

# MSCI Liquidity Risk Monitor Special Report

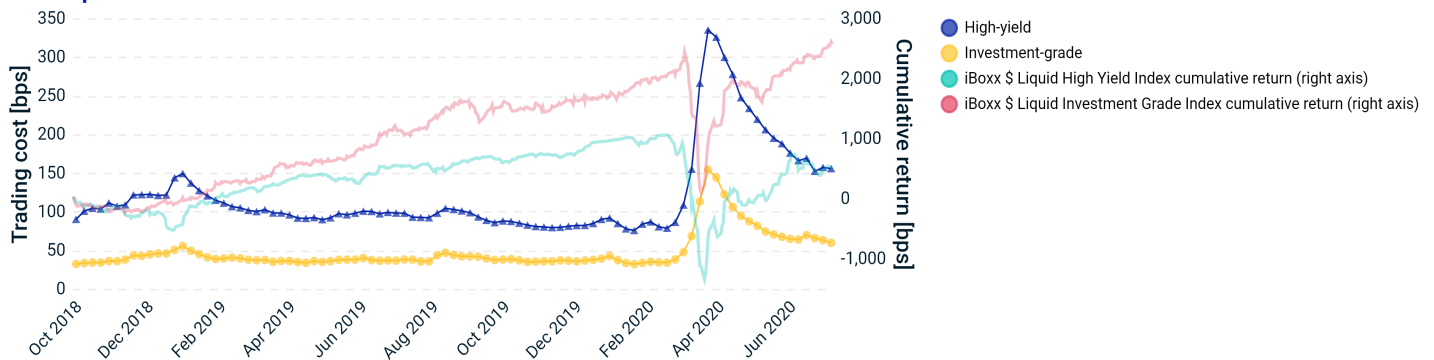
Data through July 9, 2020

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

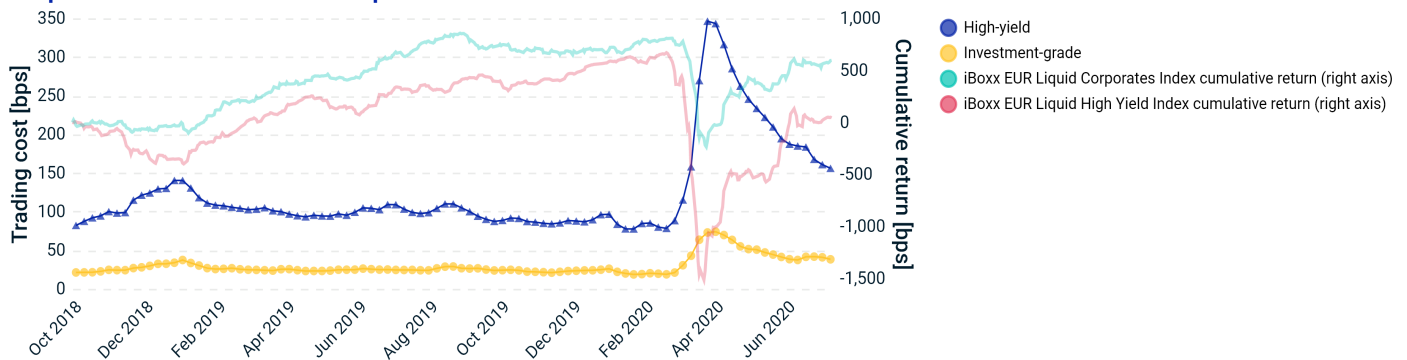
## Cost of forced selling of USD 10 million

- The bid-ask spread and market impact for corporate bonds did not change significantly for U.S. and other developed countries. Transaction costs are still significantly higher than at the peak of the December 2018 high-yield sell-off.
- A moderate transaction cost decrease was observed for both high-yield and investment-grade corporate bonds of emerging countries. The transaction costs in emerging countries are currently at about the same level as at the peak of the high-yield sell-off.

