




TRADEWEB MARKETS MONTHLY ACTIVITY REPORT

NOVEMBER 2018

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MARKET ACTIVITY EXHIBITED CONTINUED STRENGTH IN NOVEMBER

Market activity exhibited continued strength in November 2018. Average daily volume (ADV) for Tradeweb Markets of \$570.5 billion (bn) across rates, credit, money markets and equities during the month increased 25.2 percent (%) year over year while average daily trades totaled 46,178.

The front end of the yield curve in global government bonds continued to flatten over the course of the month, most notably, the U.S. Treasury curve closed the month at 3.2 basis points (bp) and flirted with inversion. Additionally corporate credit spreads continued to move higher after touching post-crisis lows at the start of the year; the CDX IG Index reached 80 bp during the month for the first time since 2016.

At Tradeweb, U.S. Treasuries rose 35.4% year over year to an average \$80.6 bn per day in November, the second highest monthly total. Specified pool trading in mortgages set a new record with activity up over 250% from a year ago. Rates and credit derivatives rose 56.5% and 71.1%, respectively, year over year. European ETFs and derivatives remained strong as equity volatility in the UK remained elevated.

Among the markets in which Tradeweb operates:

- Average daily volume (ADV) in U.S. Government Bonds of \$80.6 billion (bn) increased 1.6 percent (%) month over month (MoM) and 35.4% year over year (YoY).
- ADV in European Government Bonds of \$20.6 bn decreased 9.0% MoM and rose 21.6% YoY.
- ADV in Mortgages of \$129.9 bn fell 15.5% MoM and 3.0% YoY.
- ADV in Rates Derivatives of \$128.5 bn increased 14.0% MoM and 56.5% YoY.
- In U.S. Credit, ADV in High-Grade of \$2.1 bn decreased 9.1% MoM and rose 53.3% YoY while ADV in High-Yield of %NOTES%.3 bn declined 5.0% MoM and increased 2.7% YoY.
- ADV in European Credit of \$1.3 bn rose 1.6% MoM and 14.0% YoY.
- ADV in U.S. ETFs of \$2.8 bn fell 37.4% MoM and increased 11.2% YoY.
- ADV in European ETFs of \$1.2 bn decreased 9.8% MoM and rose 56.0% YoY.
- ADV in Chinese Bonds of %NOTES%.5 bn increased 10.5% MoM and 35.3% YoY.

TRADEWEB MARKETS – SINGLE COUNT

NOVEMBER 2018

Business	Product	November 2018		October 2018		November 2017		MoM	YoY
		ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)	ADV	ADV
Rates	U.S. Government Bonds	80,577	1,611,540	79,287	1,744,317	59,494	1,249,367	1.63%	35.44%
	European Government Bonds	20,609	453,407	22,650	520,941	16,943	372,740	-9.01%	21.64%
	Mortgages	129,881	2,597,621	153,631	3,379,889	133,888	2,811,638	-15.46%	-2.99%
	Other Government Bonds	1,946	41,594	2,125	47,822	1,722	36,549	-8.45%	12.98%
	Derivatives	128,549	2,682,958	112,797	2,532,683	82,131	1,742,876	13.96%	56.52%
	EFP Futures	772	15,445	563	12,401	504	10,593	37.06%	53.09%
Credit	U.S. High-Grade	2,105	42,104	2,315	50,934	1,374	28,847	-9.07%	53.25%
	U.S. High-Yield	288	5,768	304	6,680	281	5,896	-5.02%	2.71%
	European Credit	1,322	29,093	1,302	29,942	1,160	25,524	1.58%	13.98%
	Municipal Bonds	301	6,020	285	6,263	276	5,793	5.74%	9.11%
	Chinese Bonds	487	10,714	441	7,935	360	7,917	10.47%	35.32%
	Other Credit Bonds	45	943	65	1,466	78	1,666	-31.11%	-42.42%
	Derivatives	7,119	148,997	9,824	220,845	4,160	89,363	-27.54%	71.13%
Money Markets	Repurchase Agreements (Repo)	170,705	3,503,788	167,880	3,730,032	127,884	2,696,422	1.68%	33.48%
	Other Money Markets	18,966	381,253	21,592	476,308	19,235	405,264	-12.16%	-1.40%
Equities	U.S. ETFs	2,830	59,423	4,523	104,028	2,545	53,441	-37.44%	11.19%
	European ETFs	1,182	26,002	1,310	30,124	758	16,669	-9.75%	56.01%
	Derivatives	1,190	26,035	902	20,753	906	19,852	31.84%	31.34%
	EFP Futures	1,602	33,635	2,564	58,972	1,935	40,629	-37.53%	-17.21%

