SEC FIMSAC Panel – Transparency Considerations

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TRACE volume trends by notional bucket – 2007 vs 2017

US Investment Grade

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

US High Yield

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

Source: FINRA TRACE.
In 2017, 43.1% of IG volume was reported uncapped.

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

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

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.
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

Average percent of position covered in days post block trade

Days post block trade

Percent of block position covered
- 0%-25%
- 26%-50%
- 51%-75%
- 76% - 100%

Number of block transactions

0 500 1,000 1,500 2,000 2,500 3,000 3,500 4,000 4,500

T+0  T+1  T+2  T+3  T+4  T+5  T+6
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