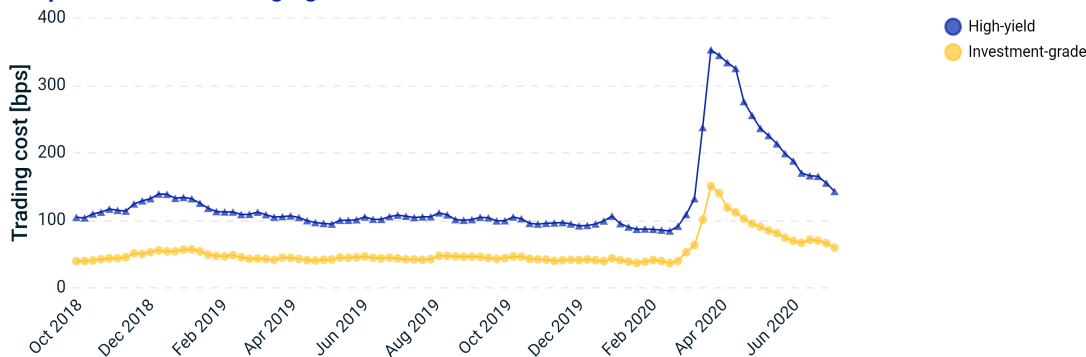
### US corporate bonds



### Corporate bonds - non-US developed countries



### Corporate bonds - emerging countries



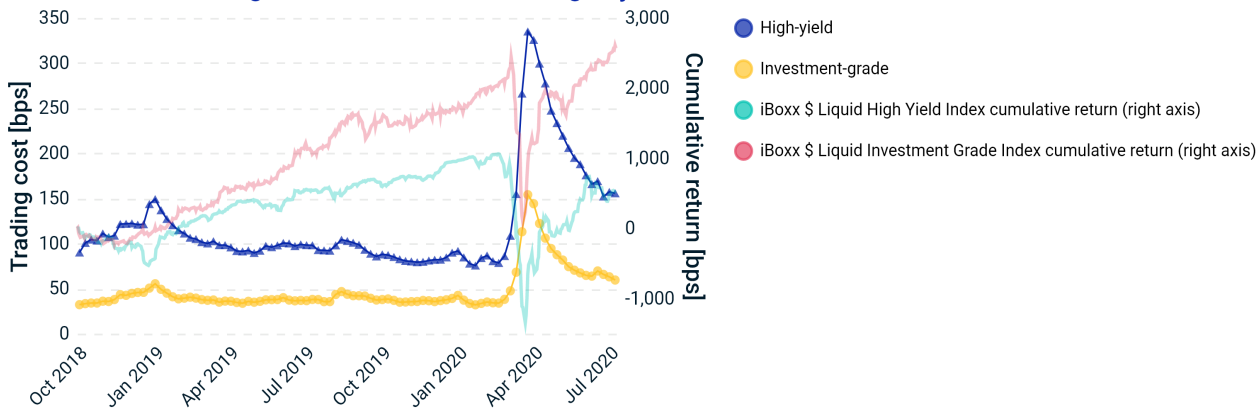
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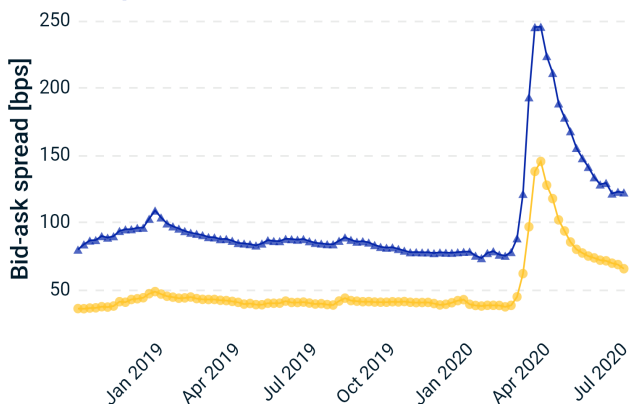
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## US corporate bonds

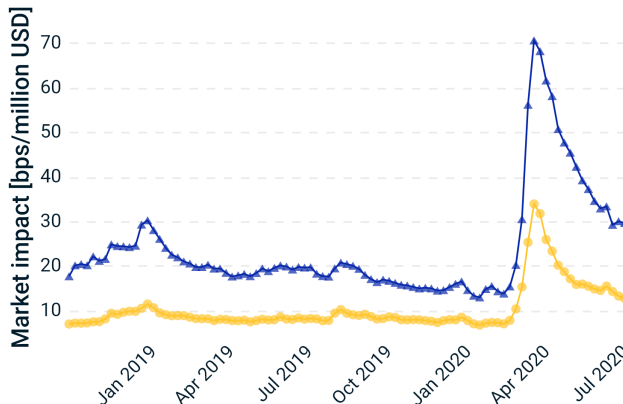
### Cost of forced selling of USD 10M in one trading day



