Cost of forced selling of USD 10 million

- Transaction costs continued to decrease for U.S. and emerging markets corporate bonds, including both investment-grade and high-yield bonds.
- In non-U.S. developed countries, no improvement was observed in the bid-ask spread and the market impact transaction costs.
- The dispersion of quoted prices has either increased slightly or remained unchanged across all regions. This indicates that price discovery is difficult and market efficiency has not improved.
US corporate bonds

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

- **Trading cost [bps]**
- **Cumulative return [bps]**

- **High-yield**
- **Investment-grade**
- **iBoxx $ Liquid High Yield Index cumulative return (right axis)**
- **iBoxx $ Liquid Investment Grade Index cumulative return (right axis)**

**Bid-ask spread**

- **Bid-ask spread [bps]**

**Market impact**

- **Market impact [bps/million USD]**

**Depth at best price**

- **Normal market size [million USD]**

**Quoted price uncertainty**

- **Relative standard deviation [%]**

MSCI Liquidity Risk Monitor Special Report
Data through June 11, 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

Depth at best price

Market impact

Quoted price uncertainty
MSCI Liquidity Risk Monitor Special Report
Data through June 11, 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**

- High-yield
- Investment-grade

**Bid-ask spread**

**Market impact**

**Depth at best price**

**Quoted price uncertainty**

Powered by IHS Markit
Cost of forced selling of USD 10 million

- Transaction costs have continued to decrease for bank loans. The observed decrease in bid-ask spreads was sharper than in the previous weeks.
- The quoted-price dispersion has also started to decrease, indicating improving market efficiency.
- The market depth of non-U.S. bank loans continued to improve slowly while a small decrease was observed for U.S. bank loans.
MSCI Liquidity Risk Monitor Special Report
Data through June 11, 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**

- 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**

[Graphs and charts illustrating the cost of forced selling, bid-ask spread, market impact, and depth at best price]
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