

# MSCI Liquidity Risk Monitor Special Report

Data through April 16, 2020

Weekly report highlighting the behavior of key liquidity indicators during the COVID-19 global crisis

## Cost of forced selling of USD 10 million

- The recovery of corporate bonds, both investment-grade and high-yield, continued since last week across all regions. The bid-ask spreads and the market impact cost decreased further.
- The dispersion of quoted prices appears to have stabilized at a highly elevated level, which indicates significantly lower market efficiency than before the COVID-19 crisis.
- The recovery for corporate bonds of emerging countries seems to be markedly slower than what is observed for the U.S. and other developed markets. Market impact has remained especially high for emerging markets.

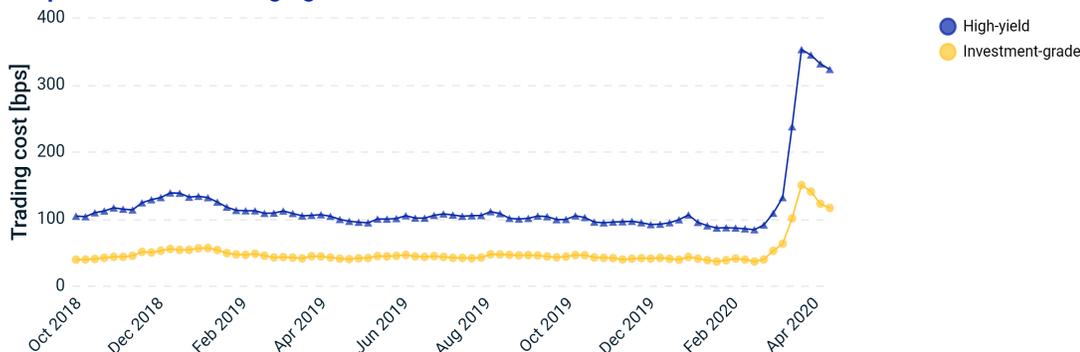
### US corporate bonds



### Corporate bonds - non-US developed countries



### Corporate bonds - emerging countries



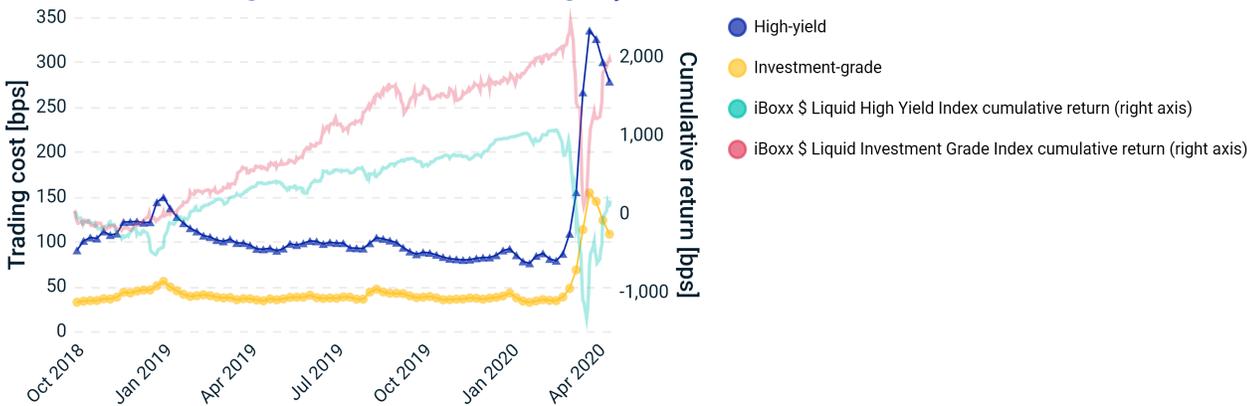
# MSCI Liquidity Risk Monitor Special Report

Data through April 16, 2020

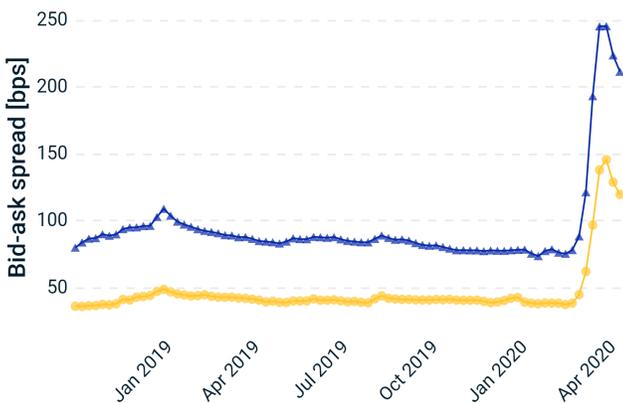
Weekly report highlighting the behavior of key liquidity indicators during the COVID-19 global crisis

