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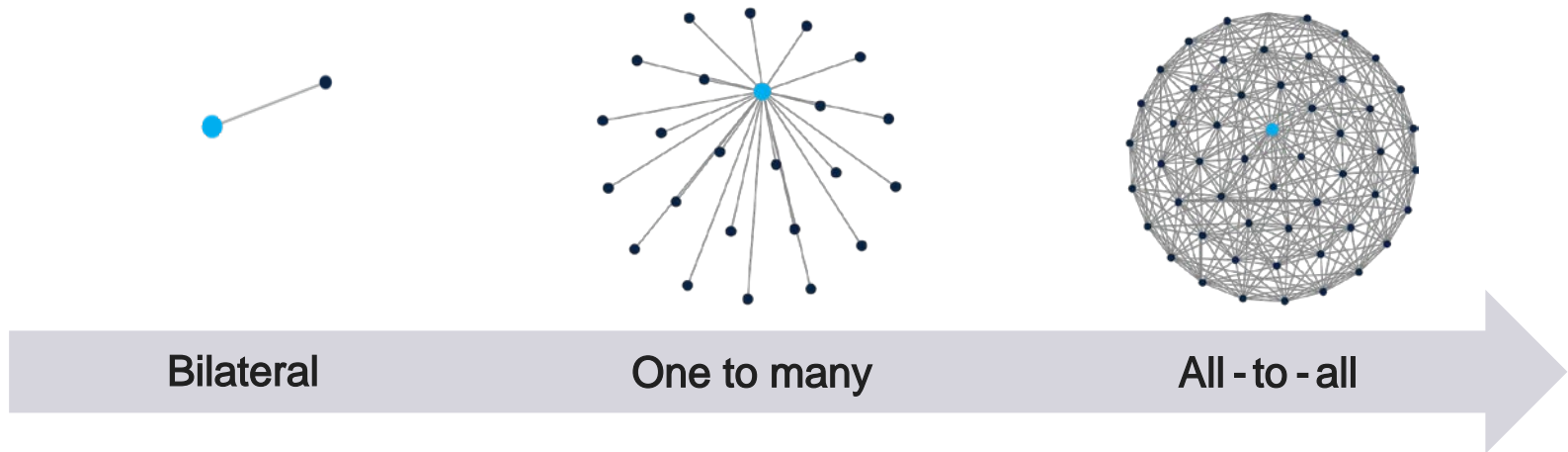
Presentation to the ECB Bond Contact Group

27th May 2021

BlackRock[®]

