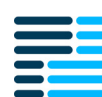


Secondary Market Practices Committee European Secondary Bond Market Data

H2 2022

In collaboration with



Propellant.digital

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This report

The purpose of this report is to capture and represent aggregated bond market data as reported under the MiFID II / MiFIR obligation. ICMA has leveraged the capabilities of [Propellant.digital](#) for the purpose of this report. Propellant is a software solution that provides market participants functionality to enable them to aggregate transparency data of up to 55 Trading Venues (TVs) and Approved Publication Arrangements (APAs). The list of TVs and APAs whose data is used in this report can be found in Annex 1.

The report covers transactions in both corporate bonds and sovereign bonds (as defined by the regulatory class of financial instrument – or ‘CFI’ code and the corresponding sub-asset class), as reported under both the EU and UK MiFID II/ MiFIR requirements. It provides traded volumes and trade counts disaggregated by underlying currency, and, in the case of sovereign bonds, by underlying issuer. It further disaggregates by trade sizes, maturity buckets, distribution channels, as well as transaction jurisdiction (EU or UK).

This report, which follows the report published for H1 2022, provides the first full year of bond market data, covering the period of January through December 2022. Working with Propellant, ICMA believes that this latest data set is also a more accurate reflection than the previous report.

ICMA intends to update the report on a semi-annual basis in order to be able to track long term trends in secondary bond market structure.

ICMA also expects that over time both the depth and quality of the underlying data will continue to improve.

Data coverage and quality

We estimate that based on the underlying sources of transaction data the report captures more than 80% of all secondary bond market transactions reported in the EU and UK and is therefore relatively representative of overall bond trading in these jurisdictions.

It is important to recognise, however, that there are data quality limitations with the current transaction reporting regime. A common issue is the reporting of incorrect notional amounts by APAs, which can be inflated (usually by a factor of x1,000). Sometimes these reported transactions are corrected at a later date, but often they are not. A more systemic problem lies with the sub-asset class information in the ESMA Financial Instruments Transparency System (FITRS), which are often incorrect, giving underlying bonds the wrong bond type classification. For example, many French and Dutch sovereign bonds, among others, are classified as corporate bonds in FITRS.

A further challenge is the nature in which sovereign bond data is reported, with much of the trading activity subject to indefinite aggregation. In some cases the trade count is not published, making it difficult to estimate average and median trade sizes.

While both Propellant and ICMA have tried to identify such mis-reporting or underlying errors in the publicly reported data used in this report, and to correct the data where possible, neither takes responsibility for any misrepresentation, whether in the APA and TV reported data or in FITRS or FIRDS (Financial Instruments Reference Data System).

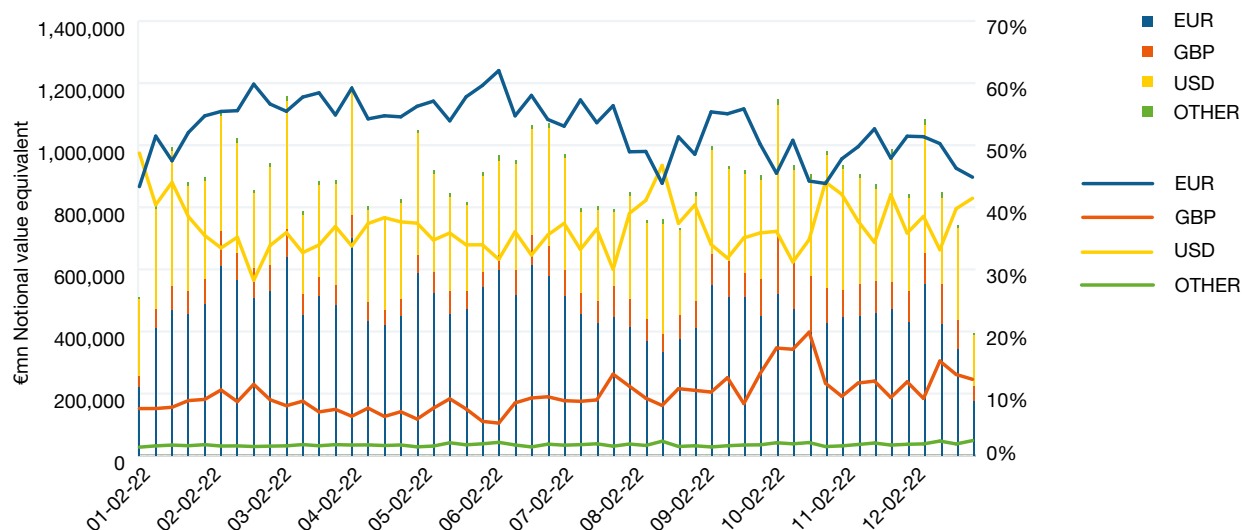
Sovereign Bond Market

This analysis focuses on sovereign bond issuance from EEA member states, as well as the UK and US.¹

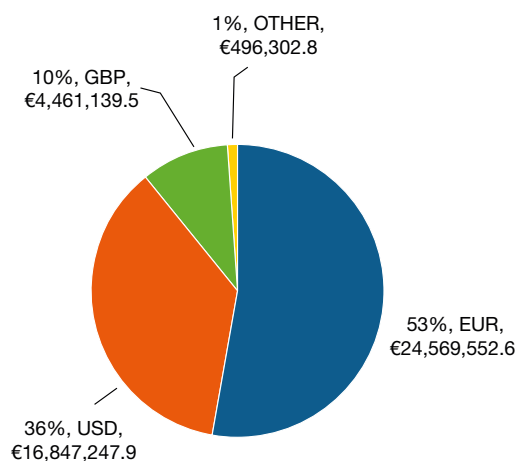
Volumes

The total notional value of sovereign bonds traded in 2022 was €46,571bn, including 2,679 discrete ISINs, made up of more than 8.4mn transactions. This is an average weekly notional value of €894.6bn. 52.8% of total traded notional (€24,570bn) was EUR denominated, with 36.2% (€16,847bn) USD denominated. GBP denominated sovereign volumes made up 9.6% (€4,461bn) of the total, with an increase in activity following the October 'mini-budget episode' (see Special Section). Other currencies account for 1.5% of total notional value (€496bn).

Weekly Sovereign Bond Volumes by Currency



Total Traded Sovereign Bond Notional Value by Currency, 2022 (€mn equivalent)

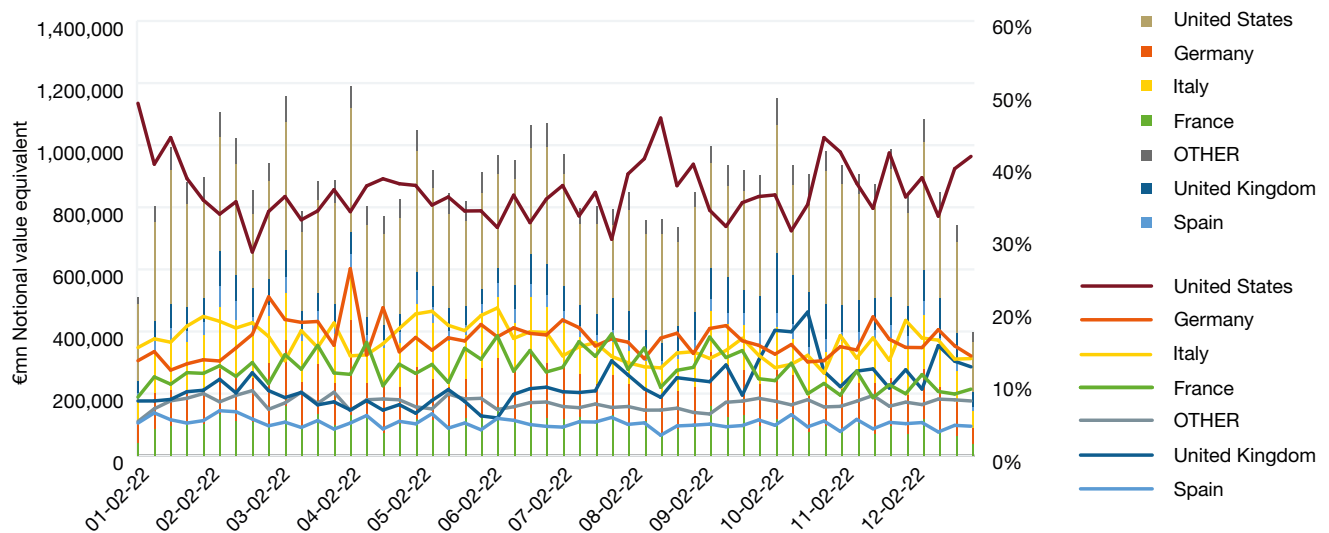


¹ Note that this includes some, but not all, T-bill transactions

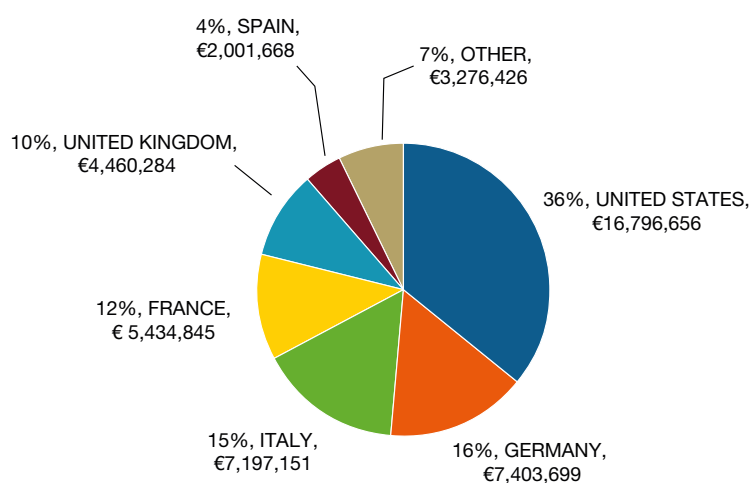
Currency	Notional Value (€mn)	%
EUR	24,569,552.60	52.8%
USD	16,847,247.90	36.2%
GBP	4,461,139.50	9.6%
Ex-G11	496,302.80	1.1%
SEK	80,988.40	0.2%
DKK	71,904.60	0.2%
NOK	43,531.30	0.1%
CHF	34.8	0.0%
CAD	24.5	0.0%
JPY	2.3	0.0%

With respect to underlying sovereign issuers, the US accounts for the largest share of total volumes, constituting 36.1% (€16,797bn notional equivalent). This is followed by Germany with 15.9% of total traded notional volume (€7,404bn), Italy with 15.5% (€7,197bn), France with 11.7% (€5,435bn), the UK with 9.6% (€4,460bn), and Spain with 4.3% (€2,002bn). The UK has seen the most notable change from H1 2022, up from 7.2%.

Weekly Sovereign Bond Volumes by Sovereign Issuer



Total Traded Sovereign Bond Notional Value by Sovereign Issuer, 2022 (€mn equivalent)



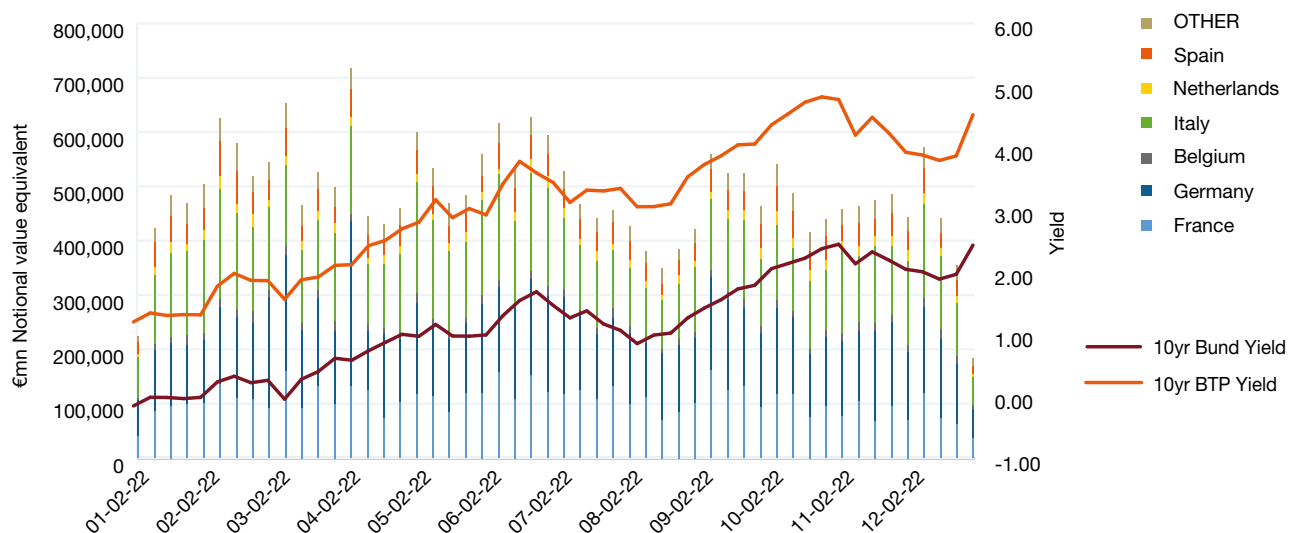
Issuer Country	Notional Value (€mn)	%
UNITED STATES	16,796,656	36.1%
GERMANY	7,403,699	15.9%
ITALY	7,197,151	15.5%
FRANCE	5,434,845	11.7%
UNITED KINGDOM	4,460,284	9.6%
SPAIN	2,001,668	4.3%
NETHERLANDS	846,880	1.8%
BELGIUM	694,996	1.5%
AUSTRIA	304,650	0.7%
POLAND	303,175	0.7%
FINLAND	197,414	0.4%
PORTUGAL	196,276	0.4%
IRELAND	118,780	0.3%
HUNGARY	109,619	0.2%
ROMANIA	91,108	0.2%
SWEDEN	82,490	0.2%
CZECH REPUBLIC	80,194	0.2%
DENMARK	72,364	0.2%
GREECE	49,609	0.1%
NORWAY	43,531	0.1%
SLOVENIA	33,768	0.1%
SLOVAKIA	16,017	0.0%

Issuer Country	Notional Value (€mn)	%
CROATIA	11,782	0.0%
LUXEMBOURG	4,855	0.0%
BULGARIA	4,759	0.0%
CYPRUS	4,655	0.0%
LITHUANIA	3,983	0.0%
LATVIA	3,527	0.0%
ESTONIA	1,158	0.0%
ICELAND	835	0.0%

EU Sovereign bonds

EU sovereign issues accounted for 54.3% of total notional traded volume (€25,269bn). This is a weekly average of €486.0bn traded volume. The steady trend of higher yields and wider spreads between core and periphery bonds through the first half of 2022 appears to have had no discernible impact on traded volumes, which have remained relatively steady over that period. Volumes appear to dip during the summer months, at the same time as yields recover, and then pick up in September and October, as bond markets resume their bear trend. Volumes drop notably going into year-end.