## US corporate bonds

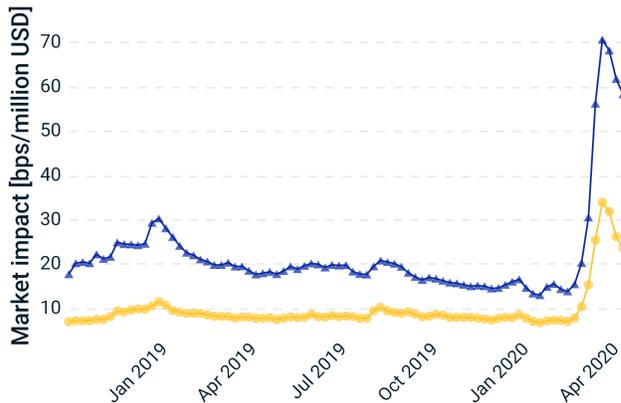
### Cost of forced selling of USD 10M in one trading day



### Bid-ask spread



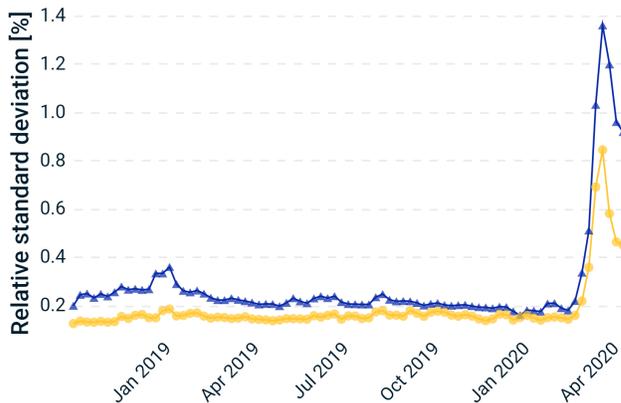
### Market impact



### Depth at best price



### Quoted price uncertainty



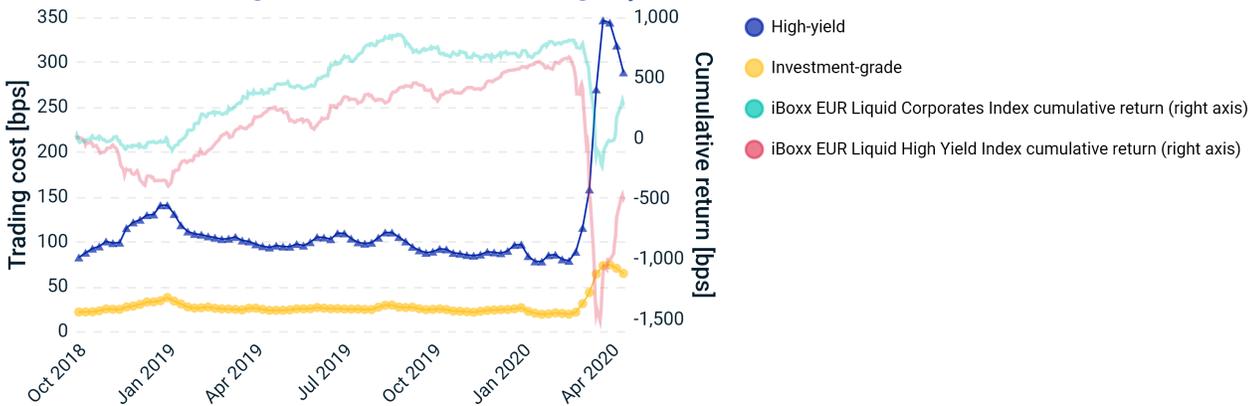
# MSCI Liquidity Risk Monitor Special Report

Data through April 16, 2020

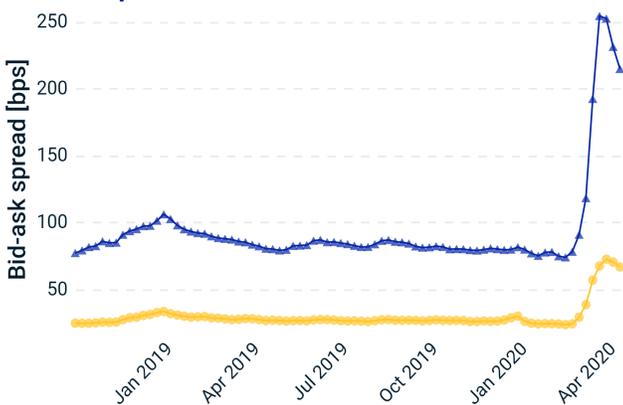
Weekly report highlighting the behavior of key liquidity indicators during the COVID-19 global crisis