	ADV (USD mm)	Average Daily Trades	ADV (USD mm)	Average Daily Trades	ADV (USD mm)	Average Daily Trades
Total	570,476	46,178	584,360	47,210	455,632	34,121

PRODUCT CATEGORIES INCLUDE

U.S. Government Bonds: U.S. Treasury bills, notes and bonds, and Treasury Inflation-protected Securities.

Other Government Bonds: Japanese, Australian and New Zealand government bonds, covered bonds (including Pfandbriefe), other government-guaranteed securities, supranational, sub-sovereign and agency bonds/debentures.

Mortgages: To-be-announced mortgage-backed securities, specified pools, commercial mortgage-backed securities, other mortgage derivatives and other asset-backed securities.

Rates Derivatives: Swaps and swaptions.

Rates EFP Futures: Government bond futures leg of exchange for physicals (EFPs).

U.S. High-Grade and High-Yield: All TRACE-reported corporates, excluding convertibles (see page 3 for segmentation methodology)

Chinese Bonds: Chinese Interbank Bond Market (CIBM) instruments – government and corporate – transacted via Bond Connect Company Limited (BCCL).

Other Credit Bonds: Other developed market (including non-TRACE-reported bonds, preferreds and structured notes), developing and emerging market corporate and government bonds.

Credit Derivatives: Index and single name credit default swaps.

Other Money Markets: Agency discount notes, commercial paper, certificates of deposits (including structured CDs), and deposits.

ETF: Exchange traded funds (ETFs), ETF leg of EFPs, and net asset value trades.

Equity Derivatives: Swaps, options, and convertible bonds.

Equities EFP Futures: Futures leg of EFPs.

VOLUMES

Volumes include Tradeweb, Dealerweb and Tradeweb Direct. Except with respect to U.S. Treasuries, both sides of a trade are included in volume totals where the trade is fully-anonymous and a Tradeweb broker-dealer is the matched principal counterparty. Riskless principal trades on Tradeweb Direct are single-count.

All volumes converted to U.S. Dollars.

Volumes for mortgages represent current face value at time of trade.

U.S. CORPORATE BONDS

USING MARKET REPORTING STANDARDS

NOVEMBER 2018

TRADEWEB MARKETS

Product	Type	November 2018						October 2018						November 2017						MoM		YoY	
		Volume (USD mm)			Trades			Volume (USD mm)			Trades			Volume (USD mm)			Trades			ADV	ADT	ADV	ADT
		ADV	Total	% of Reported	ADT	Total	% of Reported	ADV	Total	% of Reported	ADT	Total	% of Reported	ADV	Total	% of Reported	ADT	Total	% of Reported				
U.S. High-Grade	Electronically Processed	1,382	27,641	6.4%	217	4,337	0.4%	1,506	33,130	6.7%	223	4,908	0.5%	962	20,196	4.8%	135	2,834	0.3%	-8.23%	-2.80%	43.71%	60.69%
	Fully Electronic	835	16,707	3.8%	9,936	198,724	19.5%	909	19,992	4.1%	9,625	211,739	20.2%	506	10,620	2.5%	7,385	155,075	19.1%	-8.07%	3.24%	65.18%	34.55%
	Total	2,217	44,348	10.2%	10,153	203,061	19.9%	2,415	53,122	10.8%	9,848	216,647	20.7%	1,467	30,816	7.4%	7,519	157,909	19.4%	-8.17%	3.10%	51.11%	35.02%
U.S. High-Yield	Electronically Processed	191	3,815	2.3%	59	1,176	0.4%	176	3,878	1.9%	54	1,197	0.4%	152	3,188	1.6%	41	855	0.3%	8.21%	8.07%	25.63%	44.42%
	Fully Electronic	106	2,124	1.3%	1,454	29,077	10.2%	137	3,009	1.5%	1,571	34,568	10.7%	143	3,012	1.5%	1,738	36,496	12.4%	-22.34%	-7.47%	-25.95%	-16.34%
	Total	297	5,939	3.5%	1,513	30,253	10.6%	313	6,887	3.4%	1,626	35,765	11.1%	295	6,200	3.2%	1,779	37,351	12.7%	-5.14%	-6.95%	0.57%	-14.95%

