

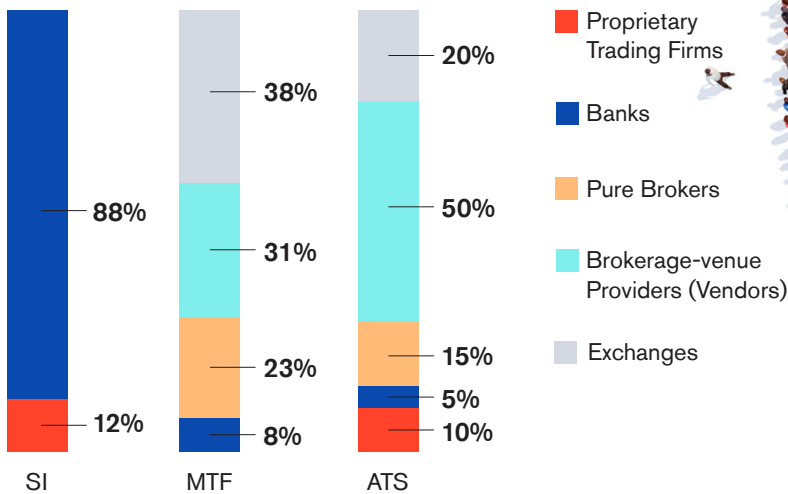
TRENDS IN FIXED INCOME TRADING 2019

DISSECTING THE GLOBAL FIXED INCOME E-TRADING VENUE LANDSCAPE

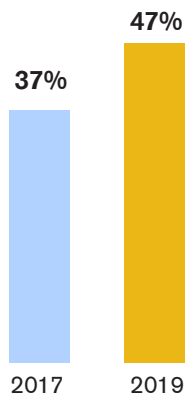
GreySpark's 2019 review of the global fixed income e-trading venue landscape – including over 125 executable liquidity venues and capturing in excess of 12,000 data points – demonstrates the catalytic effect MiFID II's regulatory mandates had on trade electronication and venue offering maturation. Since 2017, e-trading venues have evolved and matured in response to and as a driver of new e-trading behaviour in fixed income.

>75% OF GLOBAL FIXED INCOME E-TRADING VENUES ARE MULTILATERAL, WHEREIN LIQUIDITY PROVIDERS COMPETE FOR TICKETS.

Banks now offer multilateral venues; proprietary trading firms offer dedicated fixed income e-trading venues for their clients.



Fixed income venues are increasingly global in reach.



MIFID II LED TO THE CONSOLIDATION OF MULTIPLE PRE-MIFID II VENUES INTO A SINGLE VENUE WITH MULTIPLE, DISTINCT LIQUIDITY POOLS.

In 2019, the provision of sellside and buy-side liquidity within a single venue is the norm. Firm liquidity has become a hygiene factor, and non-disclosed liquidity is a normal part of trading on multilateral venues, with the majority of venues offering these.



In aggregate, the fixed income e-trading market continues its secular transition from bilateral, broker-dealer centric market structures toward all-to-all (A2A) trading in which all firms have equal opportunity to act as price-taker, price-maker or price-maker-taker. In 2019, the vast majority of venues already support such trading either directly or indirectly. Moreover, venues' offerings set a clear indication that they expect increased multi-lateral, A2A trading in the future.

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