## Corporate bonds - non-US developed countries

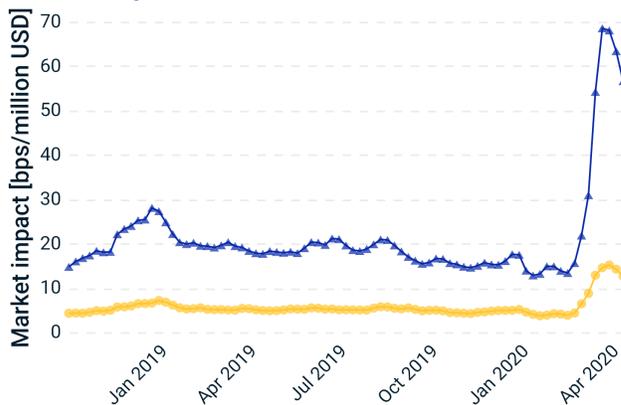
### Cost of forced selling of USD 10M in one trading day



### Bid-ask spread



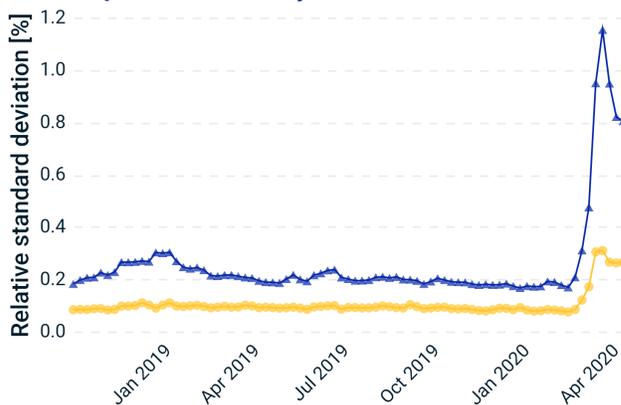
### Market impact



### Depth at best price



### Quoted price uncertainty



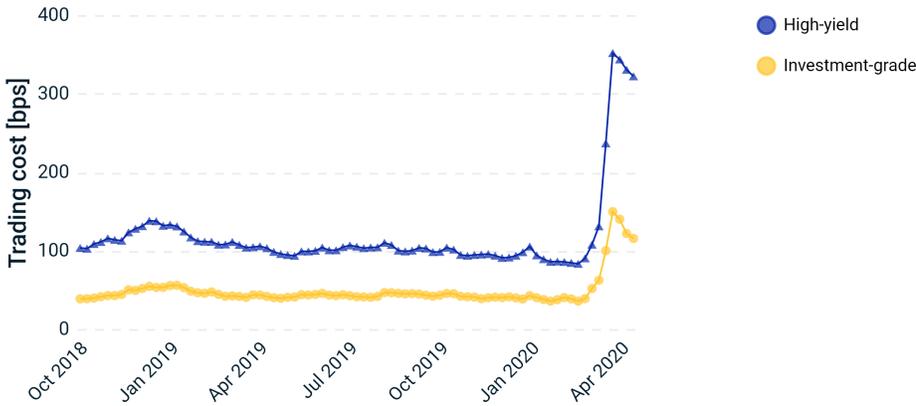
# MSCI Liquidity Risk Monitor Special Report

Data through April 16, 2020

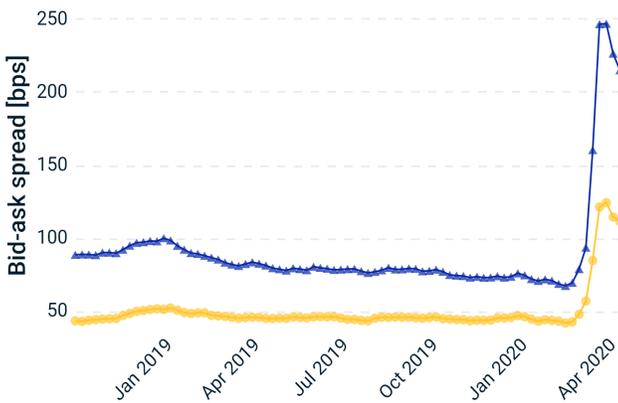
Weekly report highlighting the behavior of key liquidity indicators during the COVID-19 global crisis

