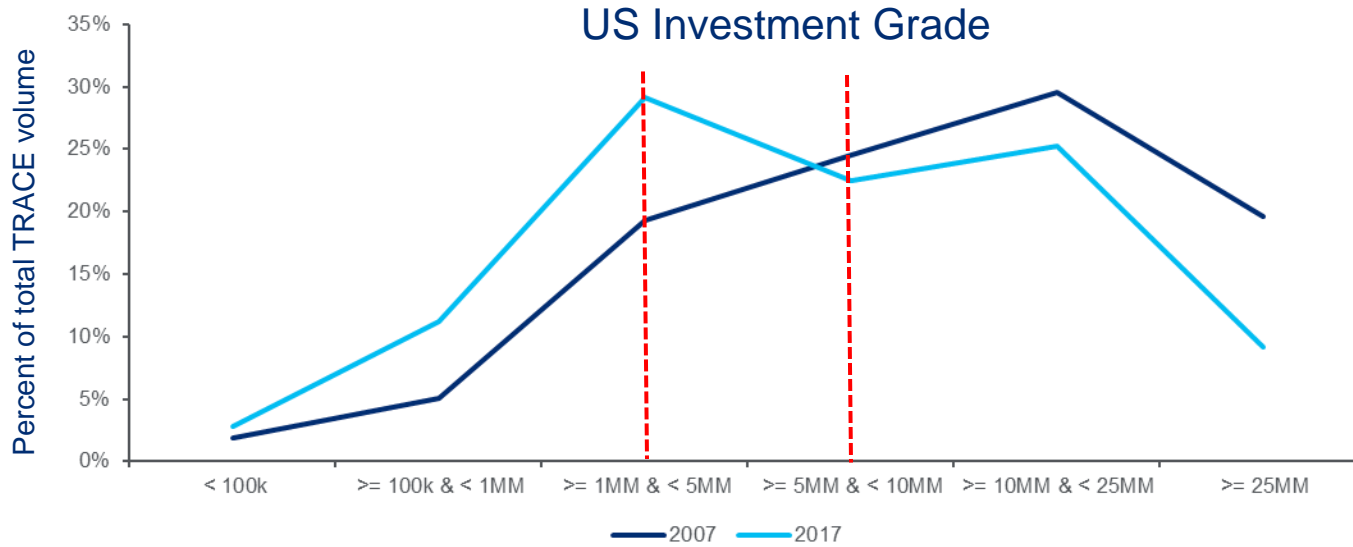


SEC FIMSAC Panel – Transparency Considerations

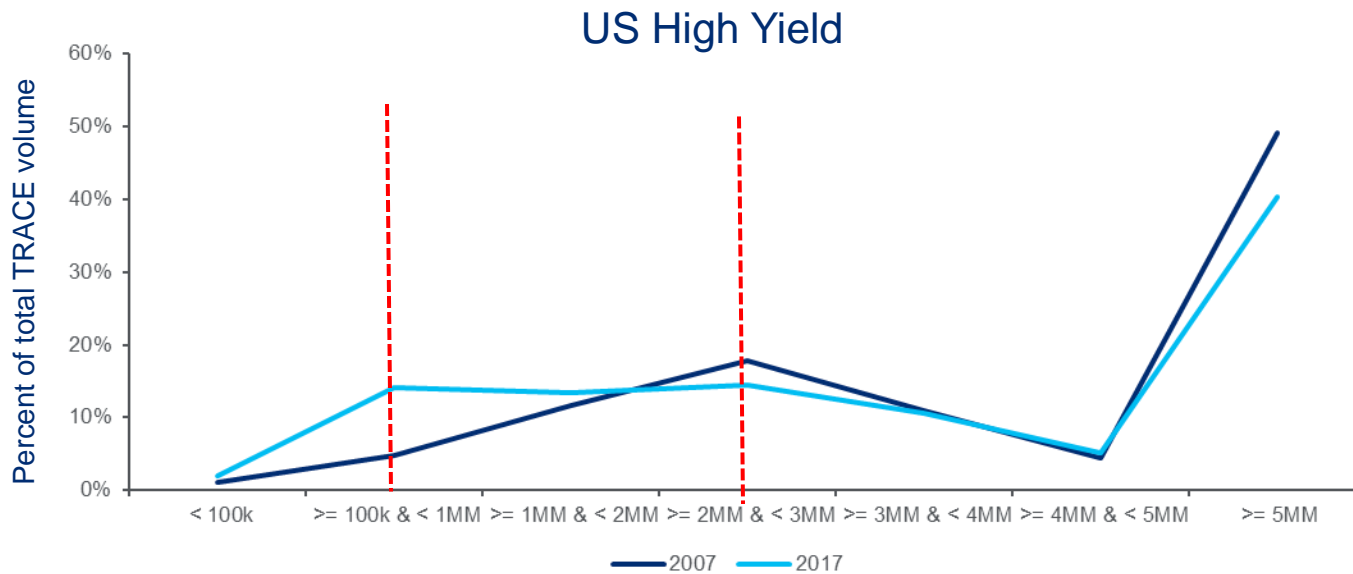
Brian Archer, Global Head of Credit Trading