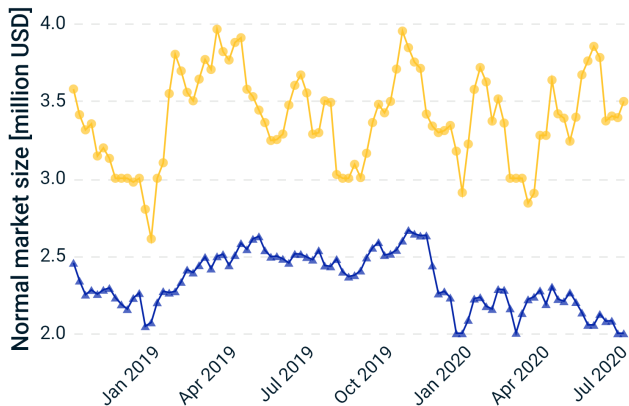
### Bid-ask spread



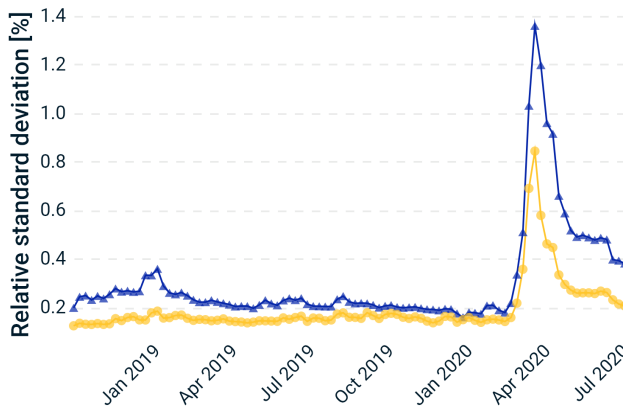
### Market impact



### Depth at best price



### Quoted price uncertainty



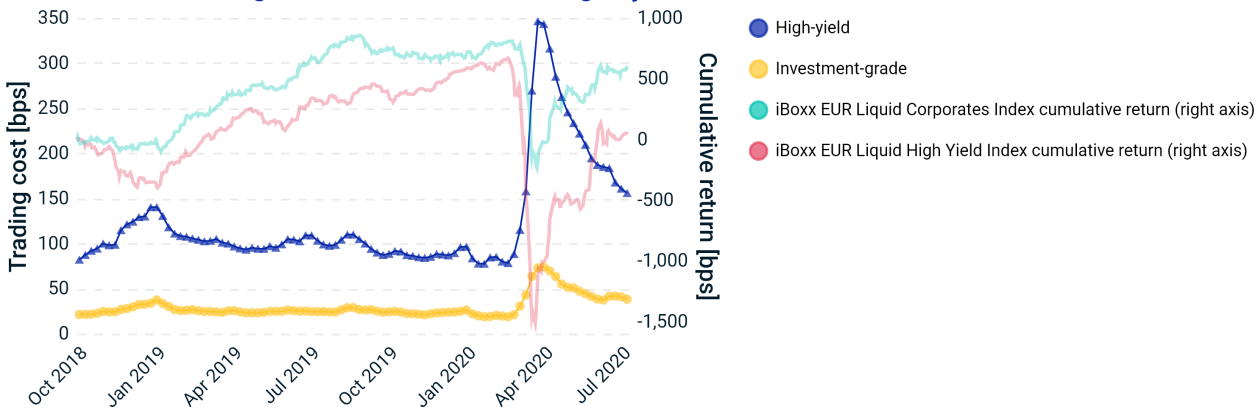
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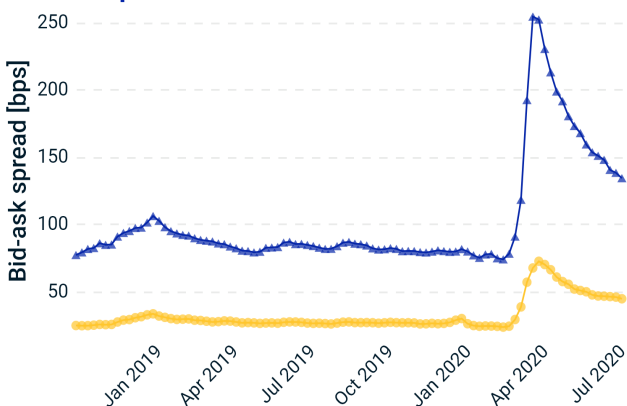
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## Corporate bonds - non-US developed countries