## Corporate bonds - emerging countries

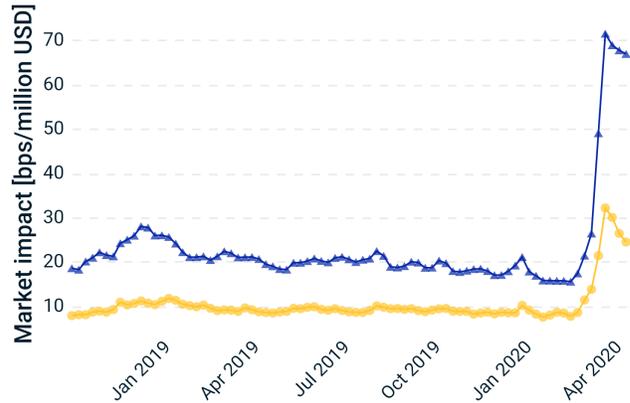
### Cost of forced selling of USD 10M in one trading day



### Bid-ask spread



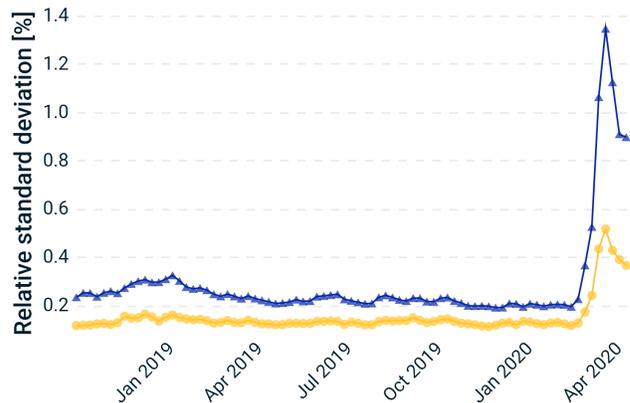
### Market impact



### Depth at best price



### Quoted price uncertainty



# MSCI Liquidity Risk Monitor Special Report

Data through April 16, 2020

Weekly report highlighting the behavior of key liquidity indicators during the COVID-19 global crisis

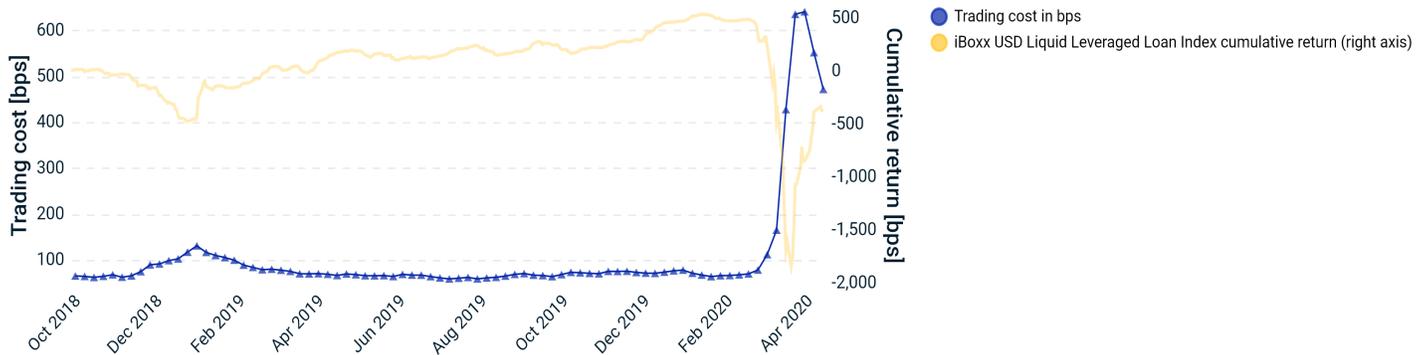
## Cost of forced selling of USD 10 million

- The liquidity of both U.S. and non-U.S. bank loans has improved since last week and transaction costs have decreased. Bid-ask spreads, market impact and quoted-price dispersion have all dropped.
- The market depth of bank loans took a significant hit from the COVID-19 crisis and there appears to be a difference between U.S. and non-U.S. bank loans in terms of recovery. While for U.S. bank loans the depth is recovering gradually, for non-U.S. bank loans the market depth appears to have stabilized at a lower level.