April 9, 2018

TRACE volume trends by notional bucket – 2007 vs 2017



IG volumes have migrated significantly toward <5mm ticket size between 2007-2017

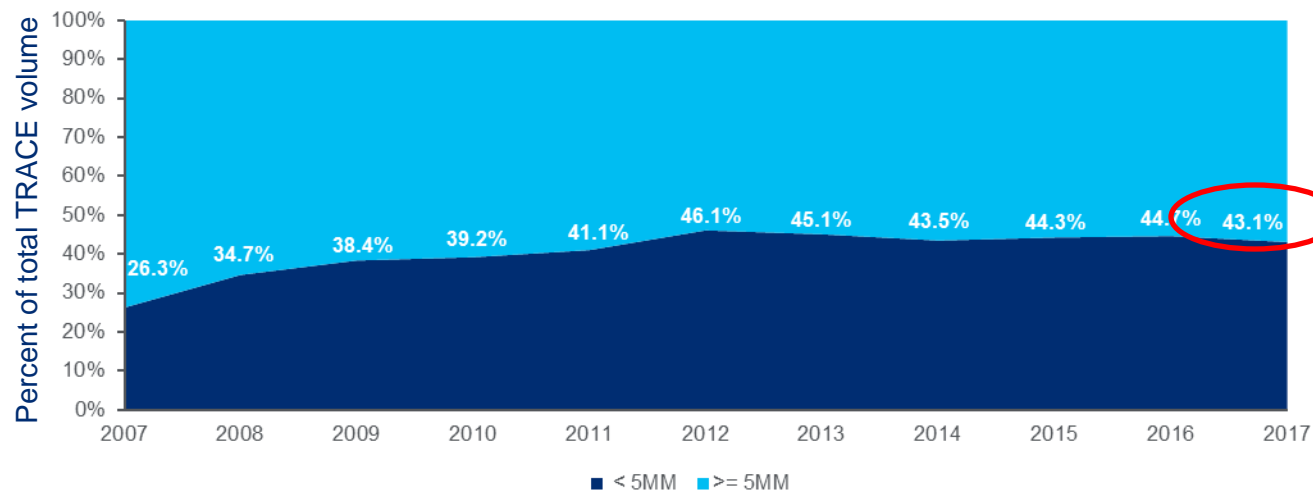


HY volumes have migrated toward <1mm ticket size between 2007-2017

Source: FINRA TRACE.