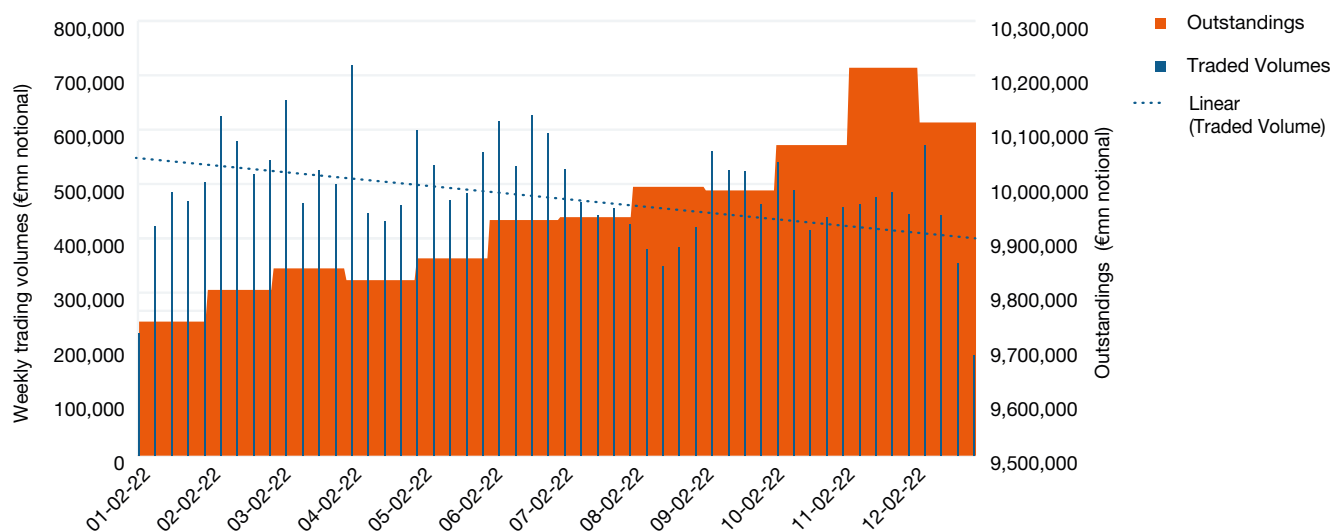
Weekly Sovereign Bond Volumes by EU Sovereign Issuer



Yield data extracted from Bloomberg

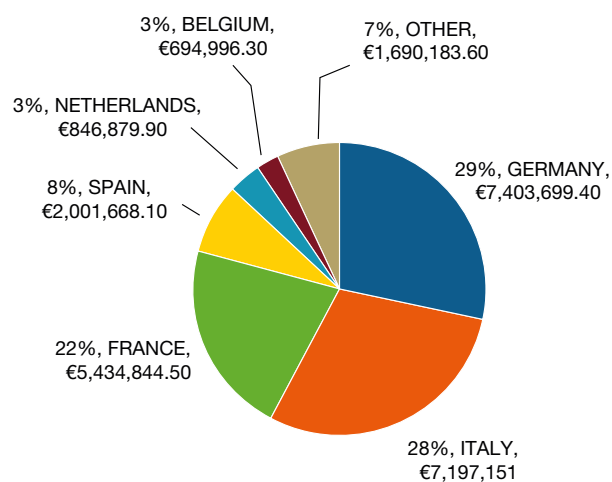
Similarly, there appears to be no discernible relationship between traded volumes and the size of the underlying market which steadily increased with new issuance over the course of 2022, while overall traded volumes trended lower.

EU Sovereign Bond Market Traded Volumes and Outstandings



Mid-month outstandings of EU sovereign bonds extracted from Bloomberg (ICMA analysis)

Total Traded Notional Value by EU Sovereign Issuer, 2022. (€mn equivalent)



Issuer Country	Notional Value (€mn)	%
GERMANY	7,403,699.40	29.3%
ITALY	7,197,151.00	28.5%
FRANCE	5,434,844.50	21.5%
SPAIN	2,001,668.10	7.9%
NETHERLANDS	846,879.90	3.4%
BELGIUM	694,996.30	2.8%
AUSTRIA	304,650.20	1.2%
POLAND	303,175.20	1.2%
FINLAND	197,414.30	0.8%
PORTUGAL	196,276.10	0.8%
IRELAND	118,780.20	0.5%
HUNGARY	109,618.90	0.4%
ROMANIA	91,107.90	0.4%
SWEDEN	82,490.30	0.3%
CZECH REPUBLIC	80,194.30	0.3%
DENMARK	72,363.90	0.3%
GREECE	49,608.90	0.2%
SLOVENIA	33,767.50	0.1%
SLOVAKIA	16,017.00	0.1%
CROATIA	11,781.70	0.0%
LUXEMBOURG	4,854.70	0.0%
BULGARIA	4,759.30	0.0%
CYPRUS	4,655.00	0.0%
LITHUANIA	3,982.80	0.0%
LATVIA	3,527.40	0.0%
ESTONIA	1,158.00	0.0%

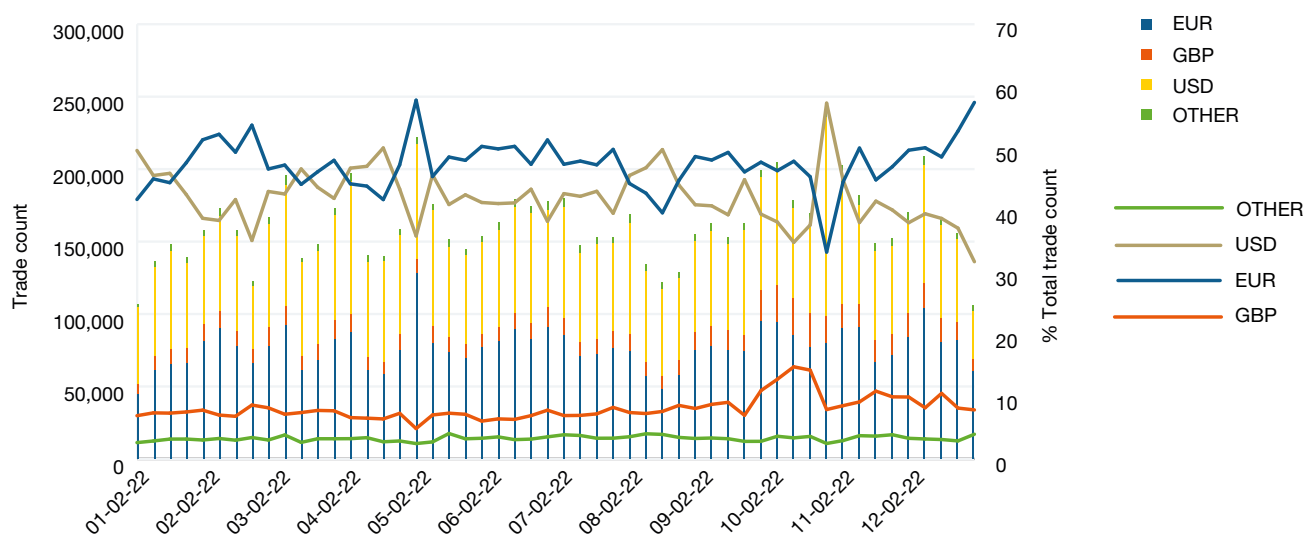
Trade count and trade sizes

The total trade count for sovereign bonds in 2022 was 8,449k. In terms of underlying currency, EUR denominated sovereigns make up the largest share, at 47.2% (3,986k), followed by USD at 41.9% (3,538k). GBP denominated sovereigns make up 7.9% of the trade count (670k).

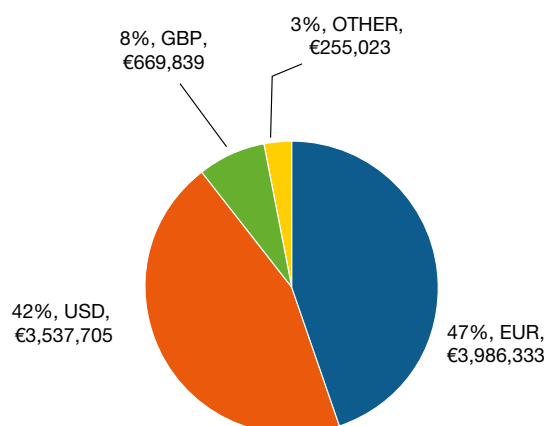
With respect to average trade sizes, Swedish sovereign bonds are the largest for the period at €5.7mn nominal equivalent, followed by France, at €5.6mn, while Finland is the largest in terms of median trade size at €2.5mn

Of the six most traded sovereign issuers, France is the largest in terms of average trade size, at €5.6mn (median €0.5mn). The US is the smallest at €2.8mn equivalent (median €0.9mn).

Weekly Sovereign Bond Trade Count by Currency

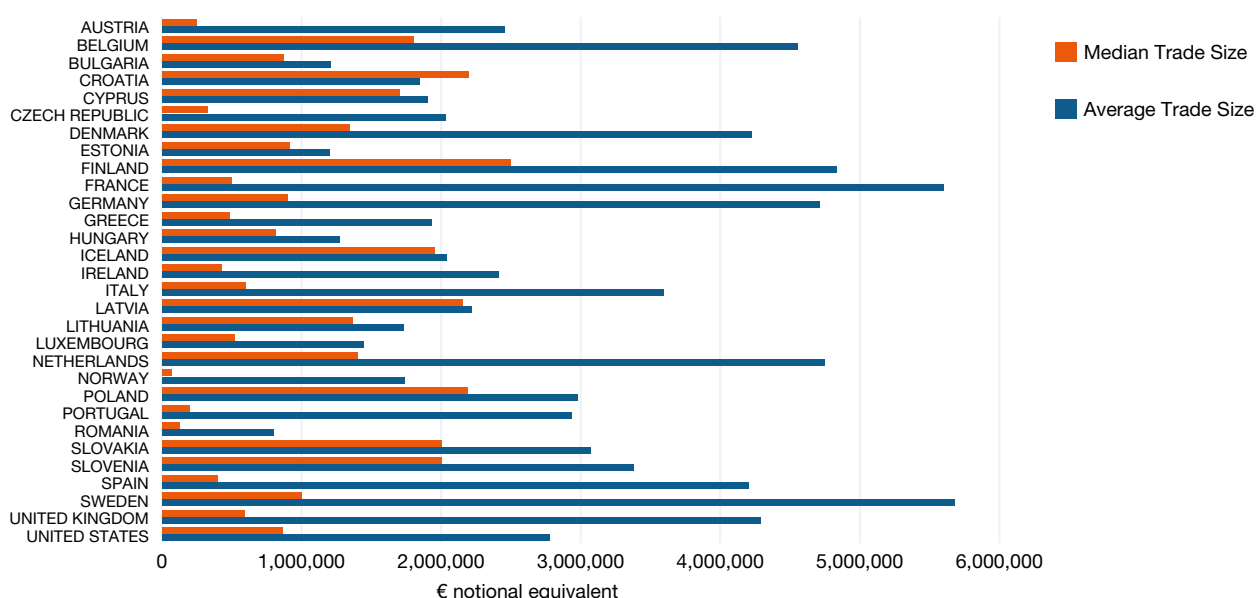


Total Traded Sovereign Bond Trade Count by Currency, 2022



Issuer Country	Average Trade Size (€mn equivalent)	Median Trade Size (€mn equivalent)
FRANCE	5,598,335	500,000
GERMANY	4,711,286	900,000
ITALY	3,593,489	600,000
SPAIN	4,203,314	400,000
UNITED KINGDOM	4,288,320	592,642
UNITED STATES	2,775,112	861,920

Average and Median Trade Sizes, 2022

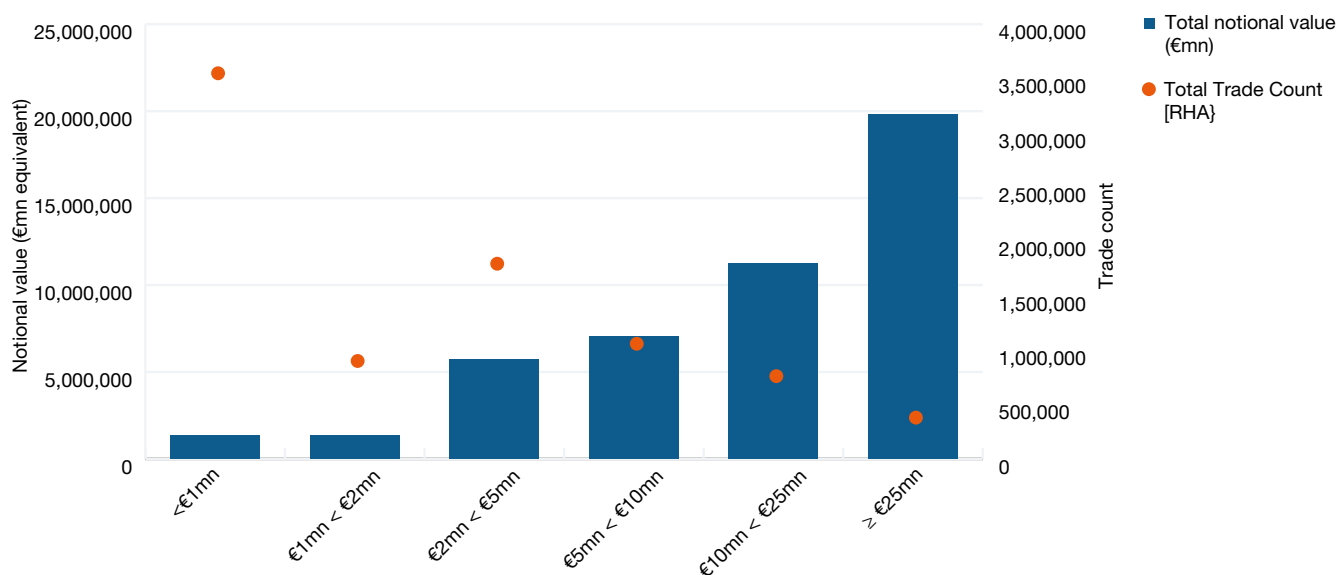


Trade size distribution

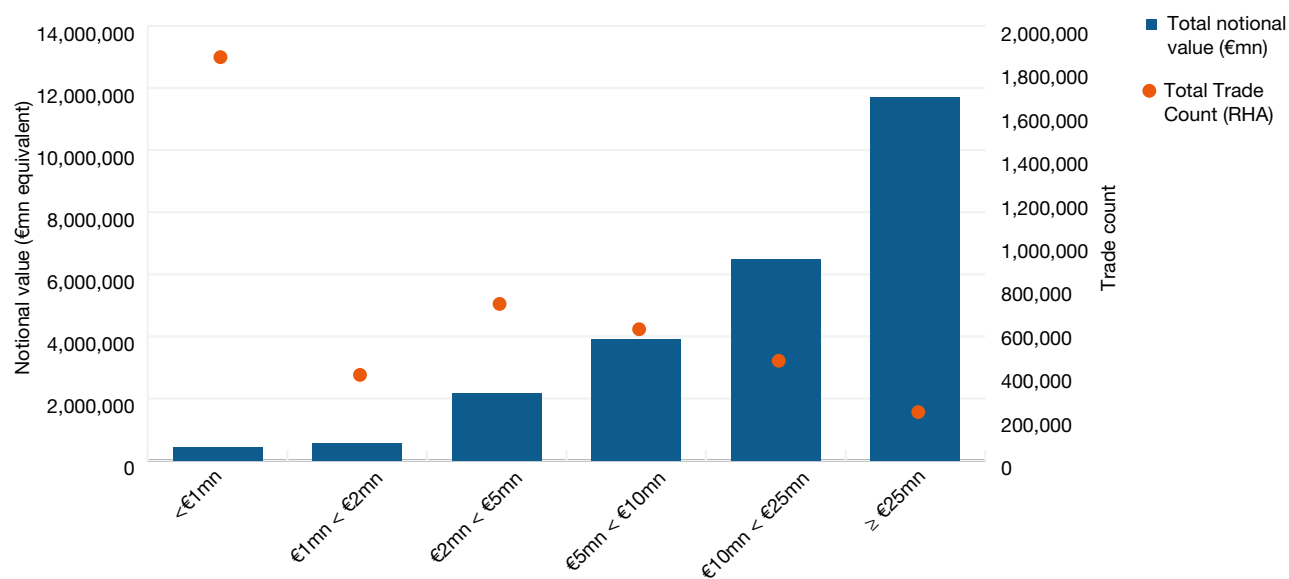
From the total population of sovereign bond transactions, trades with a notional value less than €1mn accounted for 42.0% of the total trade count (some 3,549k transactions) and 2.9% of the total traded notional value (€1,372mn). Transactions with a trade size smaller than €10mn accounted for 86.5% of total trade count (7,307k) and 33.3% of total traded notional value (€15,501bn). Transactions with a notional value of €25mn or greater accounted for 4.5% of the total trade count (380k) and 42.5% of total traded notional value (€19,805bn).

With respect to EU sovereign bonds, trades with a notional value less than €1mn accounted for 43.6% of the total trade count (1,856k) and 1.7% of the total traded notional value (€421bn). Trades with a notional value smaller than €10mn accounted for 84.0% of the total trade count (3,576k) and 28.0% of the total traded notional value (€7,067bn). Transactions with a notional value of €25mn or greater accounted for 5.2% of the total trade count (223k) and 46.4% of total traded notional value (€11,714bn).