### US bank loans



### Non-US bank loans



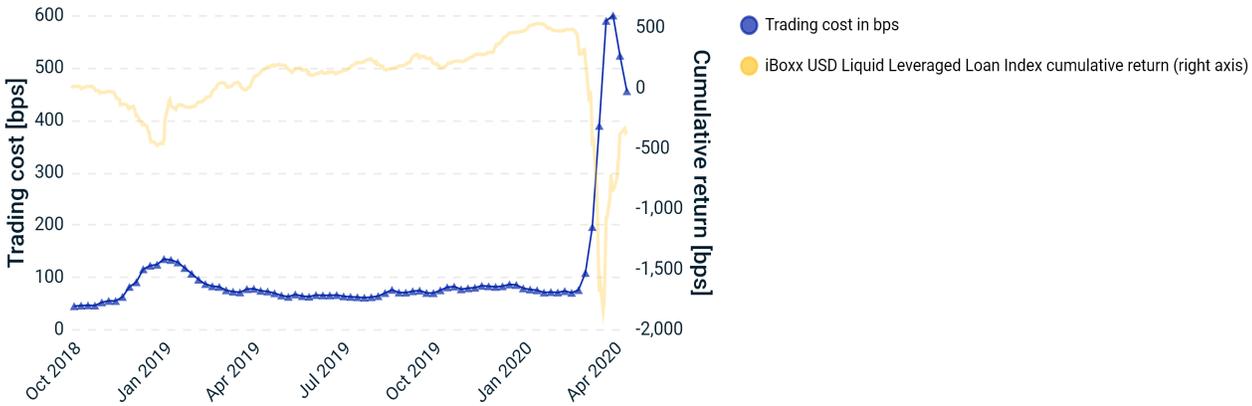
# MSCI Liquidity Risk Monitor Special Report

Data through April 16, 2020

Weekly report highlighting the behavior of key liquidity indicators during the COVID-19 global crisis

## US bank loans

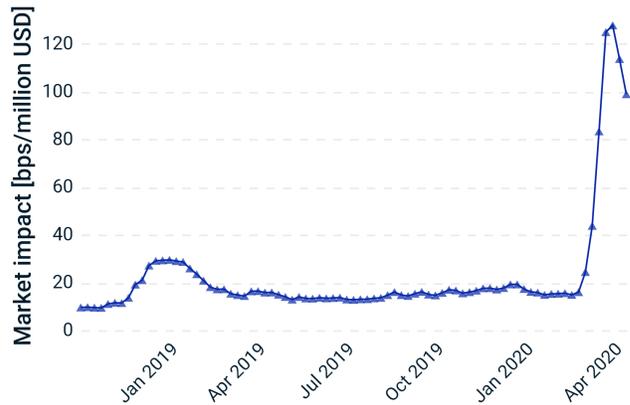
### Cost of forced selling of USD 10M in one trading day



### Bid-ask spread



### Market impact



### Depth at best price



### Quoted price uncertainty



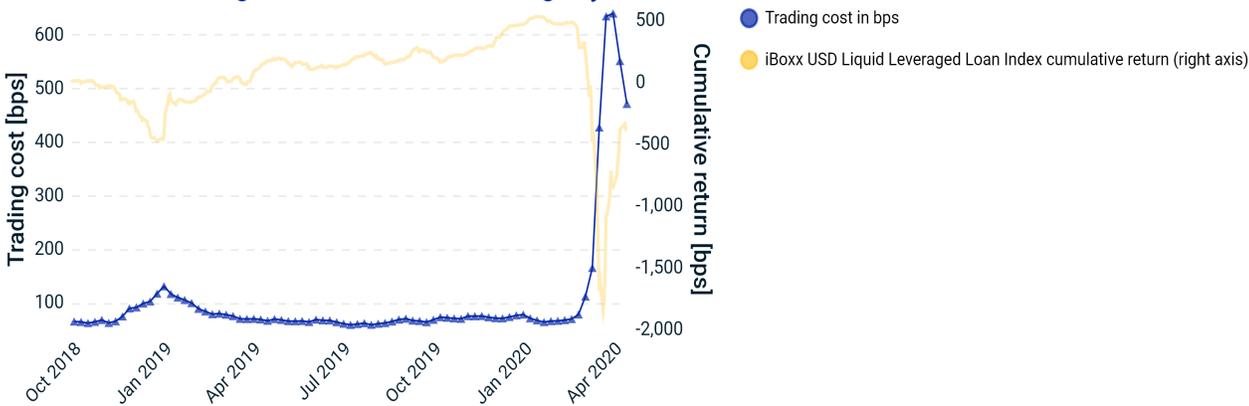
# MSCI Liquidity Risk Monitor Special Report

Data through April 16, 2020

Weekly report highlighting the behavior of key liquidity indicators during the COVID-19 global crisis

## Non-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

