Data through June 30, 2022

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

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

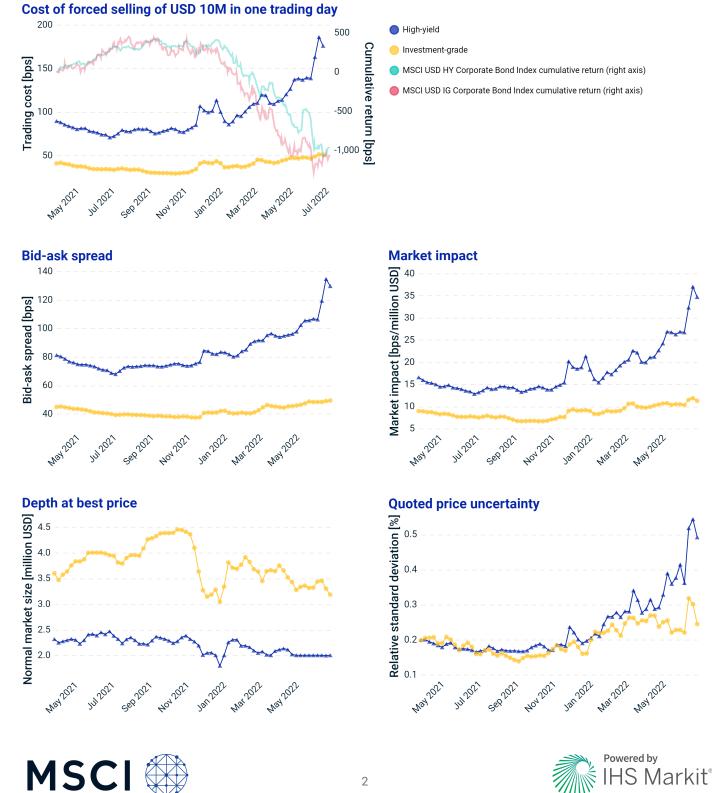
- In the wake of the Russia-Ukraine war and rising inflation, transaction costs have increased for corporate bonds across all ٠ regions, especially for the high-yield market.
- The prices quoted by broker-dealers showed a high standard deviation, indicating elevated uncertainty in pricing these bonds. The effect was again most marked for high-yield bonds.
- The guoted sizes have also decreased, especially for developed markets bonds, indicating that market depths have • decreased.

US corporate bonds 200 500 🔵 High-yield Cumulative return [bps] Investment-grade Trading cost [bps] MSCI USD HY Corporate Bond Index cumulative return (right axis) 0 MSCI USD IG Corporate Bond Index cumulative return (right axis) -500 .000 50 Jan 2022 Mar2022 May 2022 1412022 1112021 4042021 Sep 2021 May202 Corporate bonds - non-US developed countries 200 🔵 High-yield 500 Cumulative return [bps] Investment-grade Trading cost [bps] MSCI EUR HY Corporate Bond Index cumulative return (right axis) 150 0 MSCI EUR IG Corporate Bond Index cumulative return (right axis) 100 -500 50 000 0 May 2021 1412021 2022 2027 1112022 2021 Sep 202 **Corporate bonds - emerging countries** High-yield 180 Investment-grade Trading cost [bps] 160 140 120 100 80 60 an2022 Nat 2021 1112022 Nov 2021 141202 3ep 202 May 202 202 Nor owered by MS Markit

Data through June 30, 2022

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

US corporate bonds



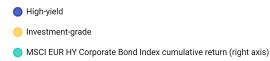
Data through June 30, 2022

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

Corporate bonds - non-US developed countries

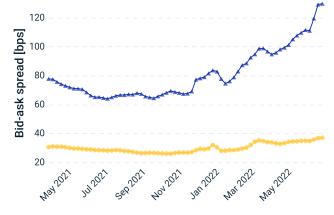


Cost of forced selling of USD 10M in one trading day

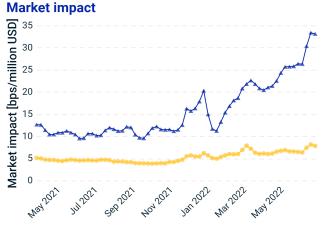


MSCI EUR IG Corporate Bond Index cumulative return (right axis)

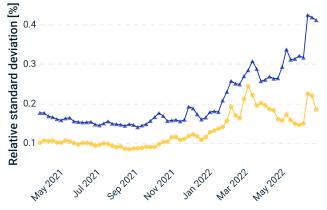
Bid-ask spread







Quoted price uncertainty



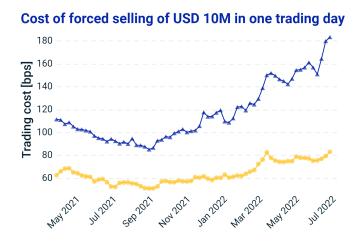




Data through June 30, 2022

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

Corporate bonds - emerging countries

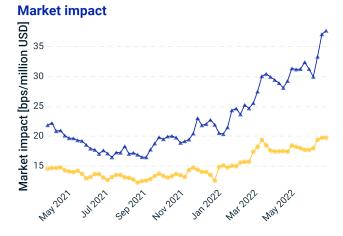




Bid-ask spread











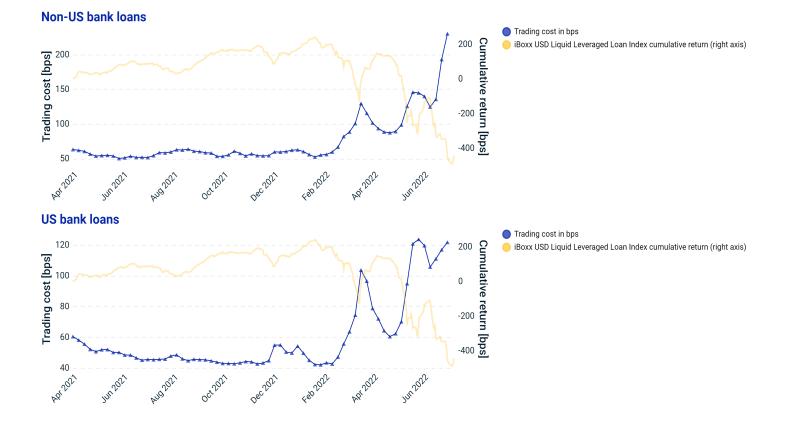


Data through June 30, 2022

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

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

- Bank loan investors may have faced an even greater increase in transaction costs than investors in high-yield bonds as estimated costs have more than doubled since the start of Q2.
- After a marked drop in Q1, quoted sizes have continued to decrease over the second quarter of 2022 for both U.S. and non-U.S. bank loans.
- The quoted-price uncertainty has also skyrocketed, with non-U.S. bank loans affected to a greater extent than U.S. bank loans.







Data through June 30, 2022

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

Non-US bank loans

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



Trading cost in bps

Market impact

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



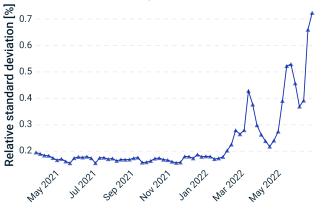








Quoted price uncertainty





Data through June 30, 2022

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

US bank loans





Trading cost in bps

Market impact

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













