

The Open Trading Inquiry Orderbook - An Untapped Source of Liquidity Insight

HIGHLIGHTS

- Inquiries available for Open Trading® represent an average daily global volume of \$17.2bn in 14,000 bonds across 30 different markets in Feb 2021.
- These inquiries constitute an aggregated live order record that is available to any market participant.
- Inquiry volumes were driven higher during the crisis, allowing greater liquidity opportunities at a time when traditional sources were more precarious.

OPEN TRADING INQUIRIES OFFER LIQUIDITY INSIGHT ACROSS VARIOUS MARKETS

Inquiries eligible for Open Trading averaged \$17.2bn daily in Feb 2021. In key markets, USHG saw \$7.2bn daily across 9k bonds; USHY had \$2.6bn across 3,500 bonds, USD EM saw \$2.6bn in 5,000 bonds and in EUR bonds, there was €799MM in 4,000 bonds daily. These daily levels are at a higher baseline than pre-crisis.

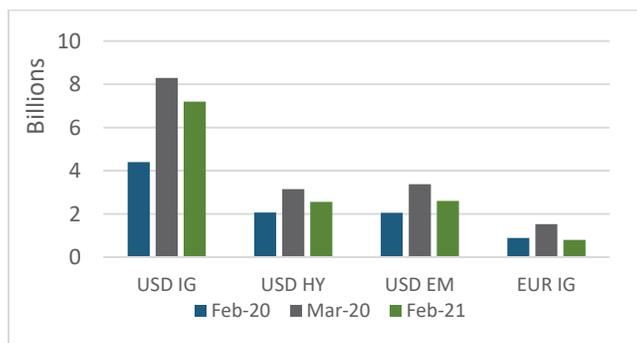


Figure 1 Daily Open Trading Inquiry volume represent significant inventory every quarter

OPEN TRADING INQUIRIES SHOW FIRM ORDERS IN VARIOUS AREAS OF INTEREST OVER THE DAY

Inquiries submitted to Open Trading come from a variety of market participants, and span a wide range of inquiry sizes, liquidity profiles and market segments. USHG inquiries in lower liquidity (1-3) constituted 11.1% of total inquiries submitted.

Open Trading Inquiry Orderbook

These are client and dealer RFQs submitted to the platform that are eligible for Open Trading. Being public RFQs, these orders are not mere indications, but are **live orders and immediately actionable**. Traders can search the order book or be alerted, and thus can opportunistically participate by providing liquidity when such ‘natural matches’ arise. In doing so, they simultaneously satisfy their own liquidity needs.

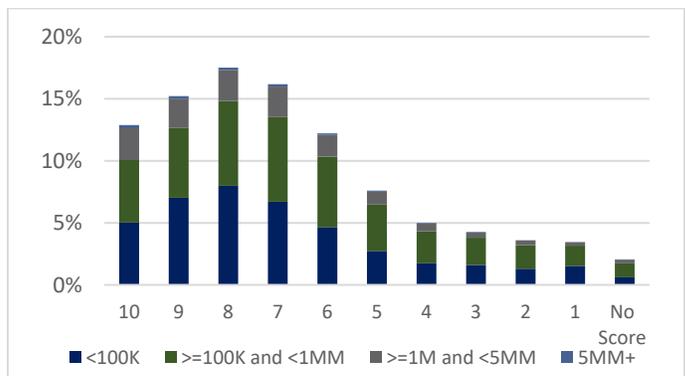


Figure 2 USHG Open Trading Inquiry Count By Liquidity Score and Inquiry Size

Within each liquidity bucket, we observe that the highest proportion of inquiry counts belongs to odd lot trades, between \$100K and \$1MM. However, we see a growing percentage of high-volume inquiries for mid to high liquidity bonds. Furthermore, Blocks (orders 1MM or higher) are represented in line with overall platform trends over the day as seen in the volume breakout by hour below.

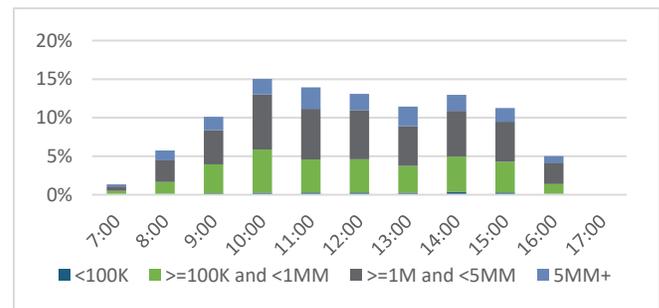


Figure 3 USHG Open Trading inquiry volume by hour and inquiry size