Cost of forced selling of USD 10 million

- Transaction costs for both investment-grade and high-yield corporate bonds decreased further across all regions. Both bid-ask spreads and market impact have decreased since last week.
- The previously observed decreasing trend in quoted-price uncertainty appears to have halted. The dispersion of quoted prices did not improve and even increased slightly in the U.S. and in emerging markets.
- The market depth of investment-grade bonds of developed countries has shown significant improvement.
MSCI Liquidity Risk Monitor Special Report
Data through May 21, 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
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
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Corporate bonds - emerging countries

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

- High-yield
- Investment-grade

Bid-ask spread

Depth at best price

Market impact

Quoted price uncertainty
Cost of forced selling of USD 10 million

- Transaction costs, including both the bid-ask spread and market impact components, have decreased further for both U.S. and non-U.S. bank loans over the last week.
- Unlike in the case of corporate bonds, the dispersion of quoted prices has decreased further across all regions. The quoted-price uncertainty of bank loans is similar to that of high-yield corporate bonds at around 0.5-0.6%.
- The market depth of U.S. bank loans continued to recover while for non-U.S. bank loans it remained low, significantly below the pre-crisis level.
**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**
MSCI Liquidity Risk Monitor Special Report

Data through May 21, 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

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

Bid-ask spread

Market impact

Depth at best price

Quoted price uncertainty