Corporate bonds liquidity - Cost of forced selling of USD 10 million

- Transaction costs continued to decrease for both investment-grade and high-yield corporate bonds across all regions in July.
- The market depth of investment-grade bonds has recovered to pre-crisis levels across all markets. For developed markets high-yield bonds, the market depth is slightly lower than before the COVID-19 crisis.
- There was no significant improvement in the dispersion of quoted prices; the price uncertainty is still very high.
US corporate bonds

Cost of forced selling of USD 10M in one trading day

Bid-ask spread

Depth at best price

Market impact

Quoted price uncertainty

MSCI Liquidity Risk Monitor Report
Data through July 30, 2020

Monthly report highlighting the behavior of key liquidity indicators in global markets
Corporate bonds - non-US developed countries

Cost of forced selling of USD 10M in one trading day

Bid-ask spread

Market impact

Depth at best price

Quoted price uncertainty

MSCI Liquidity Risk Monitor Report
Data through July 30, 2020
Monthly report highlighting the behavior of key liquidity indicators in global markets

Corporate bonds - non-US developed countries

Cost of forced selling of USD 10M in one trading day

Bid-ask spread

Market impact

Depth at best price

Quoted price uncertainty

MSCI

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MSCI Liquidity Risk Monitor Report
Data through July 30, 2020

Monthly report highlighting the behavior of key liquidity indicators in global markets

Corporate bonds - emerging countries

Cost of forced selling of USD 10M in one trading day

Bid-ask spread

Market impact

Depth at best price

Quoted price uncertainty
**Bank loans liquidity - Cost of forced selling of USD 10 million**

- Transaction costs have decreased more steadily for non-U.S. than for U.S. bank loans through July.
- The market depth of U.S. bank loans has recovered close to the levels seen before the COVID-19 crisis. The market depth of non-U.S. bank loans is still significantly lower than before the crisis, however, there was some improvement in July.
- The quoted-price dispersion remains very high across the board, indicating low market efficiency
MSCI Liquidity Risk Monitor Report
Data through July 30, 2020
Monthly report highlighting the behavior of key liquidity indicators in global markets

US bank loans

Cost of forced selling of USD 10M in one trading day

Bid-ask spread

Market impact

Depth at best price

Quoted price uncertainty
MSCI Liquidity Risk Monitor Report

Data through July 30, 2020

Monthly report highlighting the behavior of key liquidity indicators in global markets

Non-US bank loans

Cost of forced selling of USD 10M in one trading day

- Trading cost in bps
- iBoxx USD Liquid Leveraged Loan Index cumulative return (right axis)

Bid-ask spread

Market impact

Depth at best price

Quoted price uncertainty

Trading cost [bps]

Cumulative return [bps]

Bid-ask spread [bps]

Market impact [bps/million USD]

Normal market size [million USD]

Relative standard deviation [%]

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