All-to-all platforms and
non-bank market makers

Evolution of all-to-all platforms



Benefits of all-to-all trading for end-investors

Anonymous Execution

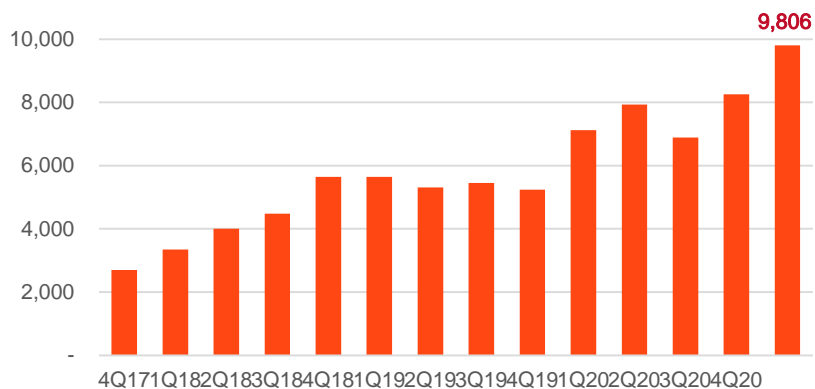
Enhanced Liquidity

Cost Savings

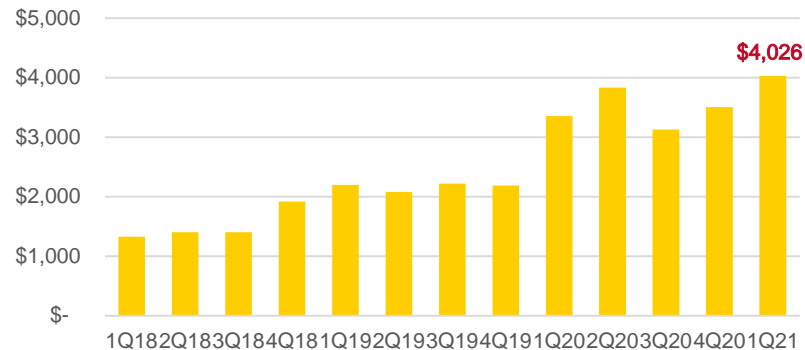
Protocol Flexibility

All - to - all trading trends

Average Daily Trade Count



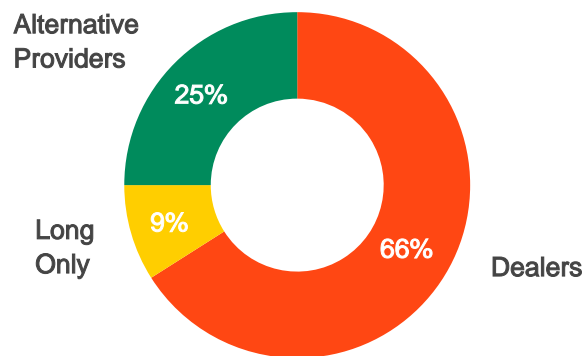
Average Daily Volume (\$MM)