Total Sovereign Bond Trade Size Distribution, 2022



EU Sovereign Bond Trade Size Distribution, 2022



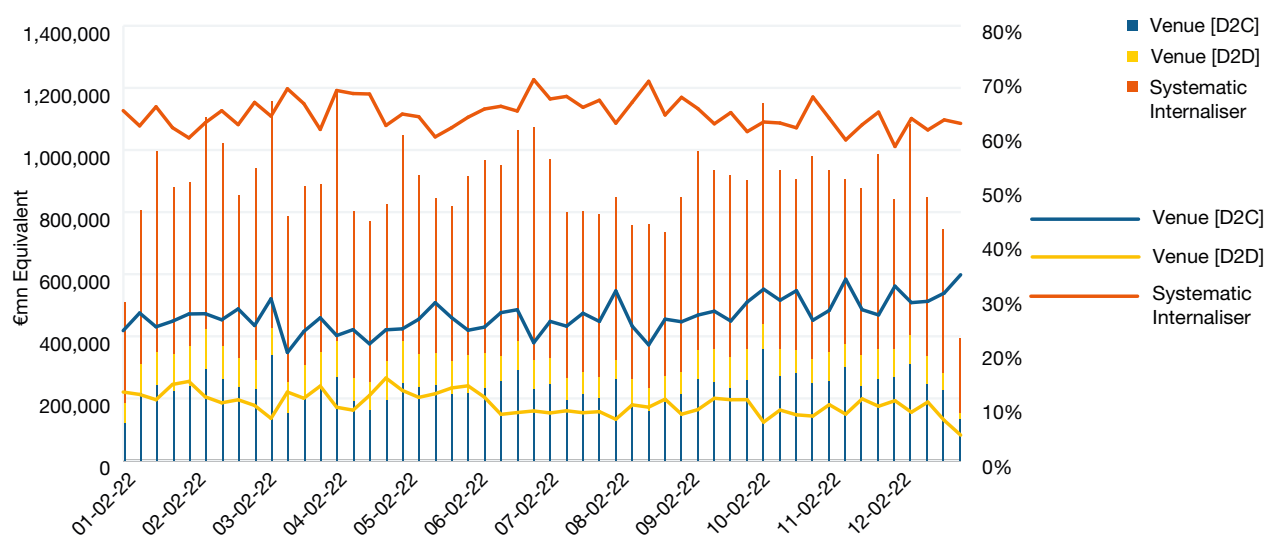
Trade distribution channels

63.5% (€29,567bn) of total sovereign bond volumes in 2022, by notional value, was traded through Systematic Internalisers (SIs) with 36.5% (€17,033bn) traded on venue, split between 26.4% (€12,273bn) dealer-to-client, and 10.2% (€4,730bn) dealer-to-dealer.

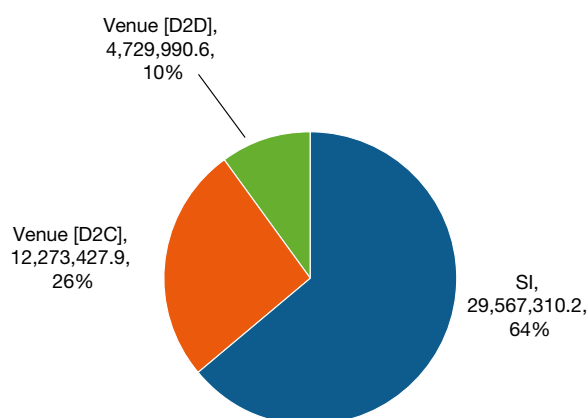
With respect to EU sovereign bonds, 53.1% of trade volumes in 2022 by notional value was traded through SIs (€13,427bn), with 46.9% traded on venue (€11,843bn), split between 28.2% (€7,131bn) dealer-to-client and 18.6% (€4,712bn) dealer-to-dealer.

The skew to SIs in the total volumes is largely due to the fact that US sovereign bonds are mostly traded through SIs (84.1%).

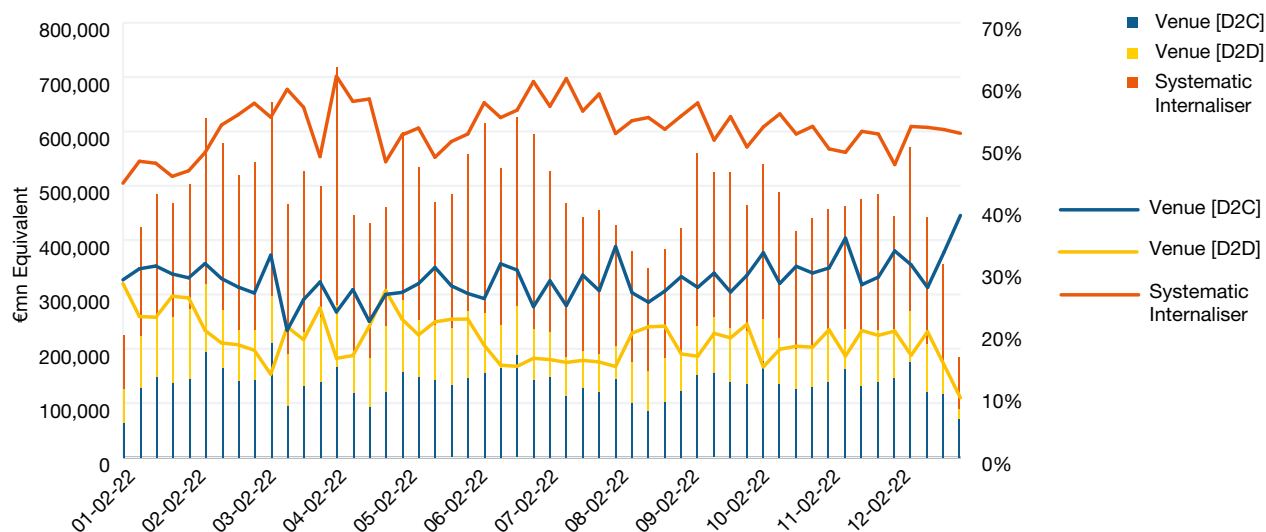
Total Traded Notional Value of Sovereign Bonds by Distribution Channel. (€mn equivalent)



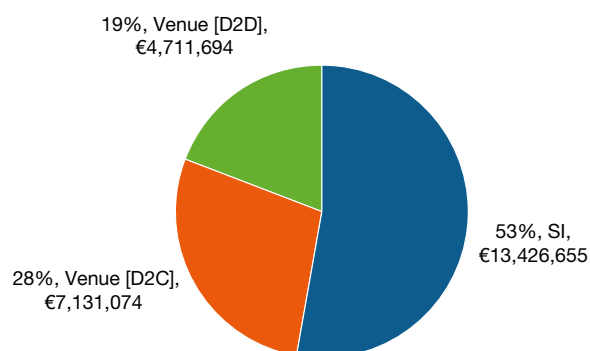
Total Traded Sovereign Bond Volumes by Distribution Channel. Notional Value (€mn equivalent), 2022



Total Traded Notional Value of EU Sovereign Bonds by Distribution Channel. (€mn equivalent)



Total Traded EU Sovereign Bond Volumes by Distribution Channel. Notional Value (€mn equivalent), 2022

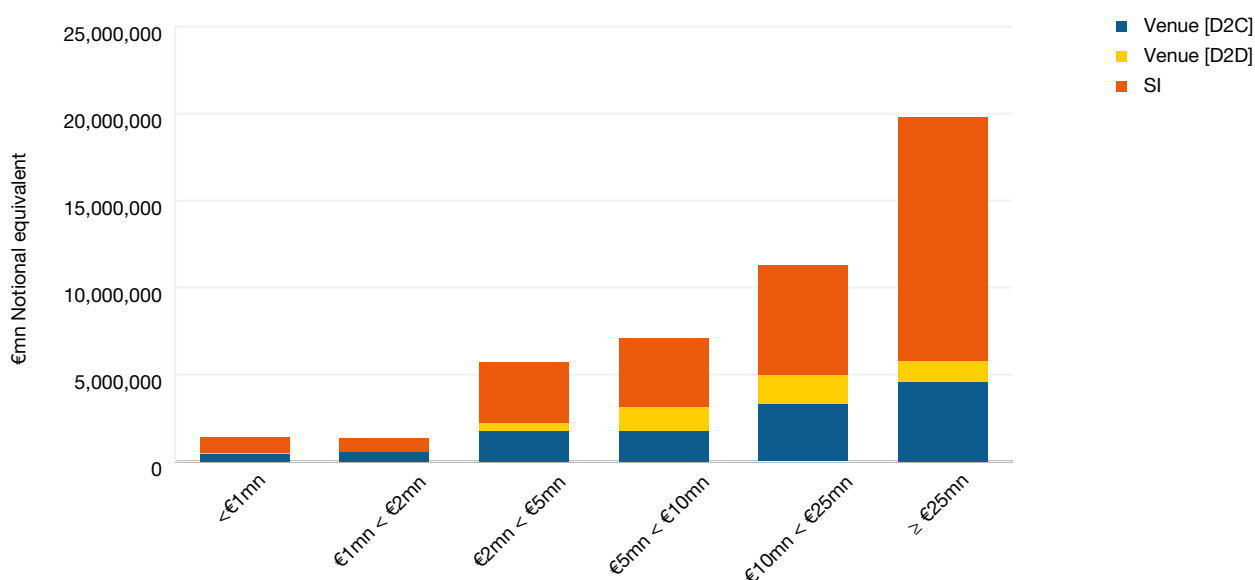


Trade size and trade count distribution by distribution channel

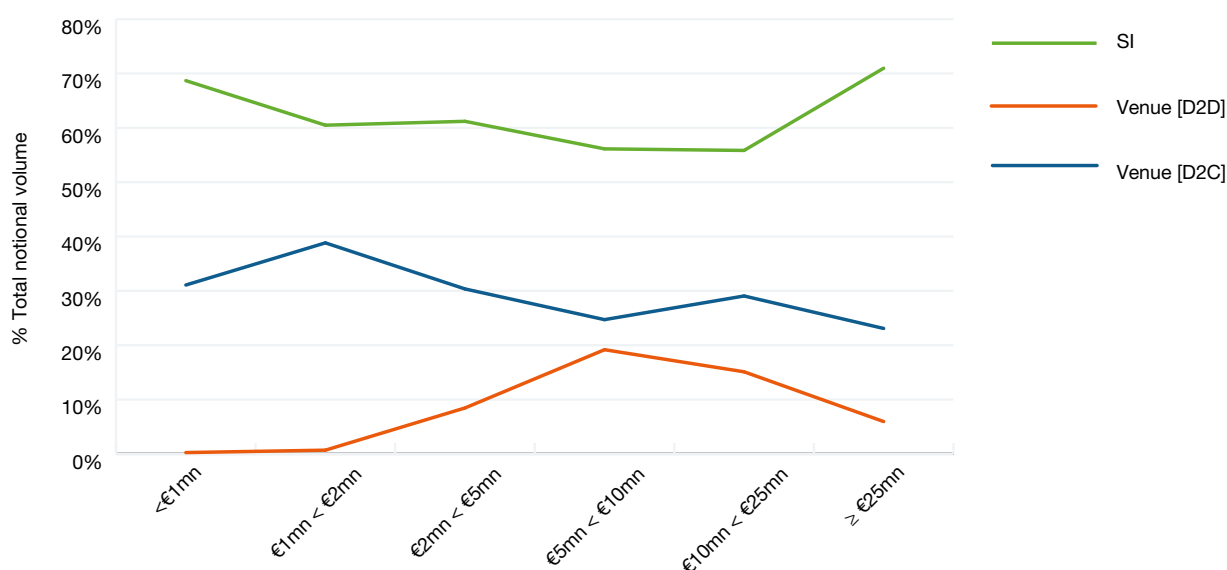
SIs account for the majority of larger size trades. For all bonds SIs were the distribution channel for 70% of trades of €25mn notional equivalent or larger and 71% of the volume (€14,056bn). For smaller trades (<€1mn notional equivalent), trading venues were the main distribution channel, with dealer-to-client platforms responsible for 52% of the transactions and 31% of the volume (€426bn), while SIs were responsible for 48% of the transactions and 69% of the volume (€942bn).

Looking at purely EU sovereign bonds, we again see SIs being the main distribution channel for larger ($\geq$ €25mn notional) trades, making up 66% of transactions and 68% of volumes. However, for smaller trade sizes, venues are more prominent both in terms of the number of transactions and volume.

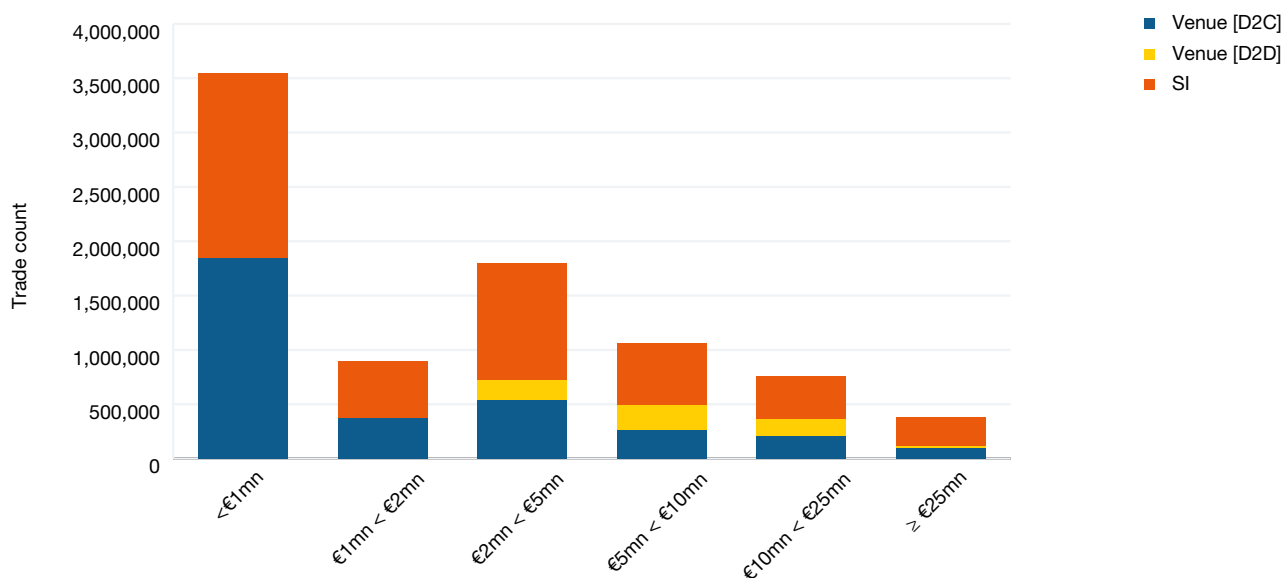
Trade Size Distribution by Distribution Channel, 2022. (All Sovereign Bonds): % Notional value



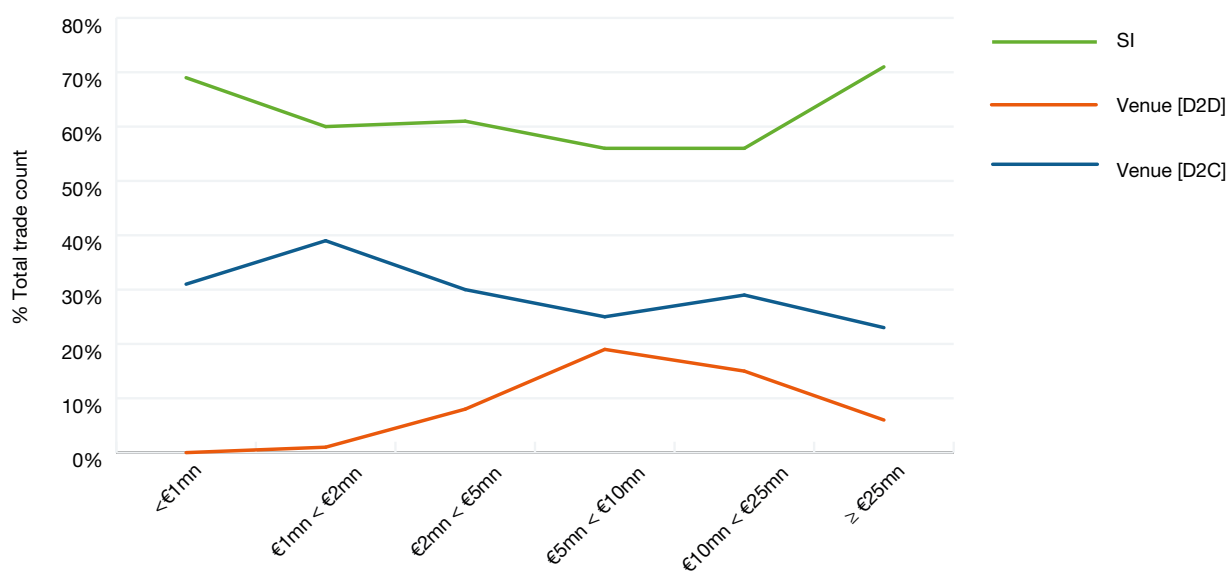
Trade Size Distribution by Distribution Channel, 2022. (All Sovereign Bonds): % Total notional