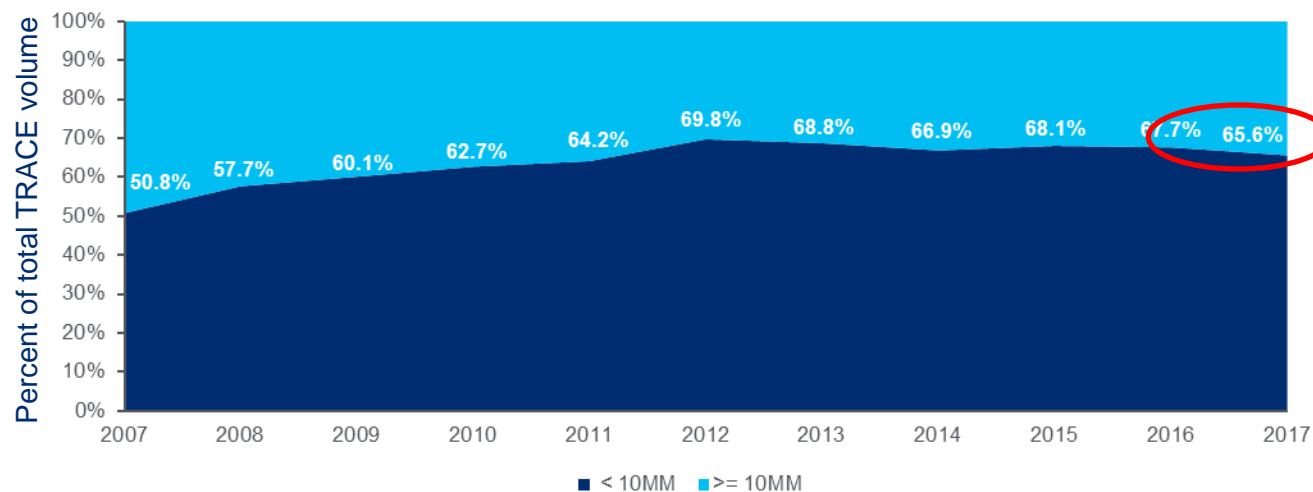
TRACE IG real-time dissemination volumes – current and proposed

Current 5mm cap



In 2017, 43.1% of IG volume was reported uncapped

Proposed 10mm cap

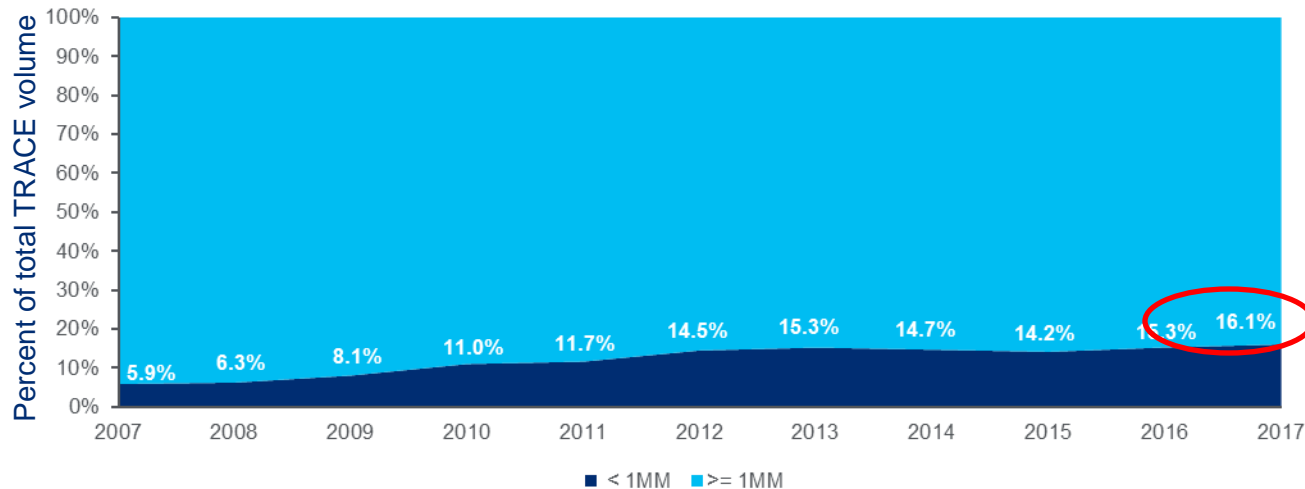


In 2017, increasing the IG cap to 10MM would have **increased uncapped dissemination volume by 22.5% (0.5x)** to 65.6%

Source: FINRA TRACE.