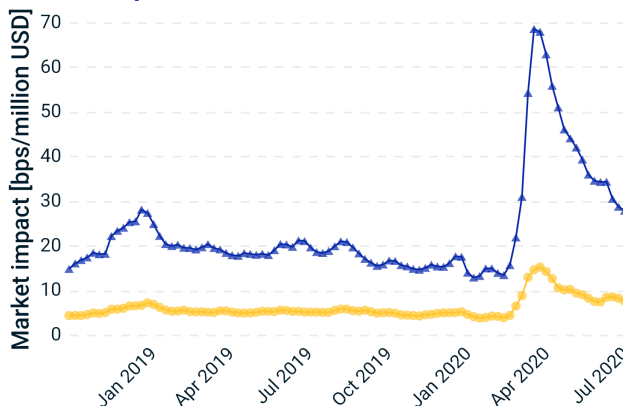
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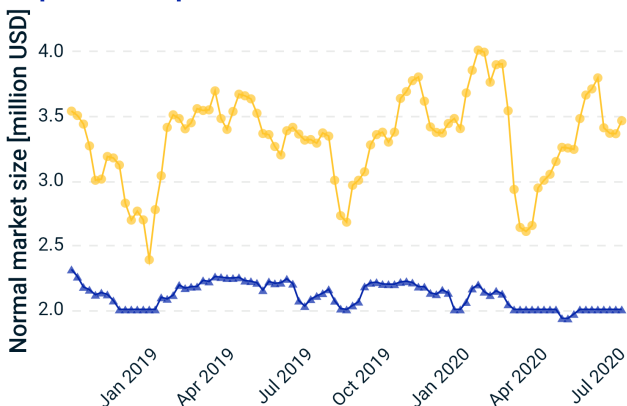
### Bid-ask spread



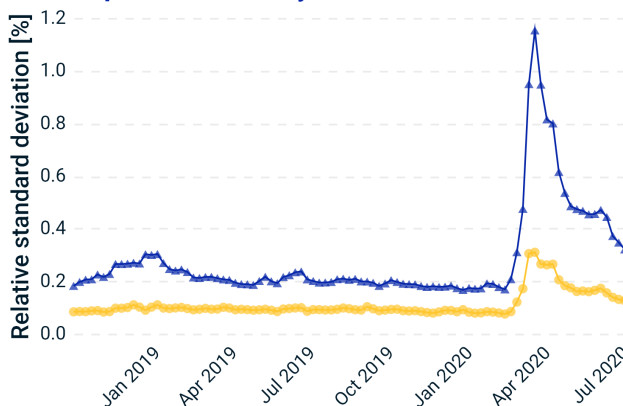
### Market impact



### Depth at best price



### Quoted price uncertainty



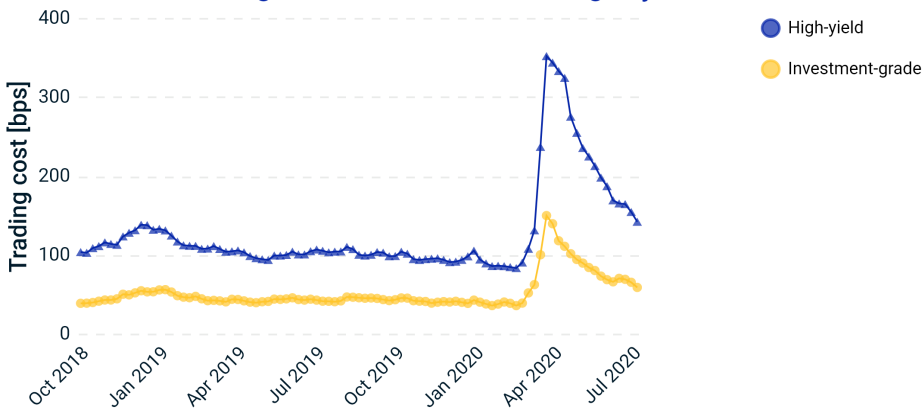
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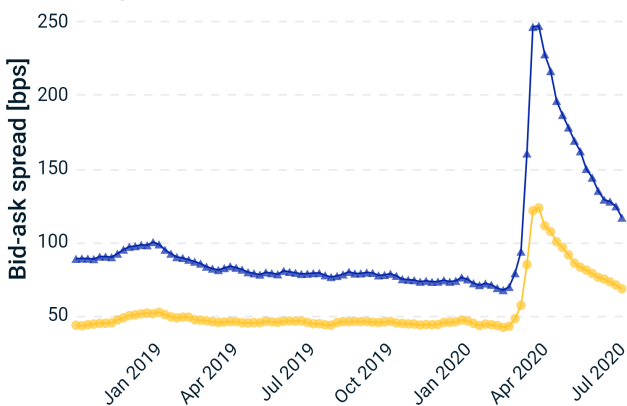
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## Corporate bonds - emerging countries