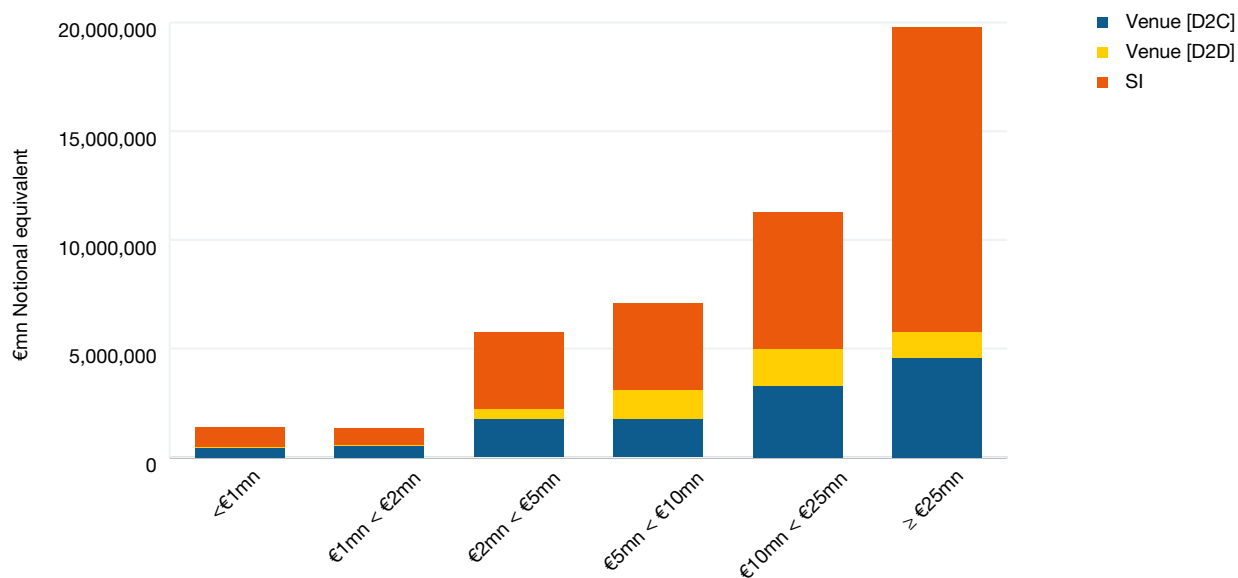
Trade Size Distribution by Distribution Channel, 2022. (All Sovereign Bonds): Trade count



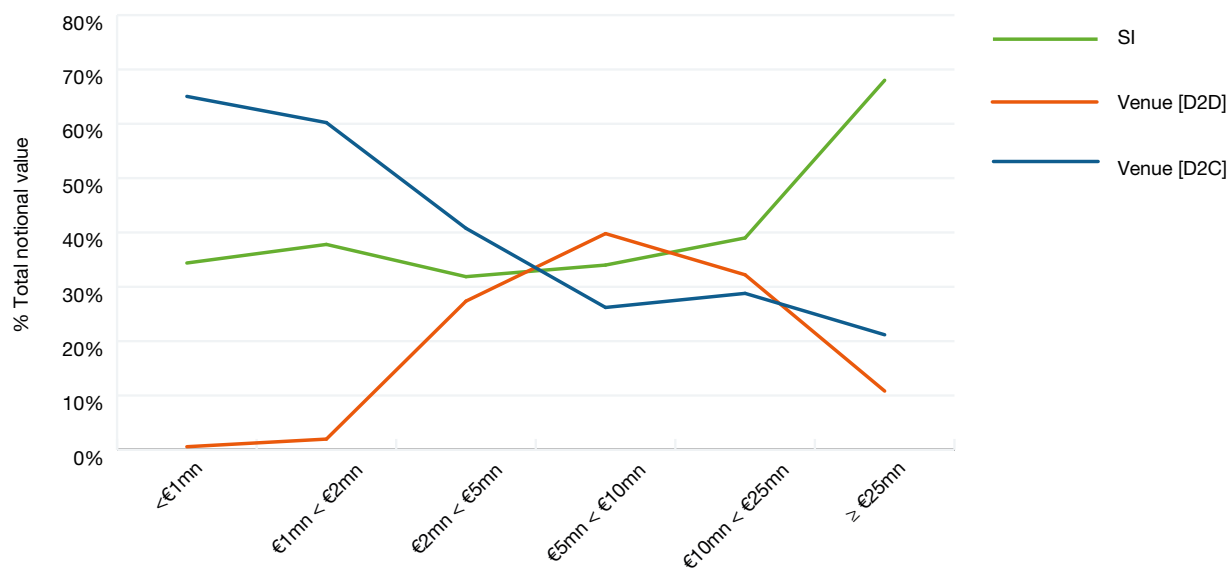
Trade Size Distribution by Distribution Channel, 2022. (All Sovereign Bonds): % Total trade count



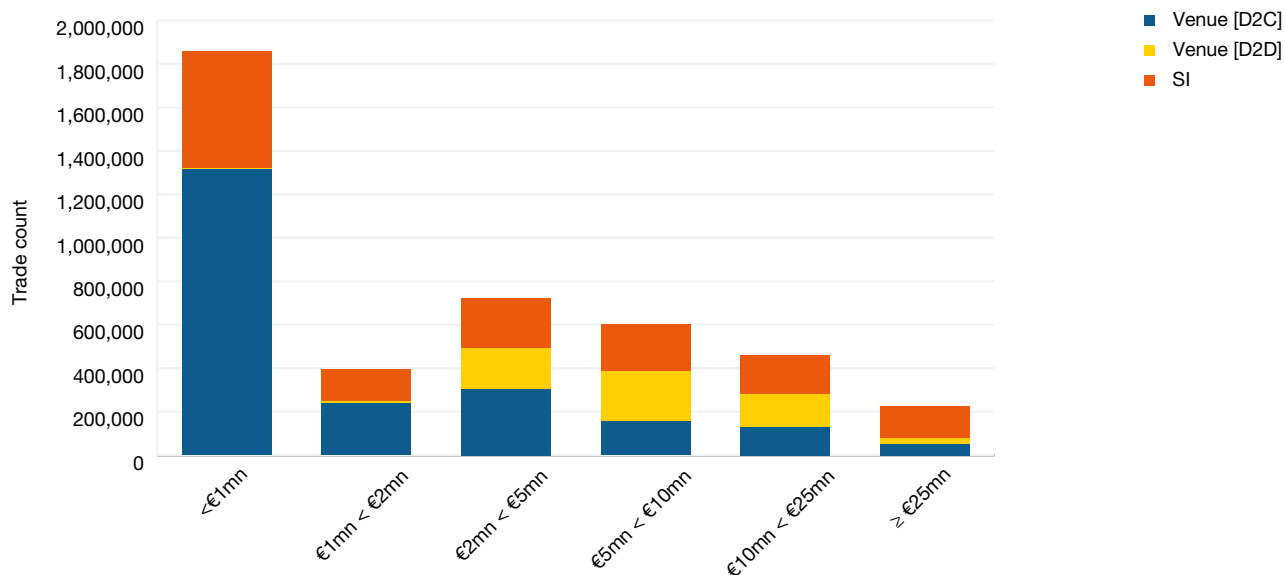
Trade Size Distribution by Distribution Channel, 2022. (EU Sovereign Bonds): Notional Value



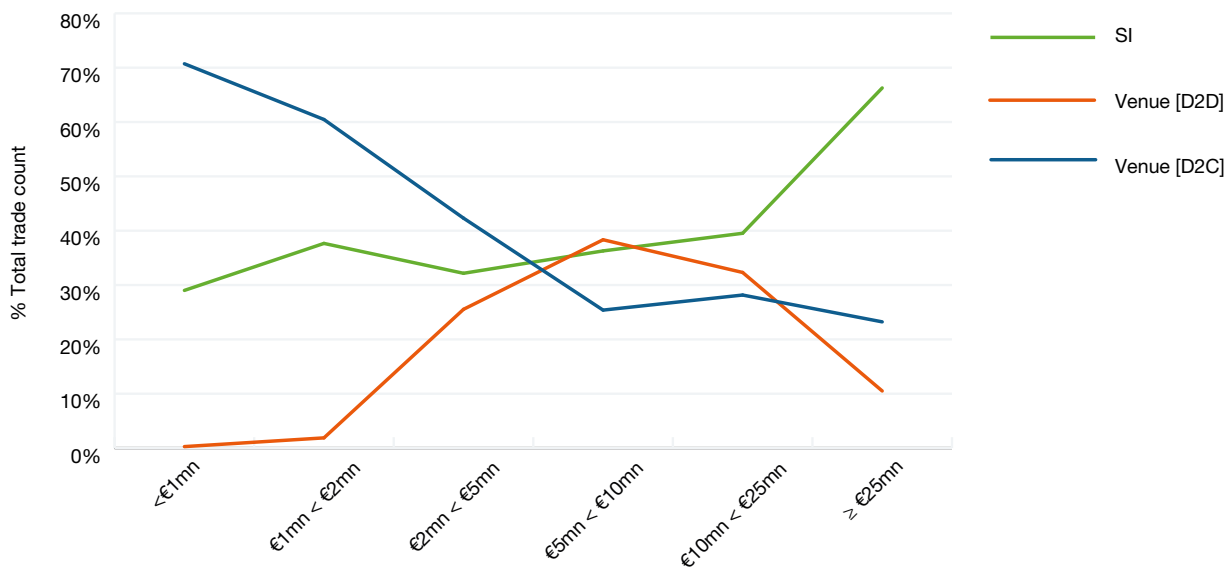
Trade Size Distribution by Distribution Channel, 2022. (EU Sovereign Bonds): % Total notional



Trade Size Distribution by Distribution Channel, 2022. (EU Sovereign Bonds): Trade count



Trade Size Distribution by Distribution Channel, 2022. (EU Sovereign Bonds): % Total trade count

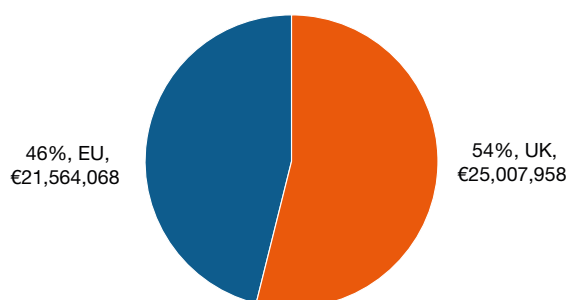


Regulatory jurisdiction

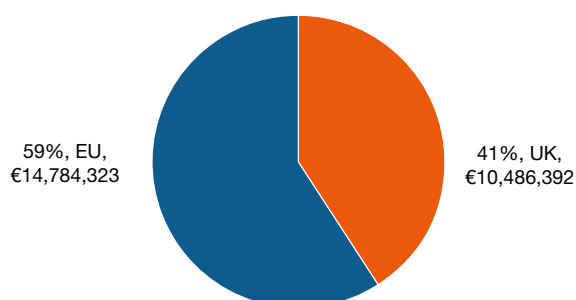
53.7% of sovereign bonds (notional value) were transacted in the UK (€25,008bn equivalent), with 46.3% traded in the EU (€21,564bn).

In the case of bonds issued by EU sovereigns, 58.5% of the total traded notional value (€14,784bn) was traded in the EU, with 41.5% (€10,486bn) traded in the UK.

Total Sovereign Bond Traded Volumes by Regulatory Jurisdiction. Notional Value (€mn equivalent), 2022



EU Sovereign Bond Traded Volumes by Regulatory Jurisdiction. Notional Value (€mn equivalent), 2022

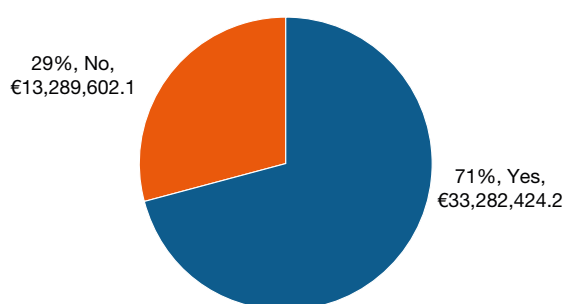


Deferrals

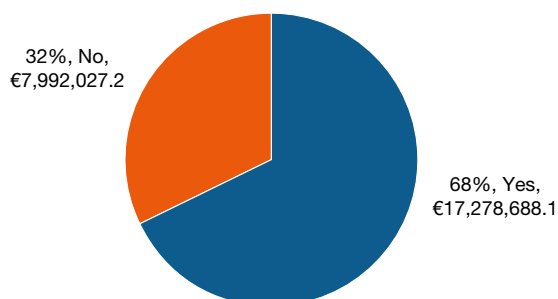
MiFID II/R reporting provides for the weekly aggregation of transactions (intended to mask individual trades). Much of this aggregation is indefinite, meaning that we may never see individual trade prints, even after the standard four-week deferral period for large transactions or those in less liquid bonds. Indefinite aggregation will be problematic as and when a consolidated tape is introduced.

In 2022, 71% of sovereign bond transactions (EEA, US, UK) by notional value are subject to indefinite aggregation. For EU sovereign bonds, 68% of notional value is indefinitely aggregated.

Indefinite Aggregation of All Sovereign Bond Trades. Total Notional Value (€mn)



Indefinite Aggreagtion of EU Sovereign Bond Trades. Total Notional Value (€mn)



Top 10 Traded Bonds (EU)

	Instrument Identification Code	Issuer Name	Ccy	Coupon	Maturity	Time to Maturity in Year	Country	Volume (Million) in EUR	Total Transactions
1	FR0012993103	DIRECTION GENERALE DU TRESOR	EUR	1.5	5/25/31	9	FRANCE	982,731	31,590
2	DE0001102580	Bundesrepublik Deutschland	EUR	0	2/15/32	10	GERMANY	569,943	41,065
3	DE0001102564	Bundesrepublik Deutschland	EUR	0	8/15/31	9	GERMANY	477,549	49,251
4	DE0001102531	Bundesrepublik Deutschland	EUR	0	2/15/31	9	GERMANY	411,558	37,157
5	DE0001141851	Bundesrepublik Deutschland	EUR	0	4/16/27	5	GERMANY	407,677	24,732
6	FR001400BKZ3	DIRECTION GENERALE DU TRESOR	EUR	2	11/25/32	10	FRANCE	377,107	14,461
7	DE0001102606	Bundesrepublik Deutschland	EUR	1.7	8/15/32	10	GERMANY	331,630	33,110
8	FR0014007L00	DIRECTION GENERALE DU TRESOR	EUR	0	5/25/32	10	FRANCE	324,227	17,385
9	IT0005422891	REPUBBLICA ITALIANA	EUR	0.9	4/1/31	9	ITALY	303,148	20,189
10	IT0005494239	REPUBBLICA ITALIANA	EUR	2.5	12/1/32	10	ITALY	295,562	36,356

Top 10 Traded bonds (non-EU)

	Instrument Identification Code	Issuer Name	Ccy	Coupon	Maturity	Time to Maturity in Year	Country	Volume (Million) in EUR	Total Transactions
1	US91282CDY49	United States Department of the Treasury	USD	1.875	2/15/32	10	UNITED STATES	795,433	230,760
2	US91282CEP23	United States Department of the Treasury	USD	2.875	5/15/32	10	UNITED STATES	678,643	186,632
3	US91282CFF32	United States Department of the Treasury	USD	2.75	8/15/32	10	UNITED STATES	615,132	177,720
4	US91282CDJ71	United States Department of the Treasury	USD	1.375	11/15/31	10	UNITED STATES	426,954	100,726
5	GB0004893086	His Majesty's Treasury	GBP	4.25	6/7/32	10	UNITED KINGDOM	297,760	15,667
6	US91282CEC10	United States Department of the Treasury	USD	1.875	2/28/27	5	UNITED STATES	296,218	73,564
7	US91282CEN74	United States Department of the Treasury	USD	2.75	4/30/27	5	UNITED STATES	285,524	57,905
8	US91282CET45	United States Department of the Treasury	USD	2.625	5/31/27	5	UNITED STATES	275,004	64,149
9	US91282CDQ15	United States Department of the Treasury	USD	1.25	12/31/26	5	UNITED STATES	273,756	56,274
10	US912828Z781	United States Department of the Treasury	USD	1.5	1/31/27	5	UNITED STATES	273,437	62,502