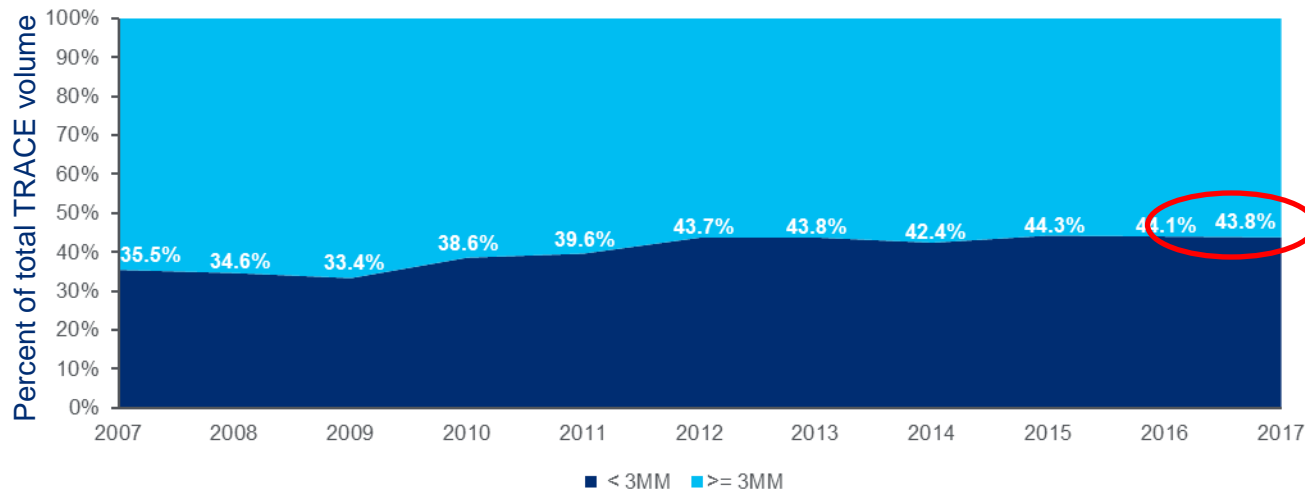
TRACE HY real-time dissemination volumes – current and proposed

