

October Spotlight: U.S. Treasury Market Continues to Function Despite Volatile Environment

October Data Spotlight: U.S. Rates Trading

October 17, 2022

Executive Summary:

U.S. Treasury trading market structure has been under heavy scrutiny since the flash rally eight years ago this month. The chaos of March 2020 reinvigorated the conversation, particularly in policy circles, that the abrupt moves and episodic illiquidity in the U.S. Treasury market over the past several years meant that something had to change. Times like these are exactly why the Treasury market has evolved to allow trading via several different protocols. Conversations with market participants suggest that dealers are offering better prices through direct streams, where client and dealer know each other, than they are in anonymous markets.

Methodology:

Coalition Greenwich 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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