316,970		8.92%	-1.97%	6.78%	-2.32%

### 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.

On July 12, 2021, FINRA announced changes to its methodology for aggregation of its monthly TRACE Volume Reports. FINRA has confirmed that adjustments were made to address the double reporting of certain ATS trades, but these changes do not affect the real-time TRACE dissemination feeds; accordingly, Tradeweb has made no adjustments to its methodology for calculating U.S. High Grade and U.S. High Yield reported market volumes or trades. Further, FINRA's methodology adjustment to its monthly reporting does not materially change Tradeweb volumes using market reporting standards. Tradeweb's monthly volume reporting therefore remains consistent with prior reported volumes.

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 \$970 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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