In focus: the UK Gilt market

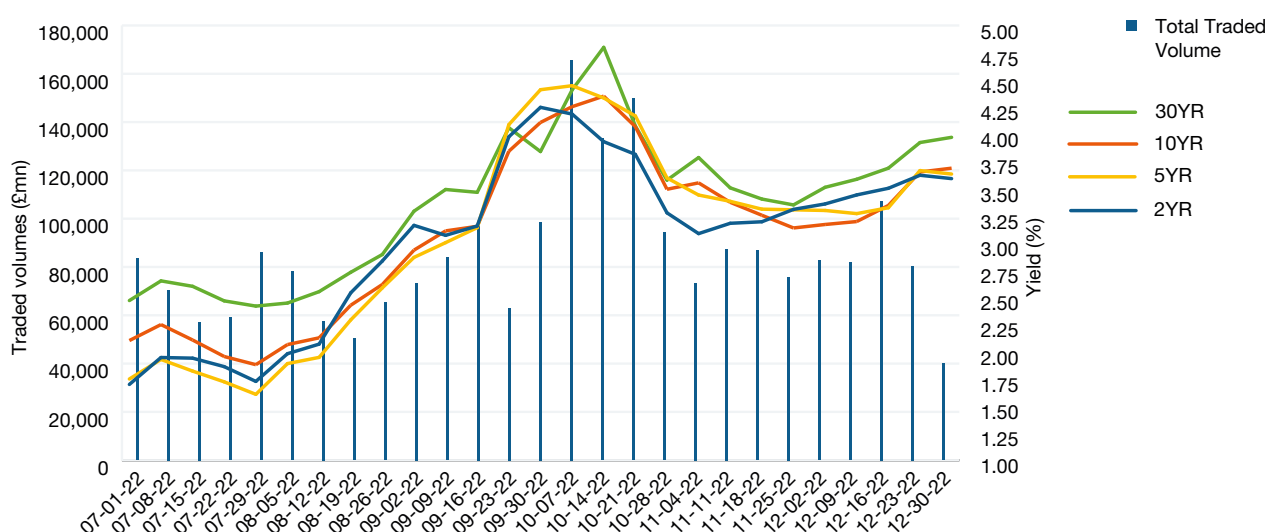
In this report, we felt it could be interesting to look at the data for the UK sovereign bond (“Gilt”) particularly around the market turmoil caused by the UK government’s “mini budget” announcement on September 23, and which resulted in the Bank of England intervening in the market to stem the sell-off and to provide stability.

What we observe is a notable increase in traded volumes reported in the first three weeks of October, immediately following the announcement. This coincides with a sharp increase in bond yields across the curve. Towards the end of October, as the BoE restored some calm to the market, we see both yields and volumes normalizing.

Interestingly, in early October we do see the percentage of trades executed through SIs narrow relative to those executed on venue, however, this does not invert, with on-venue trading retaining the largest share of activity by volume. We only see SI become the dominant distribution channel briefly in July and again heading into year-end (when markets naturally become less liquid).

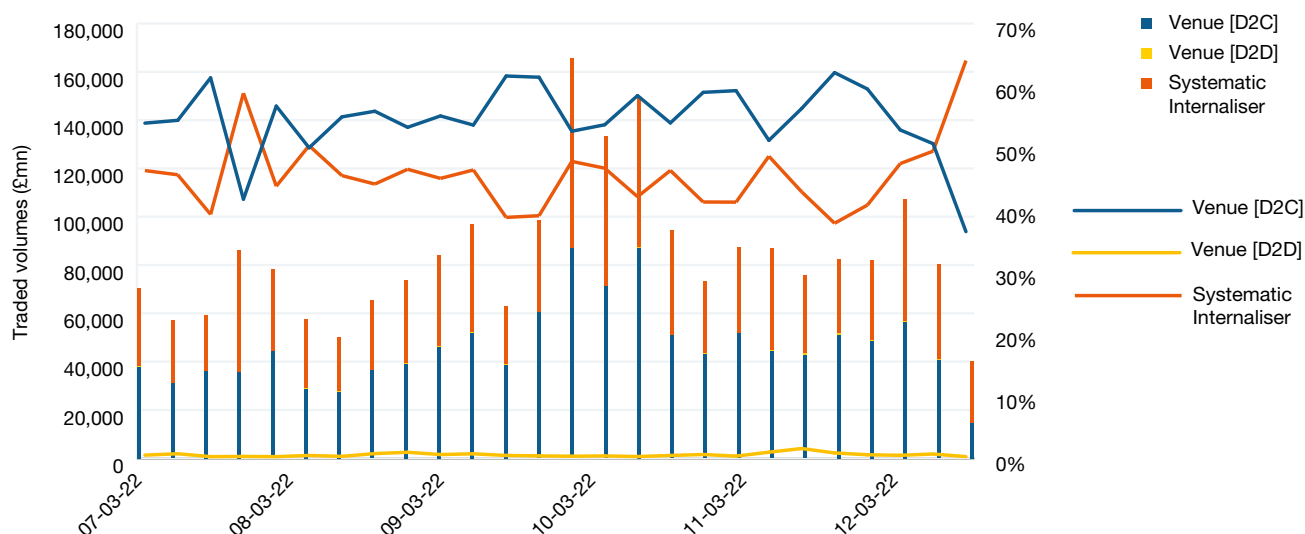
In terms of the most actively traded Gilts during October 2022, the 0.625% 7/35 was the most heavily traded in terms of volume (£60,653mn), while the 1.25% 7/51 saw the greatest number of transactions (3,003).

Total Traded Notional Value of UK Government Bonds and Yields



Yield data extracted from Bloomberg

Total Traded Notional Value of UK Government Bonds by Distribution Channel



Top 5 Traded UK Government Bonds in October 2022

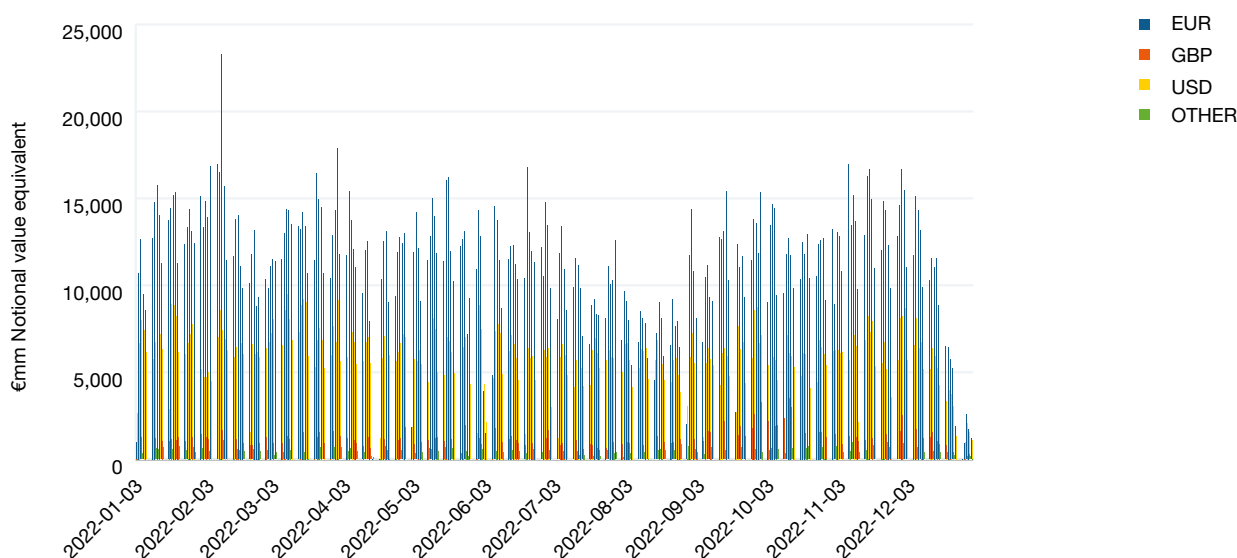
Instrument Identification Code	Issuer Name	Ccy	Coupon	Maturity	Time to Maturity in Year	Country	Volume (Million) in GBP	Total Transactions
GB00BMGR2916	His Majesty's Treasury	GBP	0.625	7/31/35	13	UNITED KINGDOM	60,653	2,156
GB00BLH38158	His Majesty's Treasury	GBP	1.25	7/31/51	29	UNITED KINGDOM	41,752	3,003
GB00BM8Z2T38	His Majesty's Treasury	GBP	1	1/31/32	9	UNITED KINGDOM	21,995	1,583
GB00BDRHNP05	His Majesty's Treasury	GBP	1.25	7/22/27	5	UNITED KINGDOM	21,307	2,478
GB00BMBL1D50	His Majesty's Treasury	GBP	0.5	10/22/61	39	UNITED KINGDOM	14,477	2,513

Corporate Bond Market

Volumes

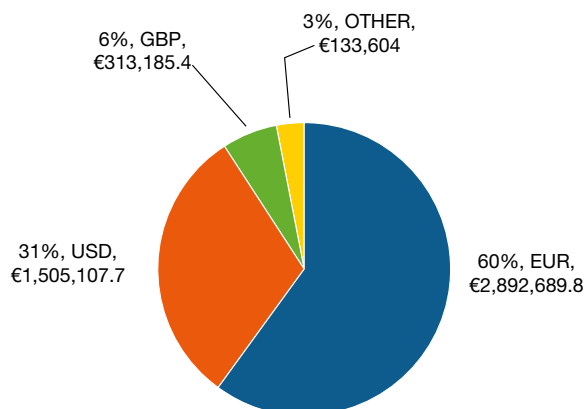
The total notional value of corporate bonds traded in 2022 was €4,845bn, made up of 5,838,745 transactions in 40,218 discrete ISINs. This is an average daily notional value of €18.6bn. 59.7% of total traded notional (€2,893bn) was EUR denominated, with 31.1 (€1,505bn) USD denominated. GBP denominated corporate volumes made up 6.5% (€313bn) of the total. Other currencies account for 2.8% of total notional value (€134bn).

Daily Corporate Bond Volumes by Currency



Currency	Notional Value (€mn equivalent)	%
EUR	2,892,689.8	59.7%
USD	1,505,107.7	31.1%
GBP	313,185.4	6.5%
NOK	33,289.6	0.7%
SEK	31,206.3	0.6%
AUD	22,875.3	0.5%
CHF	20,650.6	0.4%
CAD	14,466.0	0.3%
OTH	8,902.2	0.2%
JPY	1,641.3	0.0%
DKK	420.5	0.0%
NZD	152.6	0.0%

Total Traded Corporate Bond Notional Value by Currency, 2022. (€mn equivalent)

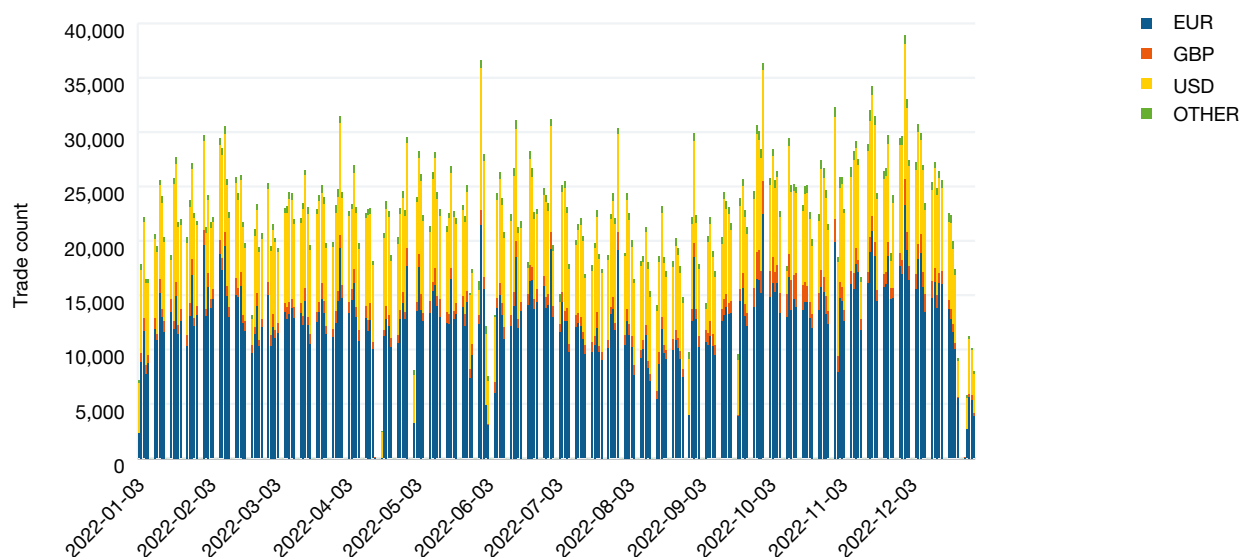


Trade count and trade sizes

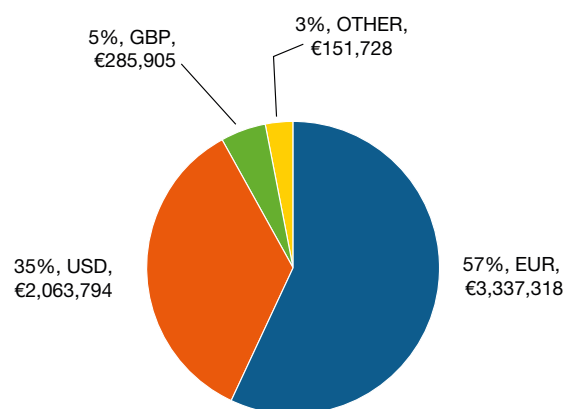
The total trade count for corporate bonds in 2022 was 5.8mn. This is an average of 22.5k transactions per day. Similar to notional values, 57.2% of transactions were in EUR denominated bonds, 35.3% in USD denominated bonds, and 4.9% in GBP denominated bonds.

The average trade size (notional value) for all corporate bonds in 2022 was €0.8mn, while the median size is €0.2mn. For EUR denominated corporate bonds, the average trade size was €0.9mn and median trade size was also €0.2mn.

