Data through March 31, 2023

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

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

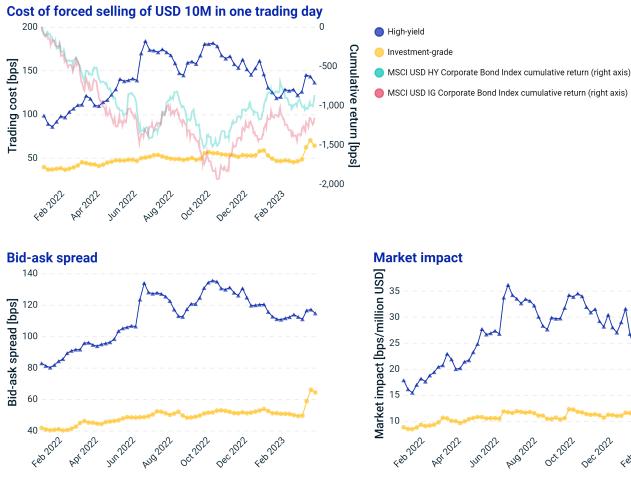
- Corporate bond liquidity had improved in the first half of the quarter throughout all regions, for both investment-grade and high-yield bonds, as transaction costs had dropped and market depths had increased slightly.
- In March 2023, as signs of trouble emerged in the banking sector, transaction costs increased sharply, particularly for investment-grade bonds where increases were significant even compared to the volatile period of 2022.
- The deterioration of liquidity has reversed in the last couple of weeks of the quarter as the banking sector issues seemed to have eased.

US corporate bonds 200 0 🔵 High-yield Cumulative return Investment-grade Trading cost [bps] MSCI USD HY Corporate Bond Index cumulative return (right axis) -500 50 MSCI USD IG Corporate Bond Index cumulative return (right axis) ,000, 500 [bps] 50 -2.000 0ct 2022 5eb2022 Dec2022 feb 2023 AP12022 1412022 Corporate bonds - non-US developed countries High-yield 200 0 Cumulative return [bps Investment-grade Trading cost [bps] MSCI EUR HY Corporate Bond Index cumulative return (right axis) MSCI EUR IG Corporate Bond Index cumulative return (right axis) 150 500 -1,000 50 -1,500 5eb 2022 APT 2022 Jun 2022 AU92022 0ct 2022 feb 2023 2027 **Corporate bonds - emerging countries** 200 High-vield Investment-grade Trading cost [bps] 150 100 50 5eb 2023 N92022 0ct 2022 Feb2022 ,2022 un 202 owered by MSC S Markit 1

Data through March 31, 2023

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

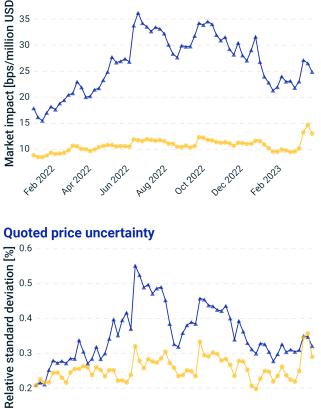
US corporate bonds











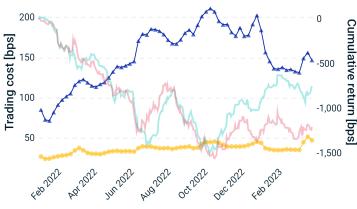
AUG2022 5eb2022 AP12022 Jun 2022 0ct 2022 feb 2023 Dec2022



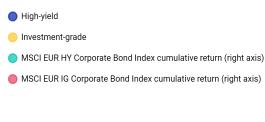
Data through March 31, 2023

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

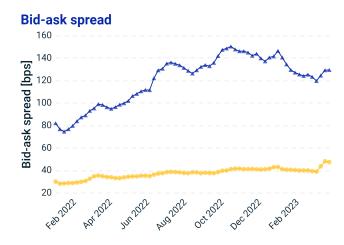
Corporate bonds - non-US developed countries