Current 1mm cap



In 2017, 16.1% of HY volume was reported uncapped

Proposed 3mm cap

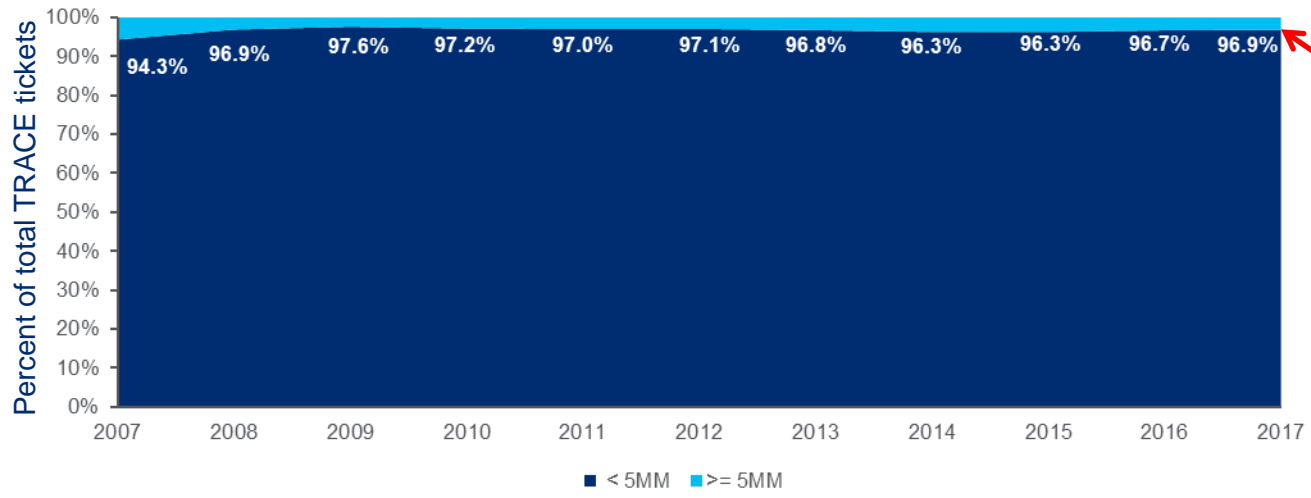


In 2017, increasing the HY cap to 3MM would have increased uncapped real-time dissemination volume by 27.7% (1.7x) to 43.8%

Source: FINRA TRACE.

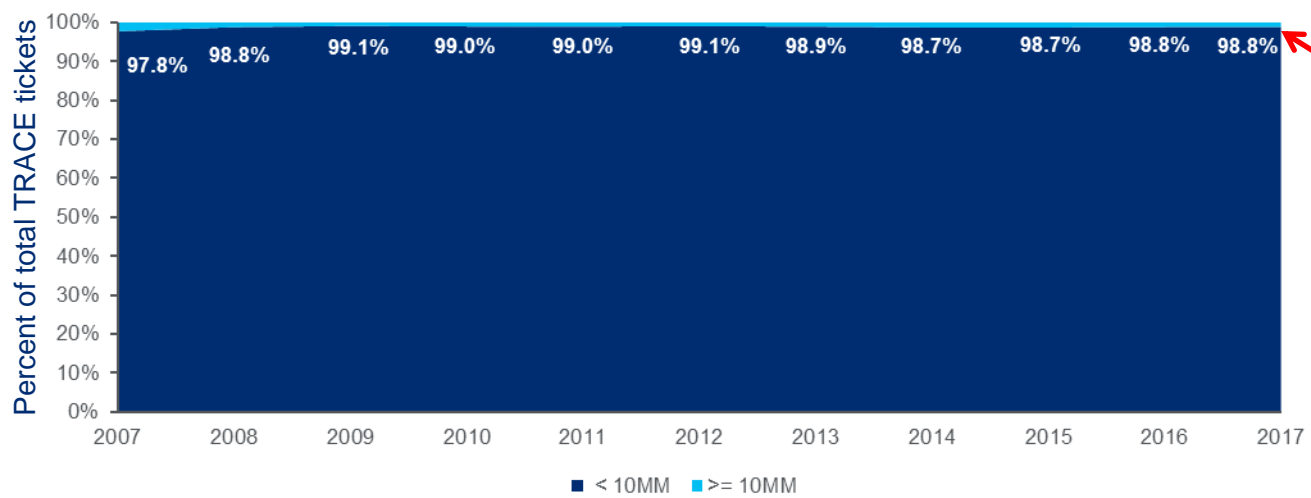
TRACE IG real-time dissemination ticket count – current and proposed