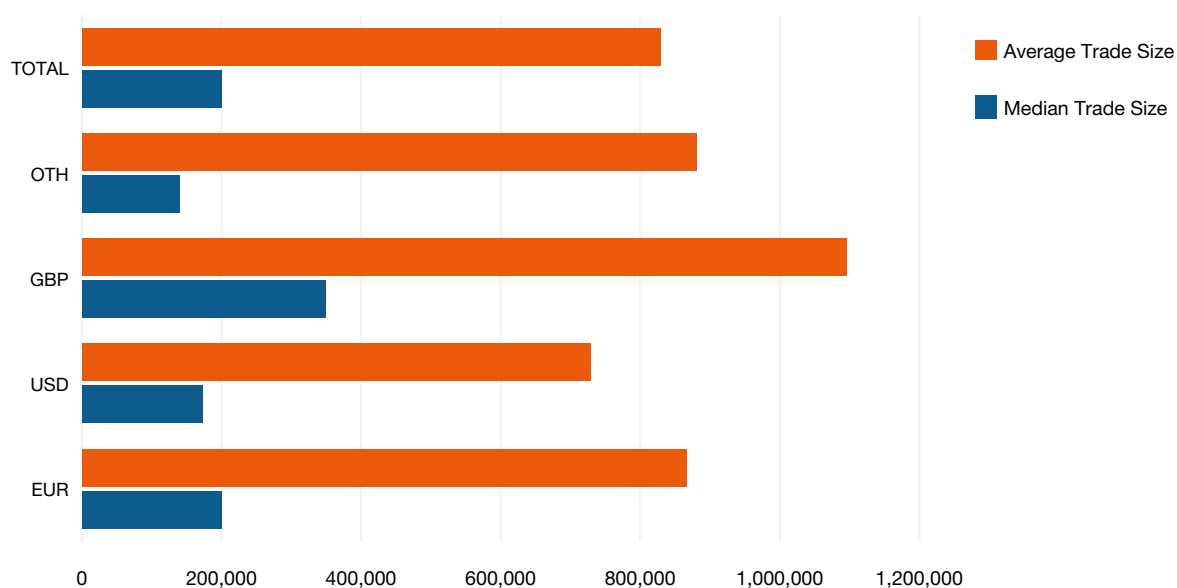
Daily Corporate Bond Trade Count by Currency



Total Traded Corporate Bond Notional Value by Trade Count, 2022



Corporate Bond Average and Median Trade Sizes by Underlying Currency, 2022. (€ equivalent)



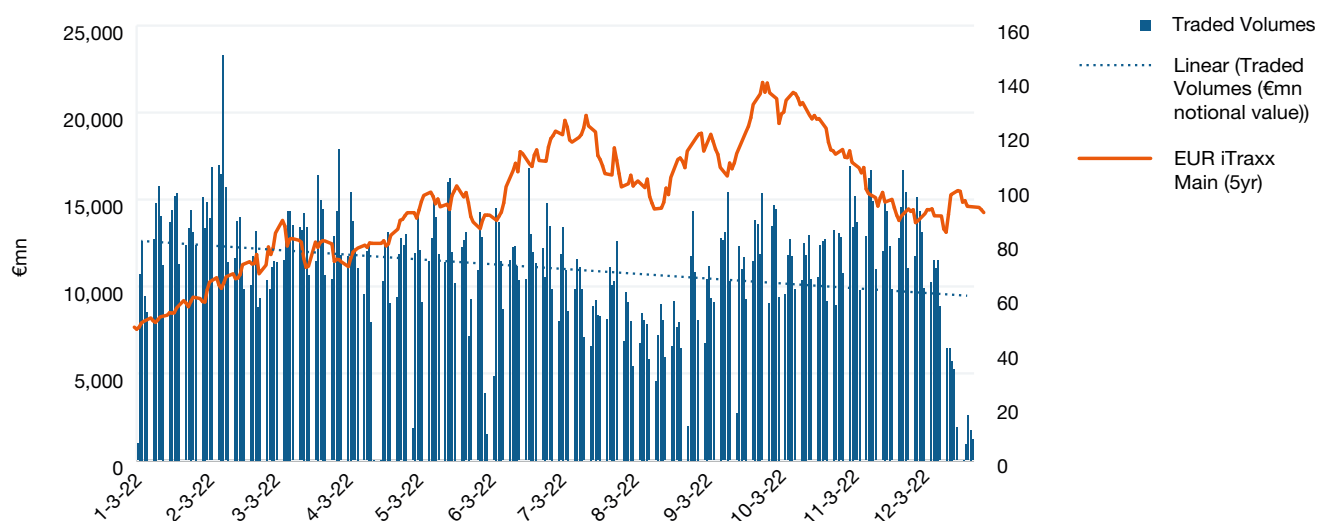
Currency	Average Trade Size (€ equivalent)	Median Trade Size (€ equivalent)
EUR	866,881	200,000
USD	728,110	172,384
GBP	1,095,438	349,659
OTH	880,705	139,808
TOTAL	829,409	200,000

EUR denominated trading volumes

The total notional value of EUR denominated corporate bonds traded in 2022 was €2,893bn. This is an average daily notional value of €11.1bn. In terms of trends, there is a drift lower in daily traded volumes over the course of 2022. While this could be related to the overall trend in credit spread widening during this period, it is notable that volumes decrease sharply during August, during a brief reversal in the widening trend. Volumes pick up again during the October-November rally, before dropping sharply in December into year-end. This is despite a small uptick in outstanding underlying issuance over the period.

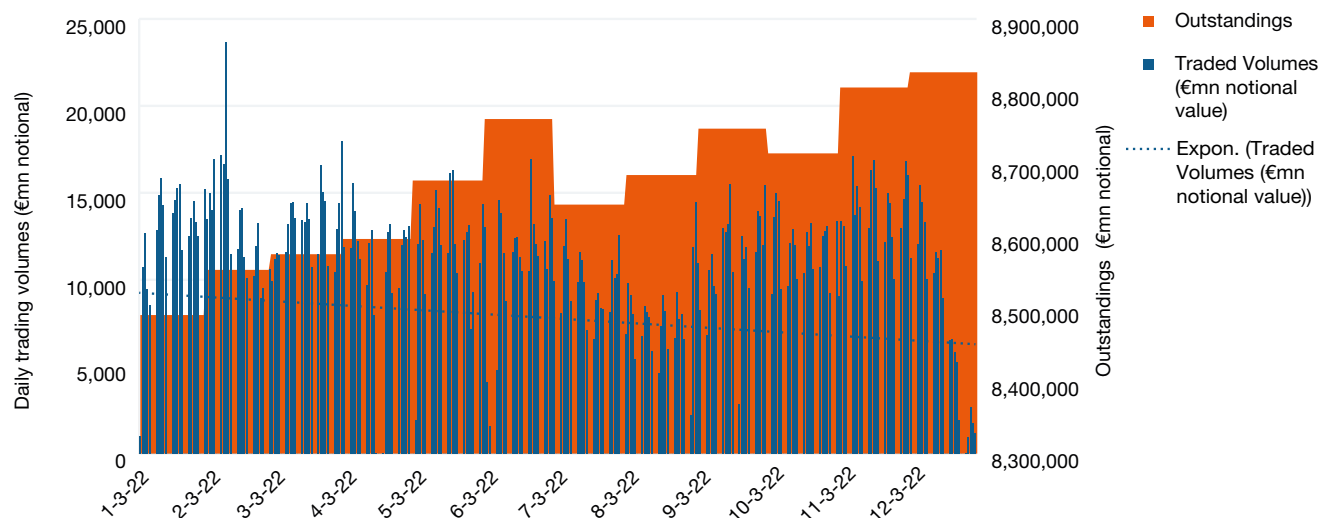
There appears to be no obvious correlation between traded volumes and the size of the market, with outstandings of EU corporate bonds steadily increasing over the year. This can also be seen in the estimate of monthly turn-over (traded volumes as a percentage of outstanding market size), which trends lower through to August (with a high of 3.5% in March, and a low of 2.1% in August), before picking up from September through November (where it reaches 3.4%), and then moving sharply lower in December (2.0%).

EUR Corporate Bonds Daily Trading Volumes & iTraxx Main



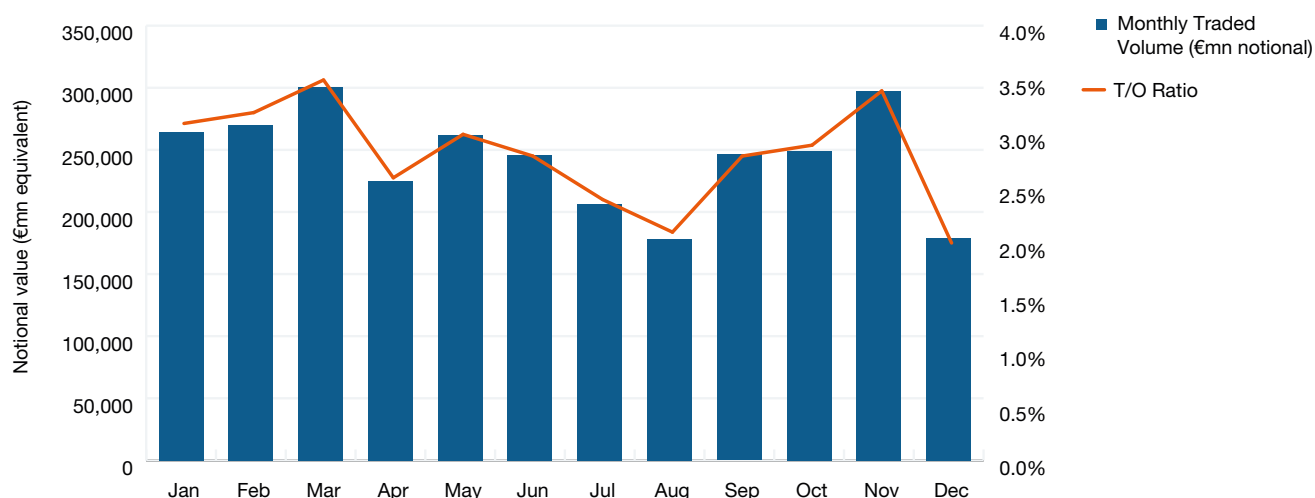
IHS Markit iTraxx data extracted from Bloomberg

EU Corporate Bond Market Traded Volumes and Outstandings



Mid-month outstandings of EU corporate bonds extracted from Bloomberg (ICMA analysis)

EU Corporate Bond Monthly Turnover Ratios

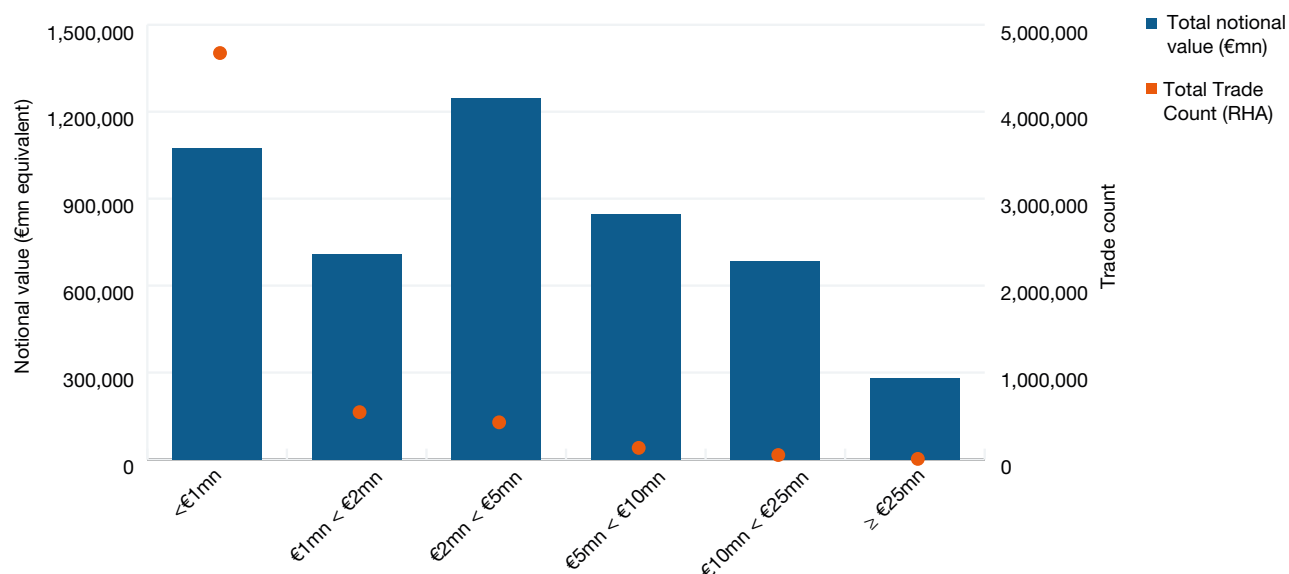


Trade size distribution

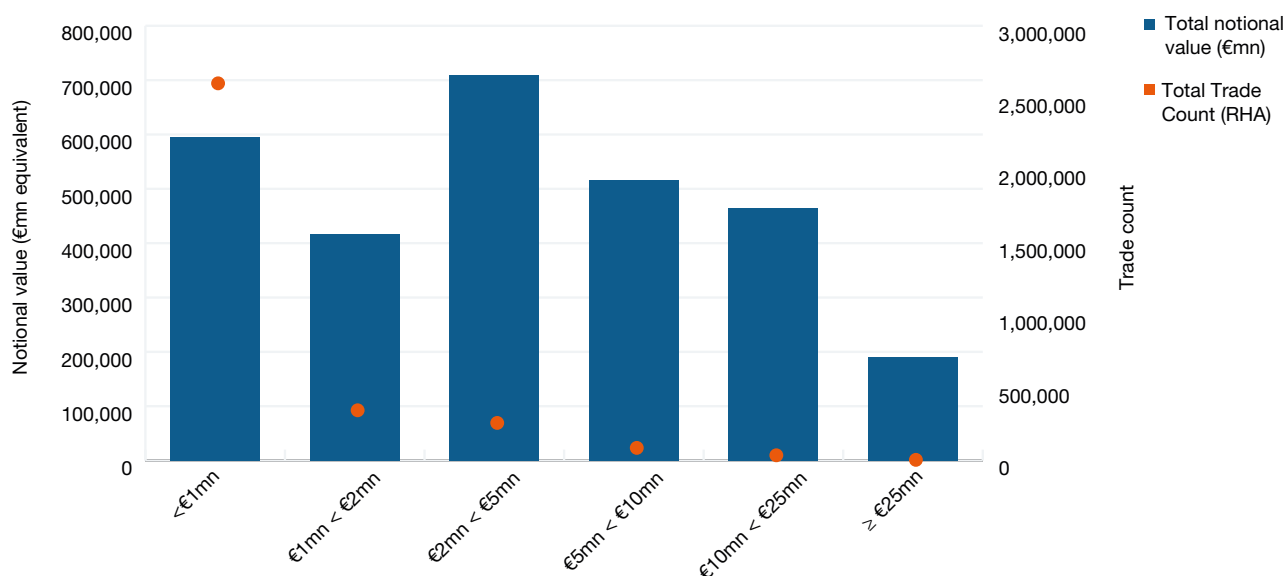
From the total population of corporate bond transactions, trades with a notional value less than €1mn accounted for 80.1% of the total trade count (some 4.7mn) and 22.2% of the total traded notional value (€1,075bn). Transactions with a trade size smaller than €10mn accounted for 99.0% of total trade count (5.8mn) and 80.0% of total traded notional value (€3,877bn). At the other end of the scale, transactions with a notional value of €25mn or greater accounted for just 0.1% of the total trade count (469k) and 5.8% of total traded notional value (€282bn).

This pattern of trade size distribution for all corporate bonds is largely consistent when narrowed to EUR denominated corporate bonds. Trades with a notional value less than €1mn accounted for 78.0% of the total trade count (2.6mn) and 20.6% of the total traded notional value (€596bn). Trades with a notional value smaller than €10mn accounted for 98.8% of the total trade count (3.3mn) and 77.3% of the total traded notional value (€2,238bn). Transactions with a notional value of €25mn or greater accounted for 0.1% of the total trade count (4.7k) and 6.6% of total traded notional value (€191bn).