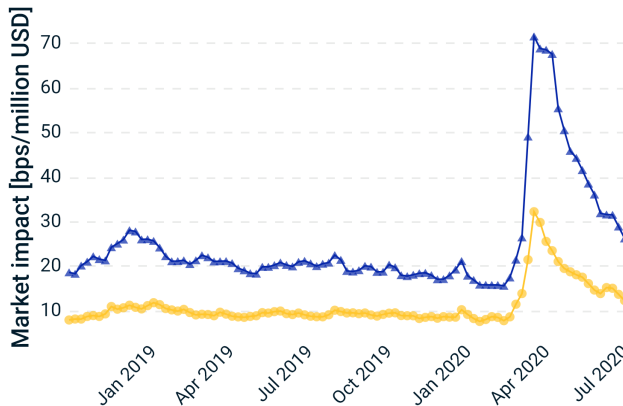
### Cost of forced selling of USD 10M in one trading day



### Bid-ask spread



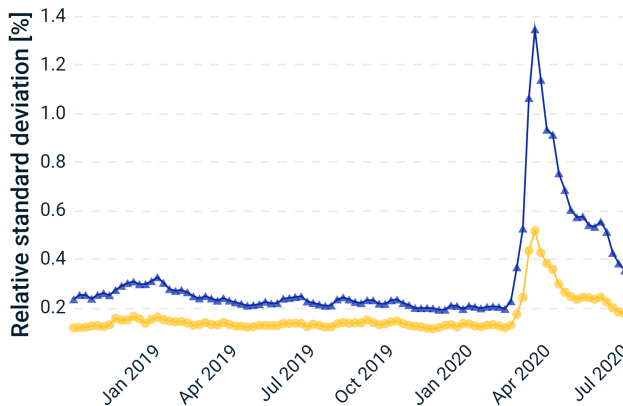
### Market impact



### Depth at best price



### Quoted price uncertainty



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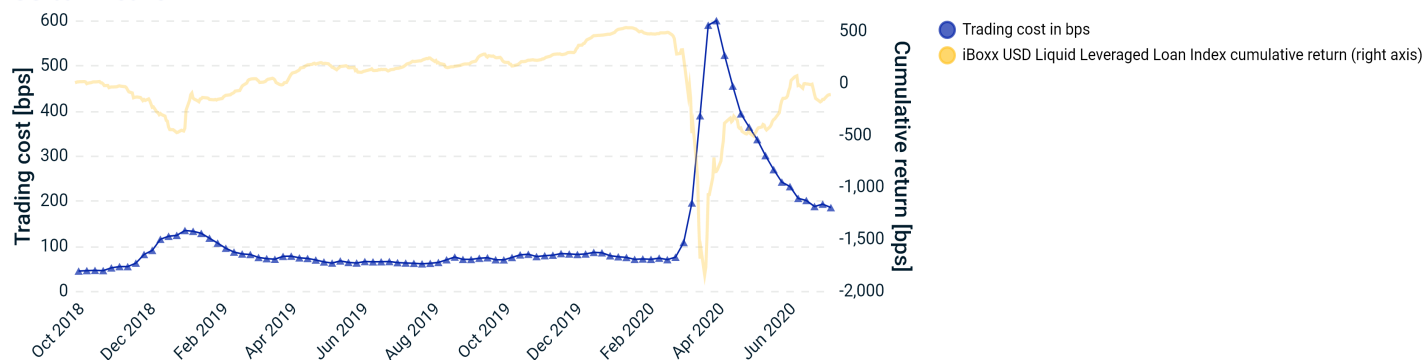
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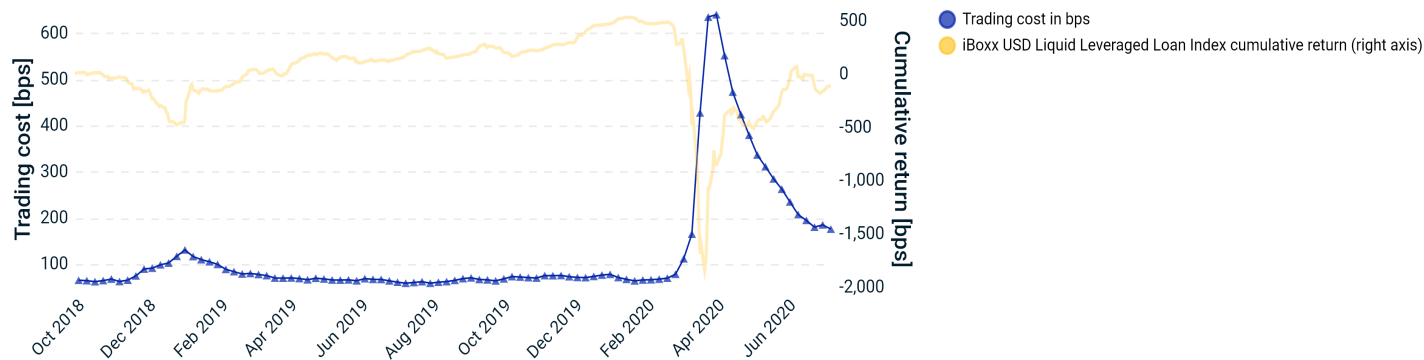
## Cost of forced selling of USD 10 million

- Transaction costs have followed very similar trends for both