Key Highlights



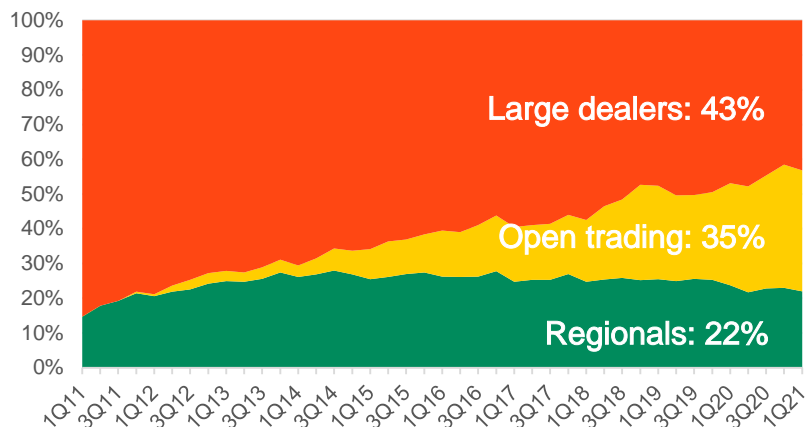
Liquidity Provision by Participant Type



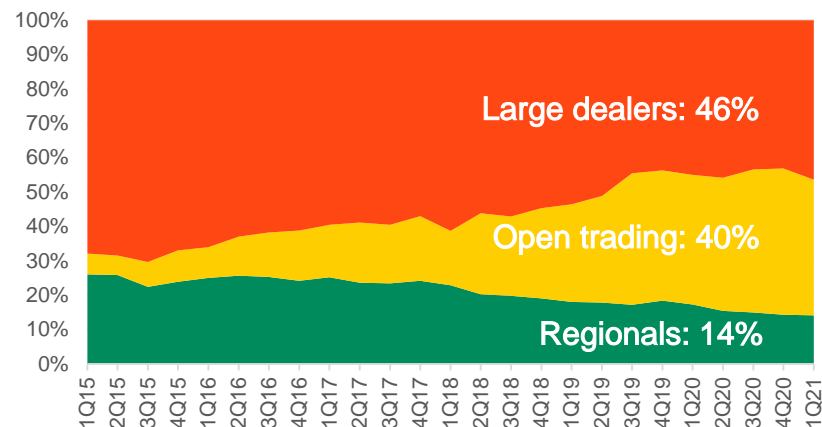
Source: MarketAxess

Impact of non-traditional liquidity providers

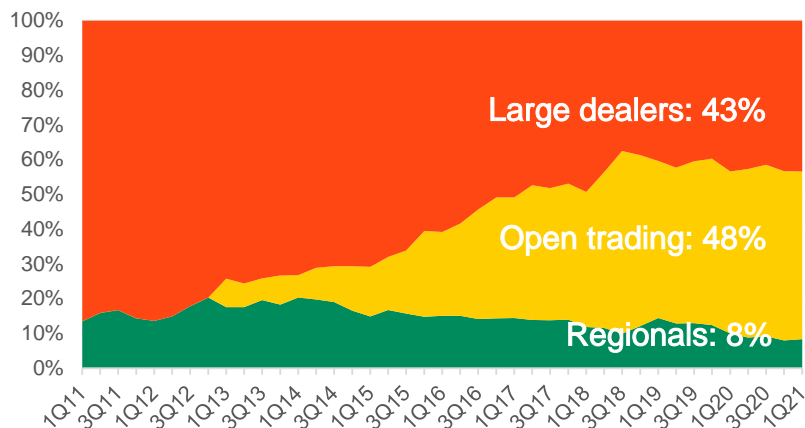
US Investment Grade



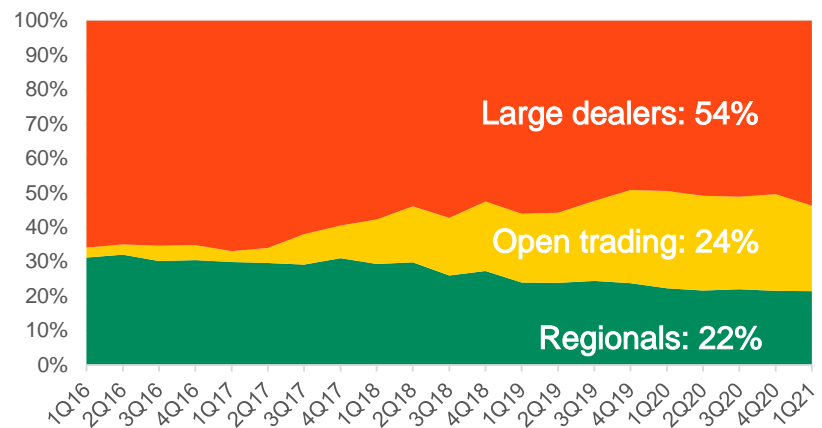
Emerging Markets



US High Yield



Eurobonds



Source: MarketAxess

Observations

- Greenwich Associates estimated that all-to-all trading accounted for the following percentage of IG trading (this is across all platforms):
 - 5% of volume in 2017
 - 8% of volume in 2019
 - 12% of volume in 2020
- Within Blackrock percentages are lower than mentioned above mainly due to ticket size
- 2/3 of investors regard finding liquidity for 15mio+ corporate tickets still 'hard' (better than in previous years)
- 84% of corporate bond investors believe there is value in buy side providing liquidity
- Concerns of unintended information leakage still a concern for half of the investors
- Traditional disclosed RFQ down to about half of e-trading turnover as other protocols like anonymous RFQ or auctions increase
- 1/3 of buy side investors see themselves as regular provider of liquidity (technology and trader training a hurdle for some)

Discussion

- What are the reasons for the growing share of all-to-all trading and non-bank liquidity especially since covid?
- Is this trend expected to continue?
- Is this a positive development or are there concerns?
- What catalysts would potentially help to drive more all-to-all trading? More transparency / technology / data?
- As all-to-all platforms become increasingly important, is systemic risk a problem if a platform has a technical outage?
- Do platforms have sufficient skin in the game / liability in the event of an error or outage? What should their responsibility be?
- Much of the current advancement in all-to-all trading is in Credit markets – what other product segments might be next?