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



Market impact





MSCI



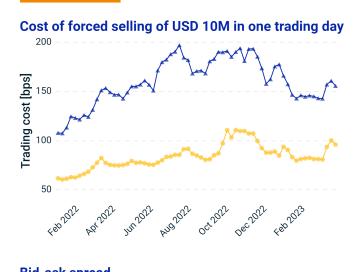




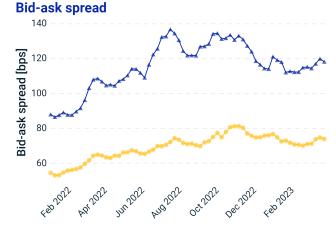
Data through March 31, 2023

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

Corporate bonds - emerging countries



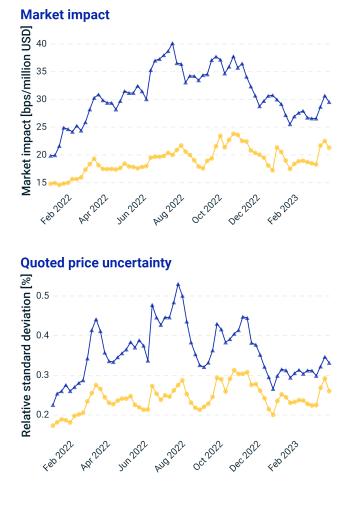






MSCI





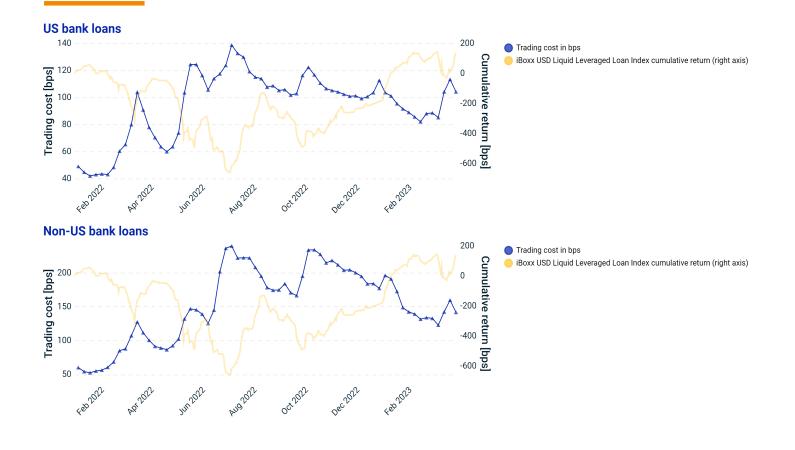


Data through March 31, 2023

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

Bank loans liquidity - Cost of forced selling of USD 10 million

- The liquidity of bank loans has followed a similar path as high-yield corporate bonds over the first quarter of 2023.
- Liquidity indicators had shown improving trends over the first half of the quarter, while transaction costs and quoted-price uncertainty had jumped in March at the sign of troubles in the banking sector.
- An easing trend was observed for both U.S. and non-U.S. bank loan liquidity in the last week of the quarter.







Data through March 31, 2023

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

US bank loans



Trading cost in bps

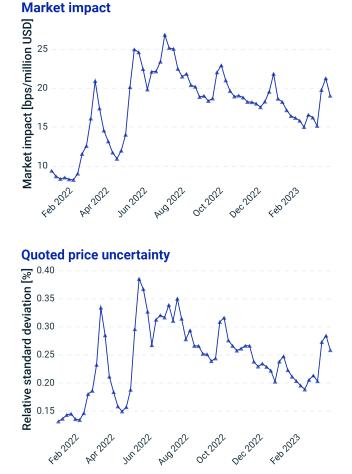
😑 iBoxx USD Liquid Leveraged Loan Index cumulative return (right axis)

Bid-ask spread



Depth at best price









Data through March 31, 2023

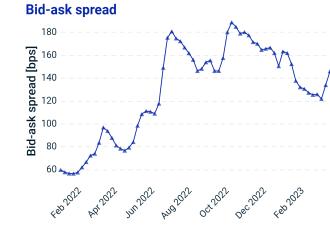
Quarterly report highlighting the behavior of key liquidity indicators in global markets

Non-US bank loans



Trading cost in bps

iBoxx USD Liquid Leveraged Loan Index cumulative return (right axis)



Depth at best price

MSCI