U.S. and non-U.S. bank loans, and no significant change was observed over the past week.
- The quoted-price dispersion has decreased across all markets, indicating improving market efficiency.
- The market depth of U.S. bank loans have almost recovered to the pre-crisis levels, while for non-U.S. bank loans the market depth is still significantly lower than before the COVID-19 crisis.

### US bank loans



### Non-US bank loans



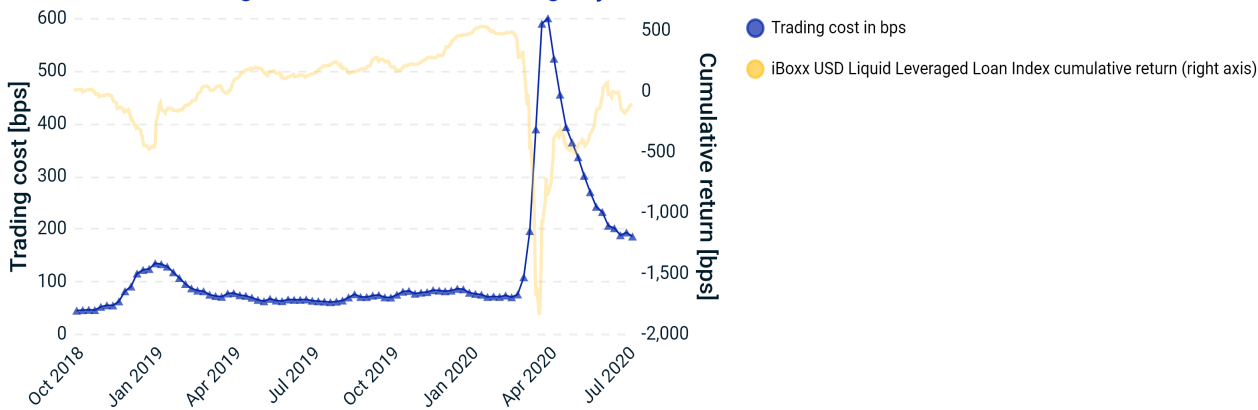
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## US bank loans