Total Corporate Bond Trade Size Distribution 2022



EUR Corporate Bond Trade Size Distribution 2022

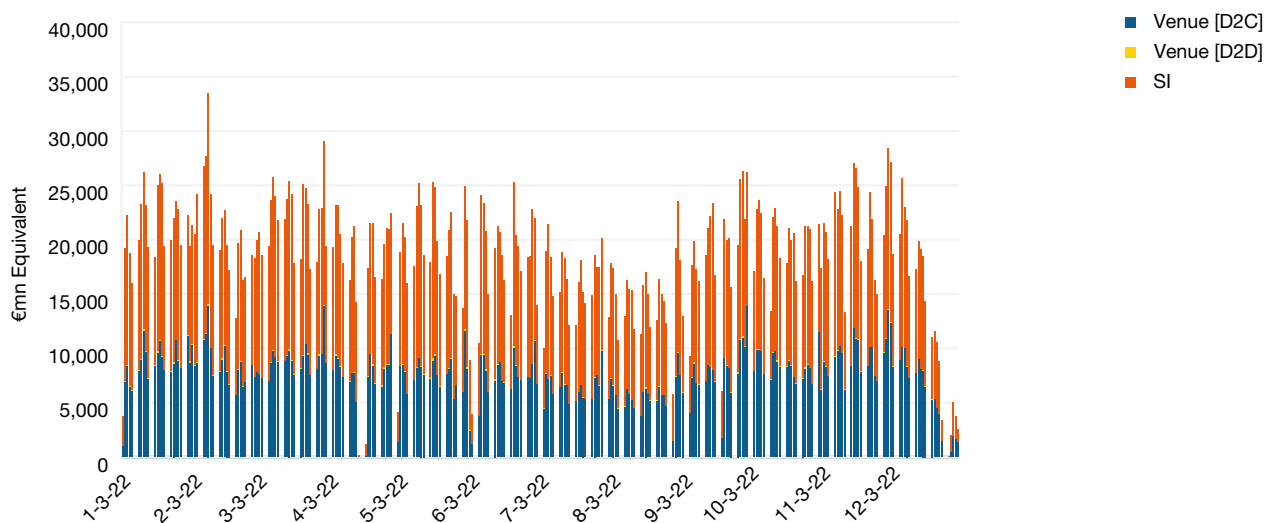


Trade distribution channels

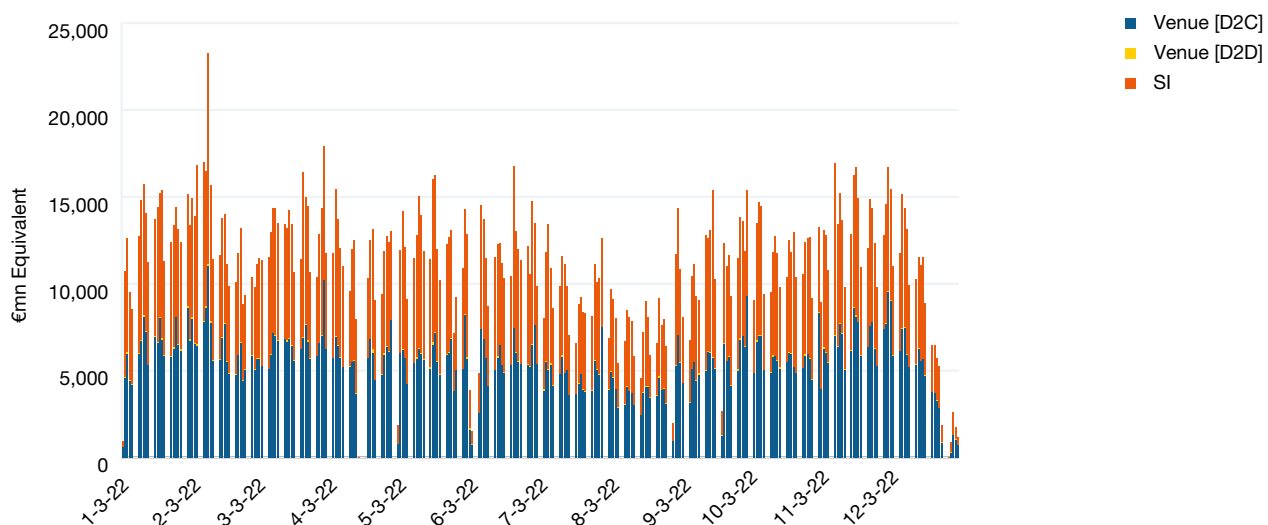
58.9% (€2,854bn) of the total traded notional value of corporate bonds in 2022 was transacted OTC with systematic internalisers, or SIs, (also loosely referred to as ‘voice trading’). Of the 41.1% traded on venue, 40.7% (€1,969bn) was dealer-to-client, and 0.4% (€21bn) was dealer-to-dealer.

With respect to EUR denominated corporate bonds, 50.4% (€1,459bn) notional value was transacted with SIs. Of the 49.6% traded on venue, 49.2% (€1,424bn) was dealer-to client, and 0.4% (€11bn) was dealer-to-dealer.

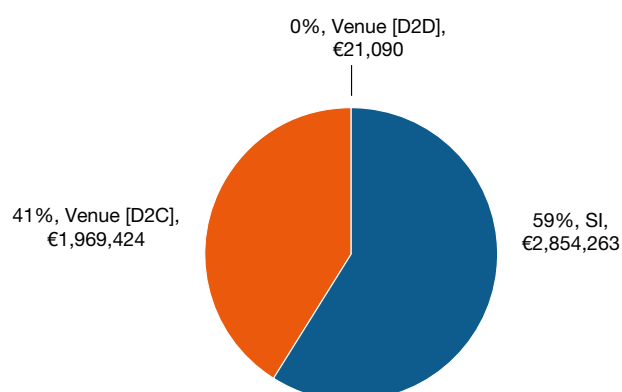
Total Traded Notional Value of Corporate Bonds by Distribution Channel. (€mn equivalent)



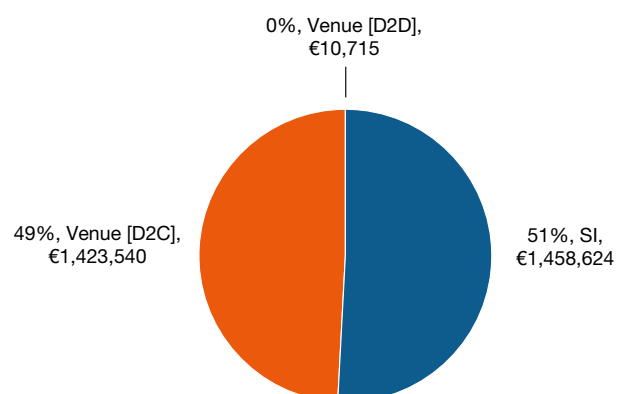
Traded Notional Value of EUR Corporate Bonds by Distribution Channel. (€mn)



Total Traded Corporate Bond Volumes by Distribution Channel. Notional Value (€mn equivalent), 2022



Total Traded EUR Corporate Bond Volumes by Distribution Channel. Notional Value (€mn equivalent), 2022



Trade size distribution by distribution channel

The data shows that Systematic Internalisers played a prominent role in intermediating all trade sizes, however their importance increases as trade sizes become larger. In the case of small trades (<€1mn equivalent notional), 53.9% of transactions (2.5mn), and 55.5% of notional value (€596bn) were executed on venue, with SIs accounting for 44.5% of transactions (2.2mn) and 44.5% of value (€479bn).

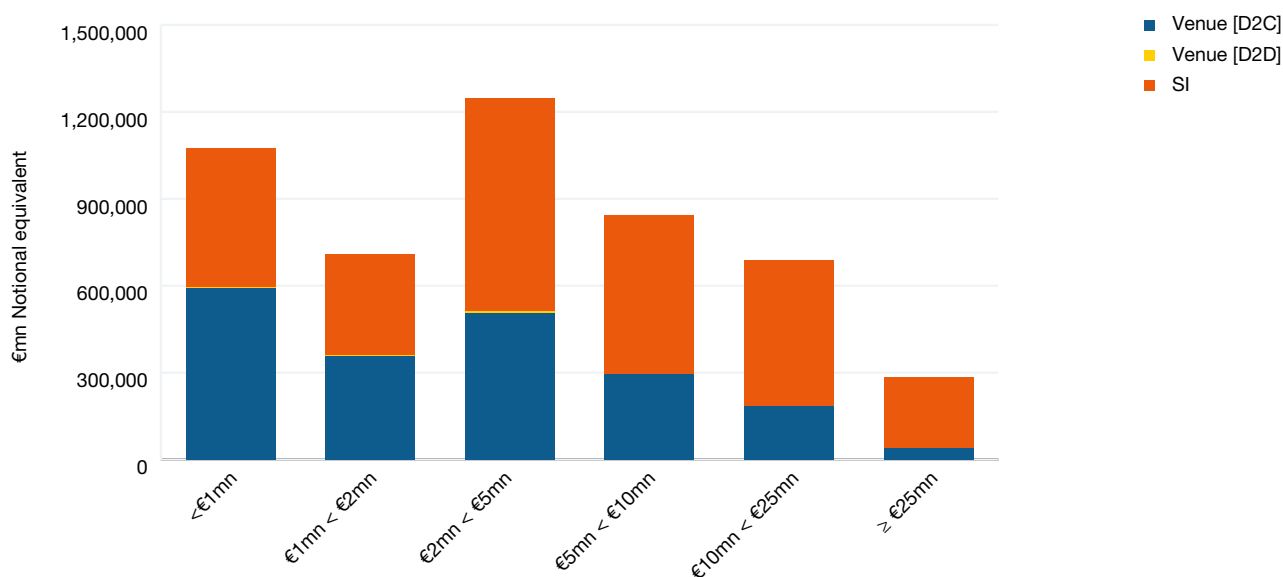
At the other end of the scale, for transaction $\geq$ €25mn equivalent notional ('block trades'), SIs account for 83.0% of all transactions (5.7k) and 85.8% of notional value (€242bn).

We observe a similar pattern for EUR denominated corporate bonds. Here trading venues account for 62.9% (1.6mn) of transactions <€1mn equivalent notional), and 66.8% of notional value (€398bn equivalent notional), while for transactions $\geq$ €25mn equivalent notional, SIs account for 78.5% of trades (3.7k) and 82.1% of total value (€157bn).

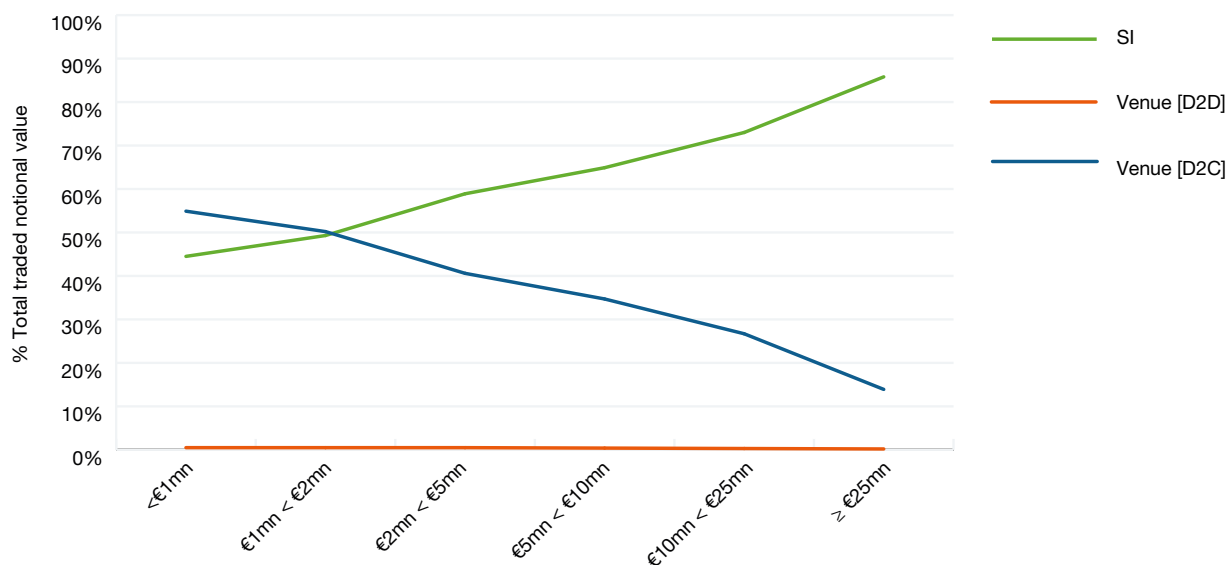
The cross-over point where trading venues become less prominent and SIs more important is above the €2mn trade size bucket for all corporate bonds, and in the €2mn<€5mn range for EUR denominated bonds.

Dealer-to-dealer venue protocols play a very small role in trade distributions across all trade sizes (less than 0.5% in terms of both trade count and total value).

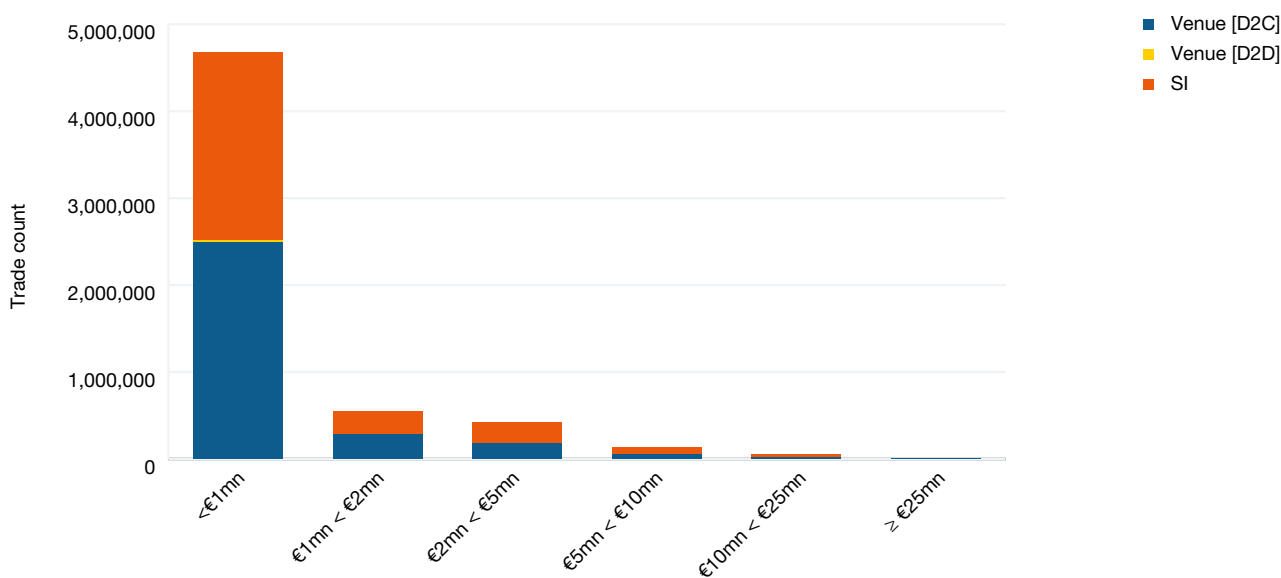
Trade Size Distribution by Distribution Channel, 2022. (All Corporate Bonds): Notional value



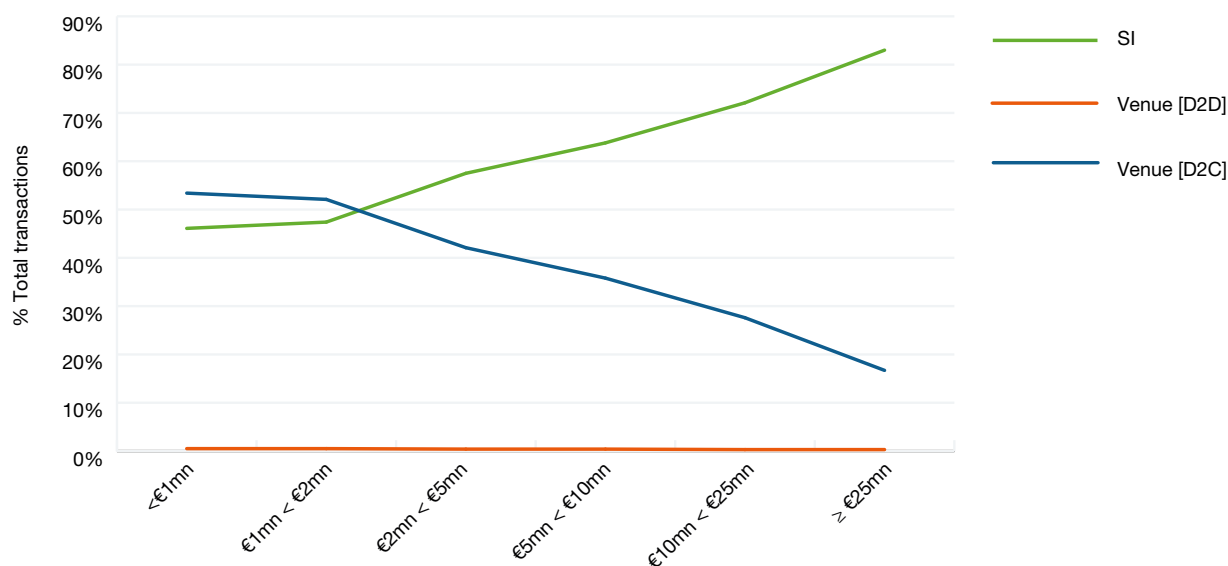
Trade Size Distribution by Distribution Channel, 2022. (All Corporate Bonds): % Total notional