REPORTED MARKET

Product	November 2018						October 2018						November 2017						MoM		YoY	
	Volume (USD mm)			Trades			Volume (USD mm)			Trades			Volume (USD mm)			Trades			ADV	ADT	ADV	ADT
	ADV	Total		ADT	Total		ADV	Total		ADT	Total		ADV	Total		ADT	Total					
U.S. High-Grade (TRACE)	21,701	434,012		51,077	1,021,543		22,338	491,446		47,670	1,048,729		19,940	418,746		38,693	812,548		-2.86%	7.15%	8.83%	32.01%
U.S. High-Yield (TRACE)	8,462	169,246		14,283	285,658		9,085	199,879		14,632	321,904		9,326	195,844		14,055	295,165		-6.86%	-2.39%	-9.26%	1.62%

FOOTNOTES

Numbers include all activity on Tradeweb, Dealerweb and Tradeweb Direct.

Corporate bond volume and trade count numbers reflect all trades reported to TRACE, excluding emerging market and convertible bonds.

Monthly average capped volumes for HG and HY applied to capped trades.

Electronically Processed include voice trades processed electronically on Tradeweb.

Day counts for corporate bonds reflect all SIFMA trading days.

Segmentation between HG and HY determined using the following methodology and ratings from Standards & Poor's (S&P), Moody's Investor Services and Fitch Ratings:

- If 2 of 3 of the bond's ratings are equal to or worse than BB+/Ba1/BB+ (but not including "other ratings") then the bond is HY.
- If 1 of 3 of the bond's ratings are equal to or worse than BB+/Ba1/BB+, and none are better, then the bond is HY.
- If the bond is not rated by any agency then the bond is HY.
- If 3 of 3 of the bond's ratings are better than BB+/Ba1/BB+ (but not including "other ratings") then the bond is HG.
- If 2 of 3 of the bond's ratings are better than BB+/Ba1/BB+ then the bond is HG.
- If 1 of 3 of the bond's ratings are better than BB+/Ba1/BB+, and none are equal or worse, then the bond is HG.
- If 1 of 3 of the bond's ratings are better than BB+/Ba1/BB+ and 1 of 3 are equal or worse, then the bond is HG. (i.e. The bond is split rated: 1 HG, 1 HY)

DISCLOSURES

ABOUT TRADEWEB MARKETS

Tradeweb Markets builds and operates many of the world's most efficient financial marketplaces, providing market participants with greater transparency and efficiency in fixed income and derivatives. Focused on applying technology to enhance efficiency throughout the trade lifecycle, Tradeweb pioneered straight-through-processing in fixed income and now supports marketplaces for more than 40 products with electronic execution, processing, post-trade analysis and market data in an integrated workflow. Tradeweb Markets serves the dealer-to-customer markets through the Tradeweb institutional platform, inter-dealer trading through Dealerweb, and the US-based retail fixed income community on Tradeweb Direct. Customers rely on Tradeweb to drive the evolution of fixed income and derivatives through flexible trading architecture and more efficient, transparent markets. For more information, visit www.tradeweb.com.

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