

February Spotlight: Regulatory Proposals and CDS Volume Signal Change in Credit Markets

February Data Spotlight: U.S. Credit Trading

February 15, 2022

Executive Summary:

U.S. corporate bond trading volume showed signs of life to start 2022, with volumes averaging \$36 billion per day in January. This is 7% above the full-year average for 2021, although 12% below the previous January. While the first quarter tends to be active historically, the start of 2022 is unique given expectations of interest rates rising and quantitative tightening, all while inflation remains elevated and hopes of a true economic reopening grow. Some of this concern can be seen in credit-default swap markets, where \$42 billion were traded each day on average in January—the most since \$56 billion traded daily at the start of the pandemic in March 2020.

Methodology:

Coalition Greenwich continuously gathers data and insights from credit market participants, including market makers, primary dealers and trading platforms. The data, once aggregated, normalized and enhanced, is analyzed by our market structure research team who identify the key trends of trading in the credit markets, with a focus on corporate bond electronic trading and trading platform market share.

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