

September Spotlight: Order Book Volumes Surge, and the Libor Transition Looms Large

September Data Spotlight: U.S. Treasury Trading

September 13, 2019

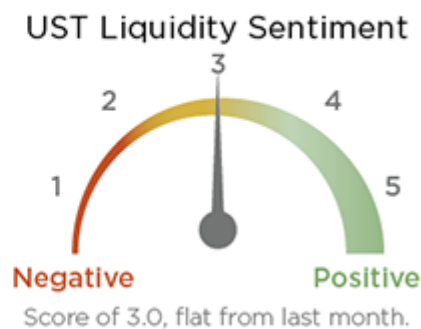
Executive Summary:

September 2019

Key Takeaways for August 2019

- **The rate cut on July 31st elevated volumes** in what is traditionally a slow summer month, with the first two weeks providing a big bounce for trading platforms as market participants waited for the Federal Reserve's rate cut announcement.
- **Central limit order book markets saw their best month in at least a year**, with market volatility catalyzing electronic market-maker activity at those venues.
- **SOFR futures open interest hit another record at the end of August** but remains just shy of 2.2% of Eurodollar future open interest.

UST MARKET-LIQUIDITY SENTIMENT



UNDERSTANDING THE GREENWICH UST SENTIMENT AND LIQUIDITY SCORES

Each month we poll a select group of top-tier U.S. Treasury market participants. The group includes primary dealers, broker-dealers, asset managers, hedge funds, and electronic market makers. The responses are aggregated and averaged to generate the monthly scores. Respondents are left to interpret "sentiment" and "liquidity" based on their unique vantage point.

Methodology:

Greenwich Associates continuously gathers data and insights from U.S. Treasury market participants including asset managers, hedge funds, primary dealers, market makers, and trading platforms. The data, once aggregated, normalized and enhanced, is analyzed by our market structure research team who identify key areas of change and the likely direction of volume, holdings, market share and other trends in the coming months.



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