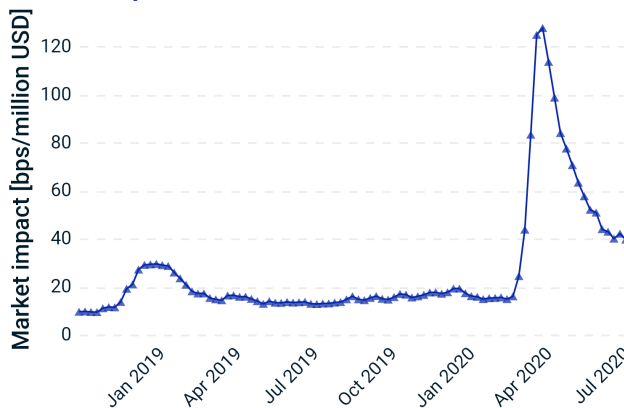
### Cost of forced selling of USD 10M in one trading day



### Bid-ask spread



### Market impact



### Depth at best price



### Quoted price uncertainty



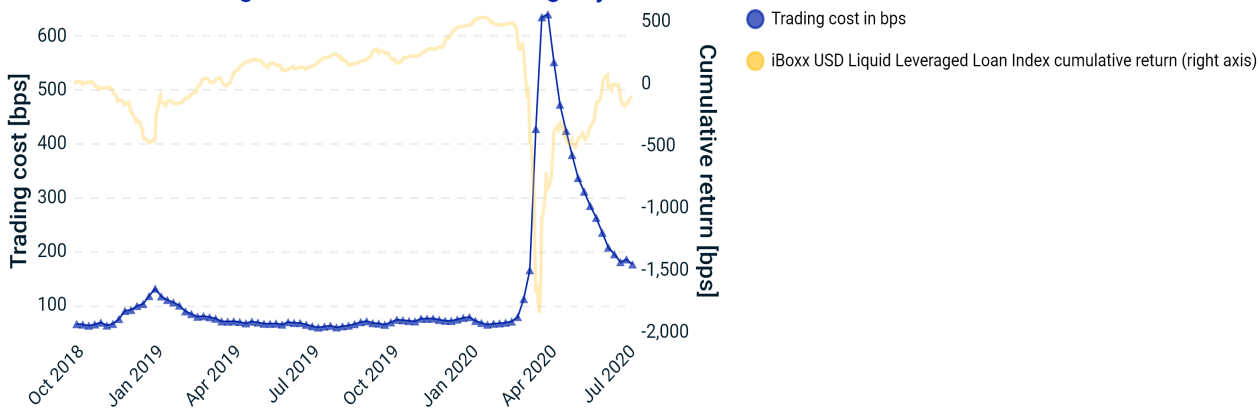
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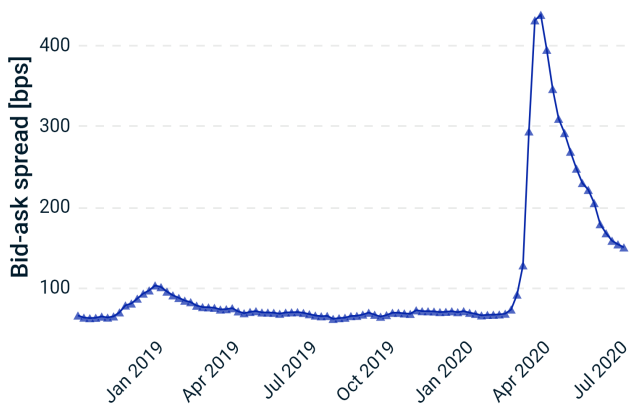
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## Non-US bank loans

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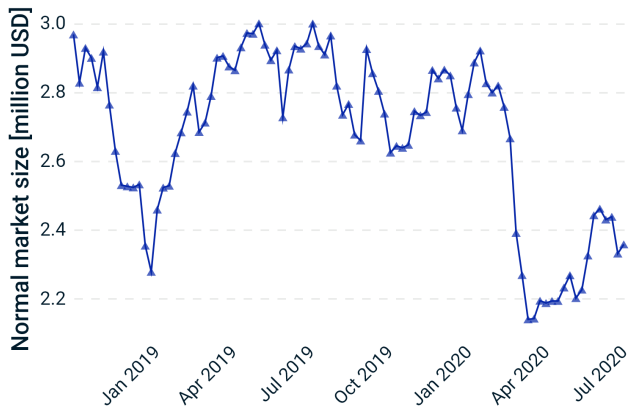
### Bid-ask spread



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