

# THE BOND BUYER

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## MarketAxess to acquire MuniBrokers in Q4

By Lynne Funk

MarketAxess is acquiring MuniBrokers, a central electronic venue serving municipal bond inter-dealer brokers and dealers, which will connect 14 leading broker's brokers in an electronic marketplace to trade more than \$400 million taxable and tax-exempt municipal bonds per day.

"As we started to explore further, we saw an opportunity with the technology we have and the distribution capabilities we have which can traffic in a great deal of institutional muni flow with this new relationship," Chris Concannon, president and chief operating officer of MarketAxess, said. "MuniBrokers offers distribution to high-net worth managers as well as large and regional dealers and it's very hard to get connected to that market. That's what we're changing."

"This further extends MarketAxess into the muni market and connects our institutional client flow with the liquidity of the 14 leading broker's brokers," he said. "It's marrying two markets."

MuniBrokers is the "leading aggregator of content distribution, trade processing, client connectivity and liquidity provision for the municipal inter-dealer broker market," MarketAxess said in a release.

This acquisition is designed to expand MarketAxess' existing municipal bond trading solution for global institutional investor and dealer clients, the firm said.

The transaction is expected to close in the fourth quarter of 2020, subject to the satisfaction of customary closing conditions.

Back in April, MarketAxess expanded its electronic trading platform to U.S. taxable municipal bonds through its trading venues in the U.K., European Union and Singapore in an effort to streamline buying and selling of taxable munis for foreign buyers.

That service, they said, provides liquidity through its electronic platform, which in addition to its electronic trading capabilities will also support regulatory reporting obligations for international investors under the MiFID II rules.

Up until this point, taxable munis have mainly been done via dealer-to-dealer voice trading. This essentially means from a regulatory standpoint in the U.K. and EU, municipals were considered illiquid and non-reportable. And Concannon said the views of international investors are changing for munis from a "green" or ESG standpoint.

"ESG is shifting from green to 'social'. You see the interest coming out of Europe and Asia," he said, adding, COVID-19 has been a distraction, there is an effort to continue to educate the international community about munis.

In addition to the acquisition of MuniBrokers, MarketAxess and Hartfield, Titus & Donnelly LLC, an inter-dealer municipal bond brokerage firm and the owner of MuniBrokers, have agreed



**Chris Concannon, President and Chief Operating Officer of MarketAxess**

that HTD will continue to use the MuniBrokers platform to ensure an uninterrupted level of liquidity is provided through the MuniBrokers platform.

Marlin & Associates LLC acted as strategic and financial advisor to Hartfield, Titus & Donnelly.

Concannon said the acquisition of MuniBrokers "further bolsters our growing footprint in the municipal bond market. Connecting our leading trading technology with the liquidity of one of the industry's largest electronic inter-dealer marketplace creates a compelling and diverse liquidity solution that will ultimately deliver an improved execution experience."

"This relationship represents a great opportunity in the intermediated municipal securities market, leveraging the time-tested strengths of MuniBrokers, the experience of HTD as the leading broker's broker and the industry-leading capabilities of MarketAxess," said Ron Purpora, chairman of Hartfield, Titus & Donnelly. "We are eager to demonstrate the benefits of this relationship to the market and to our customers."

News of the acquisition by MarketAxess to acquire MuniBrokers in Q4 got positive reviews from some market players.

"We think the deal will be positive since MarketAxess is a firm trying to make stronger inroads into the muni market and any time you can provide more data to the market, it enhances the product offering," said Justin Horowitz of AllianceBernstein.