Current 5mm cap



In 2017, 3.1% of IG tickets were subject to 5mm+ cap designation

Proposed 10mm cap

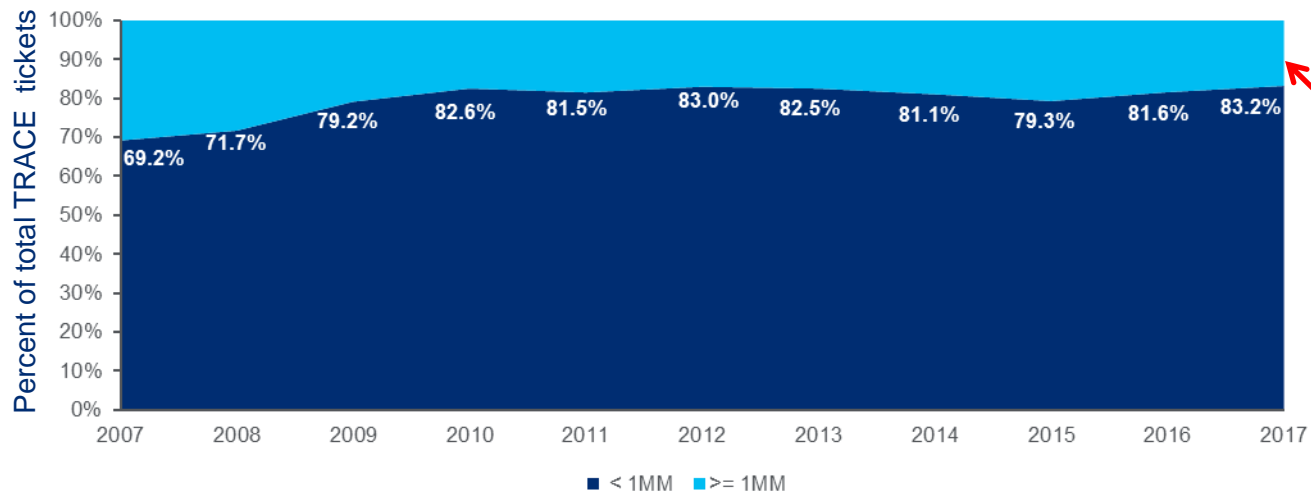


In 2017, increasing the IG cap to 10MM would result in 1.2% (0.39x) of tickets subject to 10mm+ cap designation and delayed reporting

Source: FINRA TRACE.

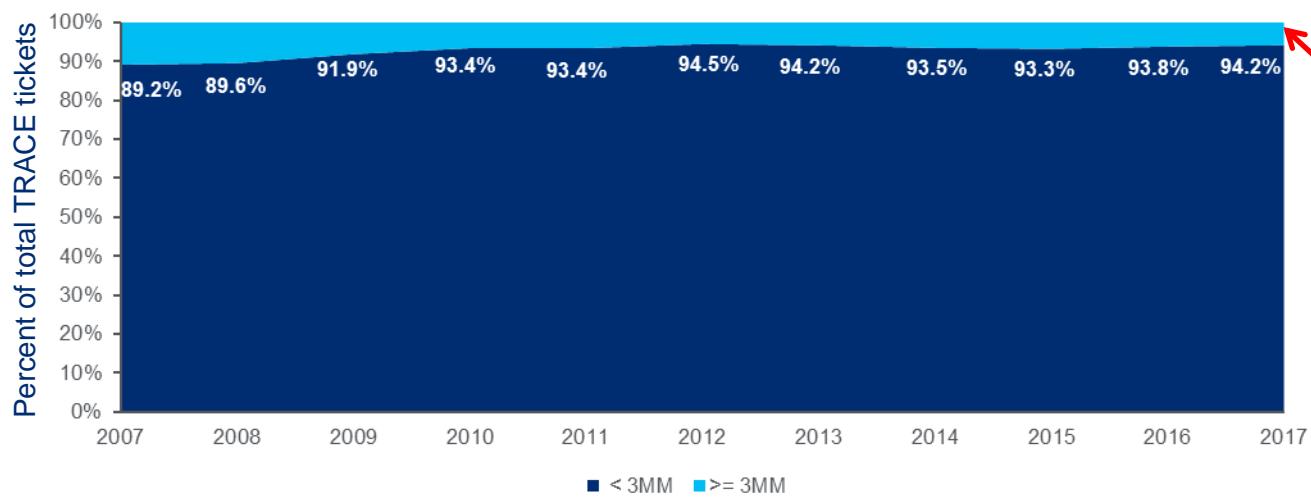
TRACE HY real-time dissemination ticket count – current and proposed