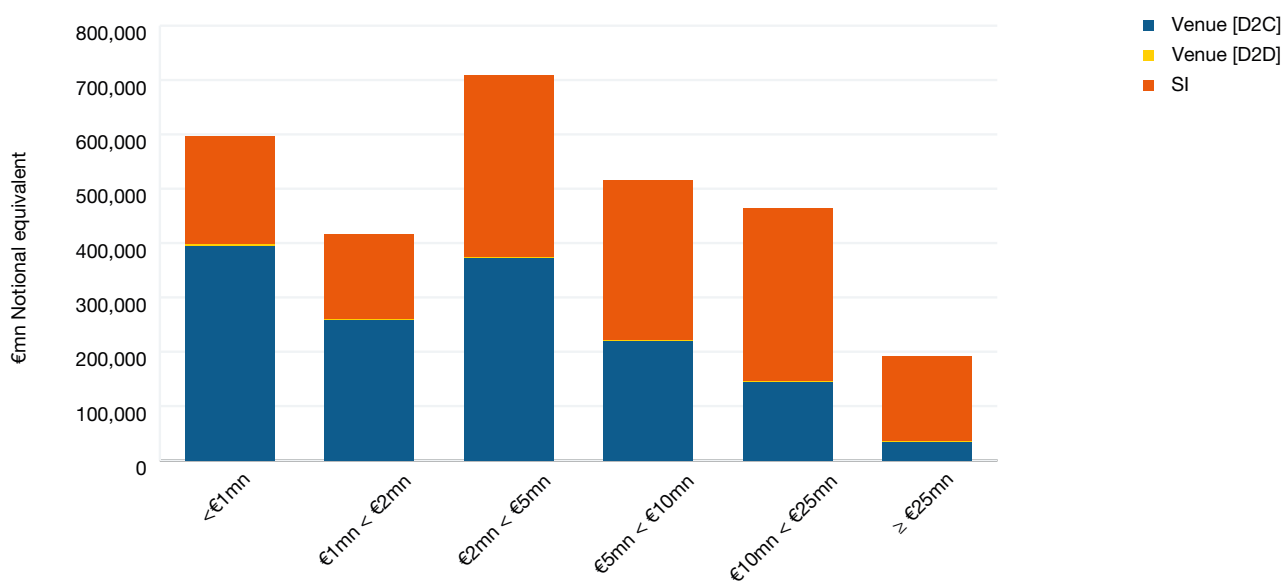
Trade Size Distribution by Distribution Channel, 2022. (All Corporate Bonds): Trade count



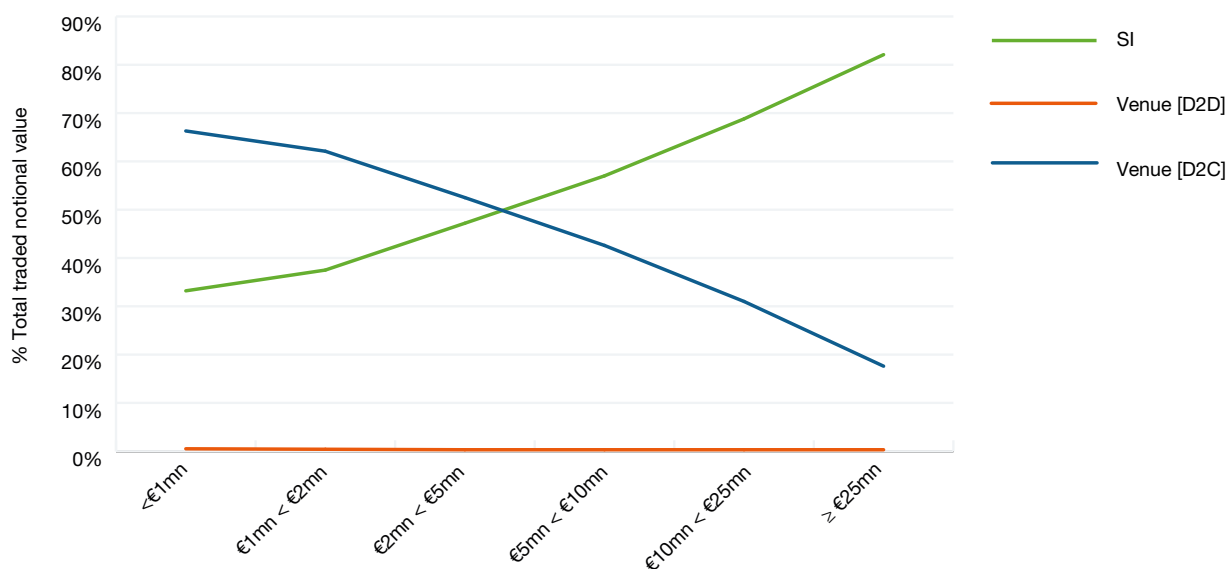
Trade Size Distribution by Distribution Channel, 2022. (All Corporate Bonds):% Total trade count



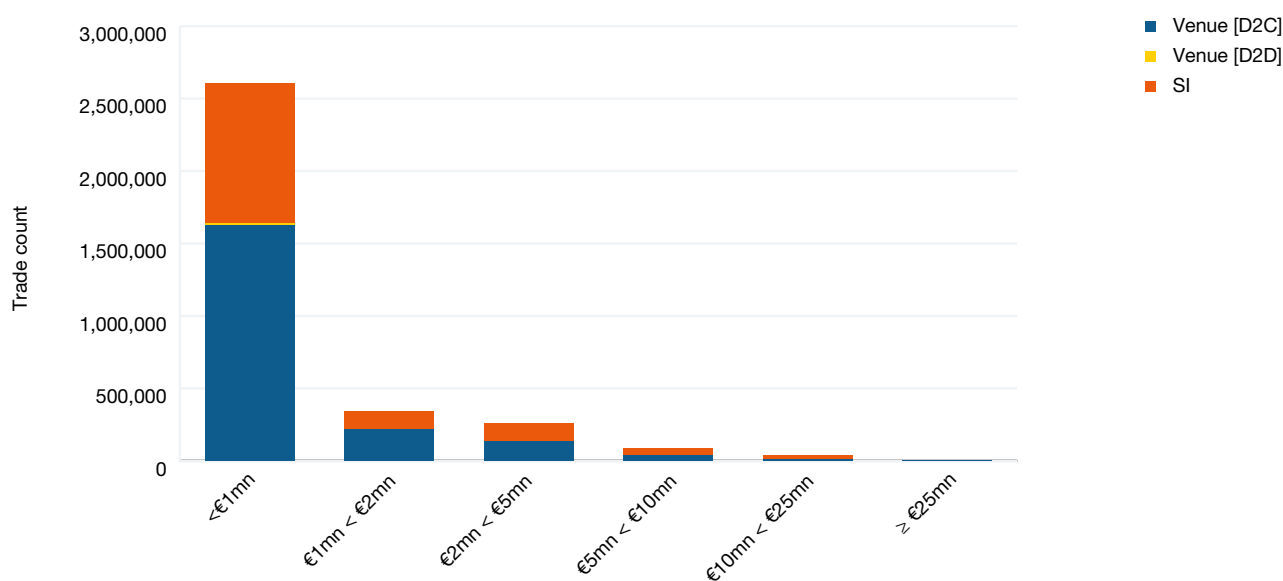
Trade Size Distribution by Distribution Channel, 2022 (EUR Corporate Bonds)



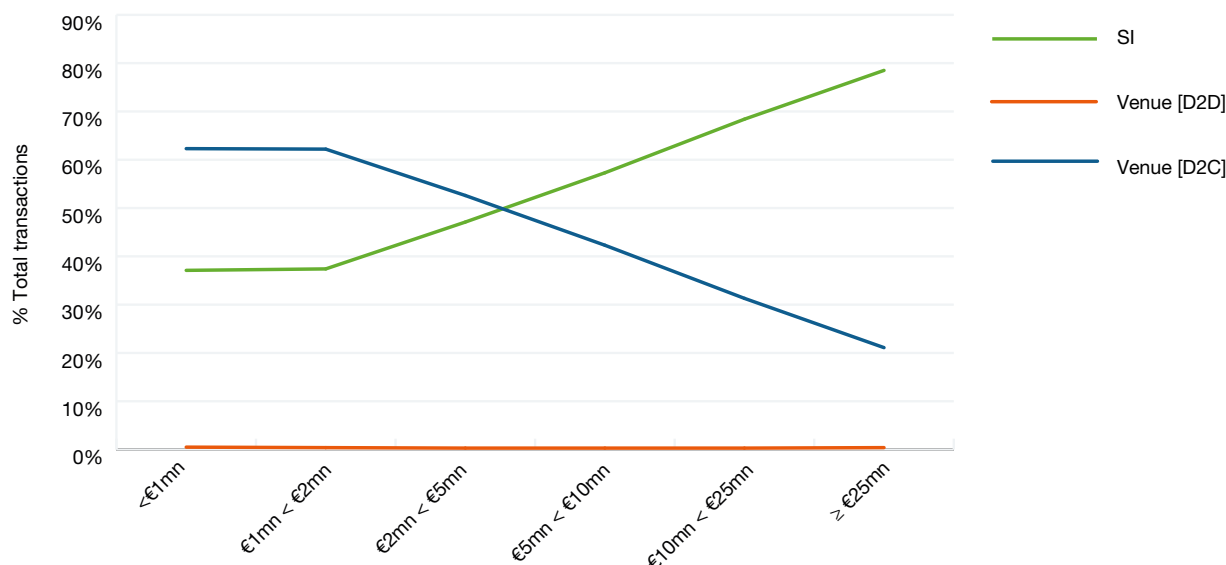
Trade Size Distribution by Distribution Channel, 2022. (EUR Corporate Bonds): Notional value



Trade Size Distribution by Distribution Channel, 2022. (EUR Corporate Bonds): Trade count



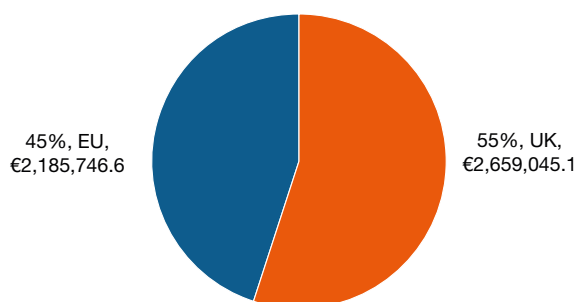
Trade Size Distribution by Distribution Channel, 2022. (EUR Corporate Bonds): % Total trade count



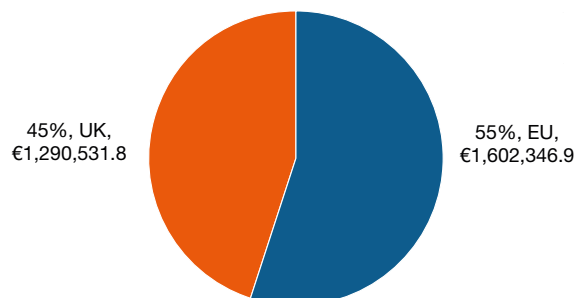
Traded volumes by jurisdiction

54.9% of the total notional traded volume of corporate bonds in 2022 (€2,659bn) was transacted in the UK, with 45.1% (€2,186bn) transacted in the EU. With respect to EUR denominated bonds, 55.4% (€1,602bn) was transacted in the EU, while 44.6% (€1,291bn) was transacted in the UK.

Total Corporate Bond Traded Volumes by Regulatory Jurisdiction. Notional Value (€mn equivalent), 2022



Total EUR Corporate Bond Traded Volumes by Regulatory Jurisdiction. Notional Value (€mn), 2022



Annex 1: Public data sources used in this report

Venue of Publication	Trading Venue Name	Jurisdiction	Member State	Trading Venue Types
ARIA	Arian Trading Facility (AOTF)	UK	UNITED KINGDOM	OTF
BMTF	Bloomberg Multilateral Trading Facility	UK	UNITED KINGDOM	MTF
BTFE	Bloomberg Trading Facility B.V.	EU	NETHERLANDS	MTF
BAPA	Bloomberg Data Reporting Services Ltd	UK	UNITED KINGDOM	APA
BAPE	Bloomberg Data Reporting Services B.V.	EU	NETHERLANDS	APA
TBSP	BondSpot S.A.	EU	POLAND	MTF
BVUK	BONDVISION UK	UK	UNITED KINGDOM	MTF
SSOB	MTS S.P.A. - Bond Vision Europe	EU	ITALY	MTF
EBMX	EBM - MTF	EU	ITALY	MTF
FXFM	Financial & Risk Transaction Services Ireland Limited - Forwards Matching	EU	IRELAND	MTF
FXRQ	Financial & Risk Transaction Services Ireland Limited - FXall RFQ	EU	IRELAND	MTF
KBLM	Kyte Broking Limited	UK	UNITED KINGDOM	OTF
MUFP	Mariana UFP OTF	UK	UNITED KINGDOM	OTF
MKTF	MARKET SECURITIES (FRANCE) SA	EU	FRANCE	OTF
MAEL	MarketAxess Europe MTF	UK	UNITED KINGDOM	MTF
MANL	MarketAxess NL B.V.	EU	NETHERLANDS	MTF
BMTS	MTS Belgium	EU	BELGIUM	MTF
FMTS	MTS France SAS	EU	FRANCE	MTF
MCAD	MTS S.p.A. - MTS Cash Domestic MTF	EU	ITALY	MTF
MTSC	MTS S.P.A. - MTS Italia	EU	ITALY	RM
MTSD	MTS Denmark	EU	BELGIUM	MTF
MTSF	MTS Finland	EU	BELGIUM	MTF
SQUA	Square Global Markets	UK	UNITED KINGDOM	OTF
TRDX	Trad-X	UK	UNITED KINGDOM	MTF
TRXE	TSAF OTC	EU	FRANCE	MTF
TREU	Tradeweb Europe Limited MTF	UK	UNITED KINGDOM	MTF
TWEM	Tradeweb EU B.V.	EU	NETHERLANDS	MTF
TREO	Tradeweb OTF	UK	UNITED KINGDOM	OTF
TWEO	Tradeweb EU B.V.	EU	NETHERLANDS	OTF
TREA	Tradeweb Europe Limited	UK	UNITED KINGDOM	APA
TWEA	Tradeweb EU B.V.	EU	NETHERLANDS	APA
TSAF	TSAF OTC	EU	FRANCE	OTF
TCDS	Tradition OTF	UK	UNITED KINGDOM	OTF
TEUR	Tradition España OTF	EU	SPAIN	OTF
TRAX	Xtrakter Limited	UK	UNITED KINGDOM	APA
TRNL	MarketAxess Post-Trade B.V.	EU	NETHERLANDS	APA
FXOP	Tradition-NEX OTF	UK	UNITED KINGDOM	OTF

About ICMA

The mission of ICMA is to promote resilient and well-functioning international and globally integrated cross-border debt securities markets, which are essential to fund sustainable economic growth and development.

ICMA is a membership association, headquartered in Switzerland, committed to serving the needs of its wide range of members. These include public and private sector issuers, financial intermediaries, asset managers and other investors, capital market infrastructure providers, central banks, law firms and others worldwide.

ICMA currently has over 600 members in 66 jurisdictions worldwide. ICMA brings together members from all segments of the wholesale and retail debt securities markets, through regional and sectoral member committees, and focuses on a comprehensive range of market practice and regulatory issues which impact all aspects of international market functioning. ICMA prioritises three core areas – primary markets, secondary markets, repo and collateral: with two cross-cutting themes of sustainable finance and FinTech.

About the SMPC

The ICMA Secondary Market Practices Committee is an open forum for sell-side and buy-side ICMA member firms active in the international, cross-border secondary bond markets. Through open dialogue and engagement, as well as through its subsidiary working groups and work-streams, it seeks to be the representative body of the international, cross-border secondary bond markets: addressing practical issues directly relevant to market practitioners; standardising market best practice; disseminating relevant market information; and promoting the best interests of efficient and liquid markets.

More information about the SMPC can be found on the [ICMA website](#).

About Propellant.digital

Propellant.digital is a data analysis fintech combining public and proprietary data to empower advanced analytics and drive business decisions. It is an open, cloud-native, turnkey solution built on stringent security certified services.

Born in 2021, its mission is to take financial markets information and make it transparent, accessible, affordable and useful to all parties in the ecosystem. Propellant.digital was founded by Vincent Grandjean, and Allan Horgan, both professionals who have a long history in Capital Markets and wanted to leverage their experience to create a cost-effective solution. It has already attracted 18 clients in just over one year, working with global banks, asset managers, universities and regulatory bodies.

Propellant.digital's strategy is unique as the firm wants to include public data as well as proprietary data, to provide a low-cost solution for all sizes of firms.

For more information please email info@propellant.digital or visit propellant.digital.

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