Current 1mm cap



In 2017, 16.8% of HY tickets were subject to 1mm+ cap designation

Proposed 3mm cap

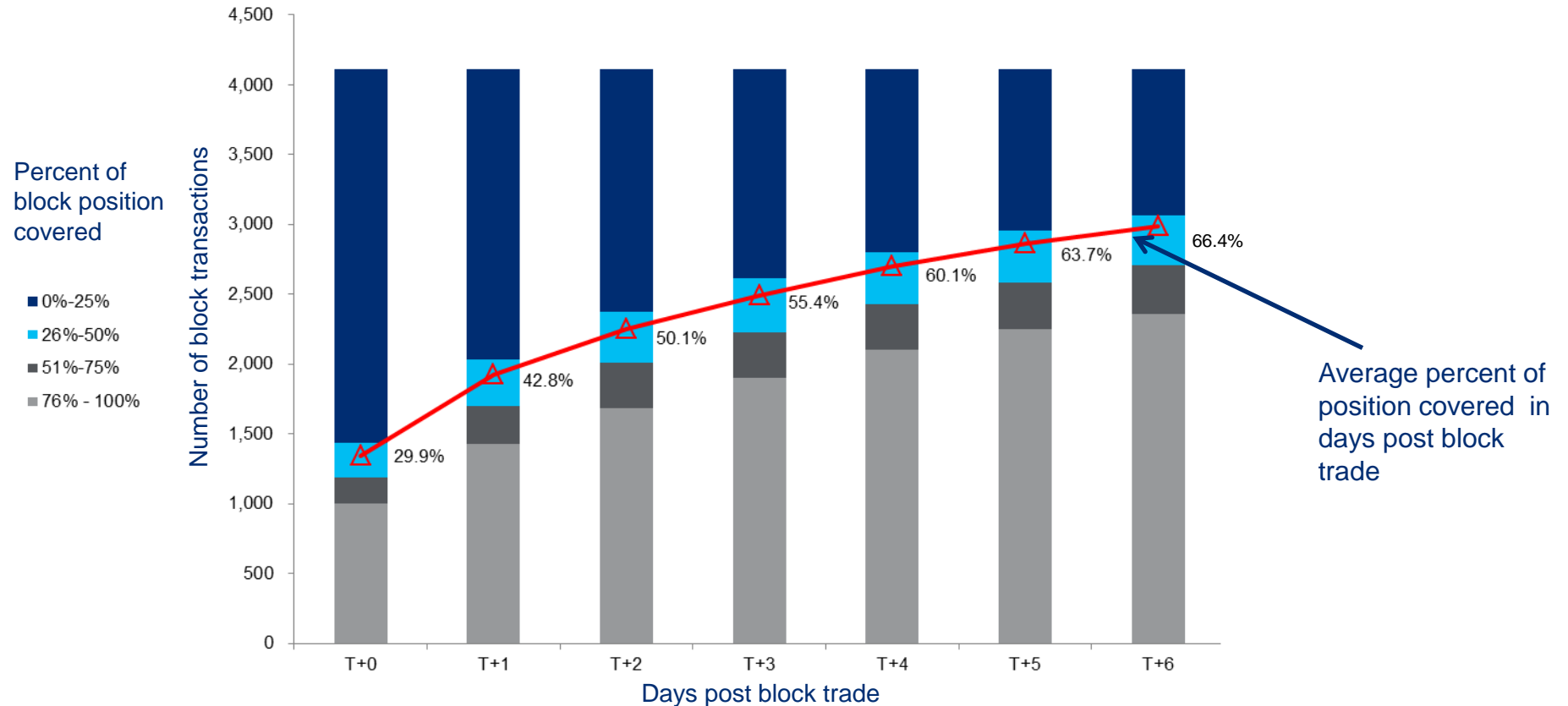


In 2017, increasing the HY cap to 3MM would result in 5.8% (0.35x) of tickets subject to 3mm+ cap designation and delayed reporting

Source: FINRA TRACE.

TRACE delay proposal – risk recycle timeframe for IG blocks

Citi US IG risk recycle metrics following block trades



Source: Citi. Continuous sample of ~4,000 US IG 10mm+ trades, excluding short-end and multiple block trades in same direction

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