

# MSCI Liquidity Risk Monitor Special Report

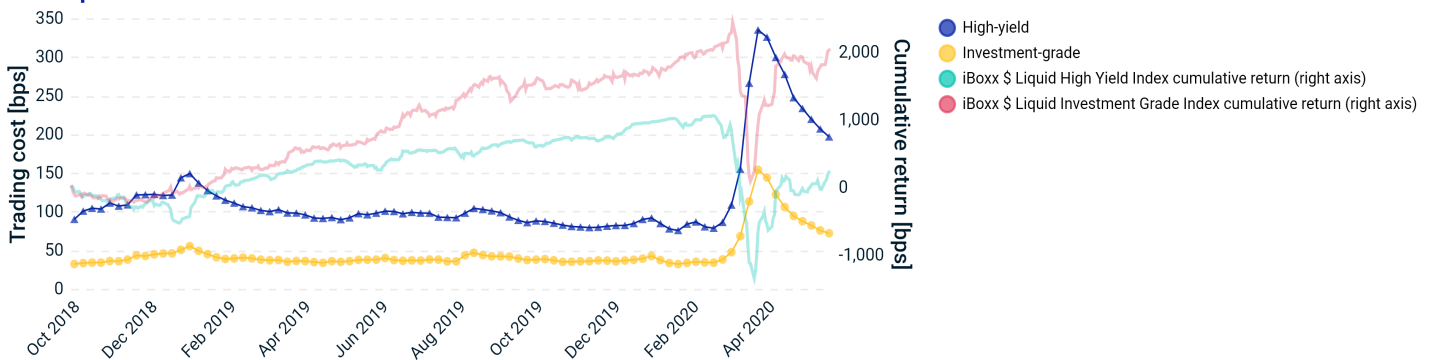
Data through May 21, 2020

Weekly report highlighting the behavior of key liquidity indicators during the COVID-19 global crisis

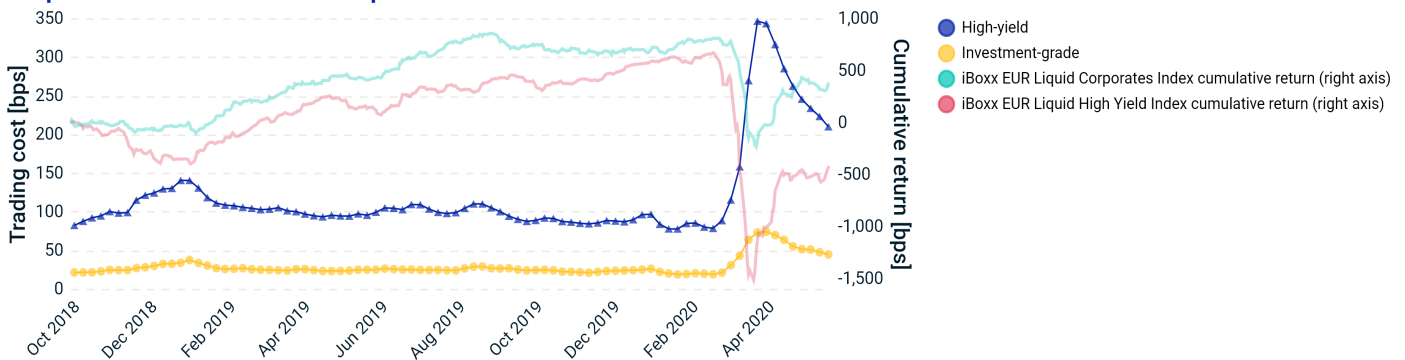
## Cost of forced selling of USD 10 million

- Transaction costs for both investment-grade and high-yield corporate bonds decreased further across all regions. Both bid-ask spreads and market impact have decreased since last week.
- The previously observed decreasing trend in quoted-price uncertainty appears to have halted. The dispersion of quoted prices did not improve and even increased slightly in the U.S. and in emerging markets.
- The market depth of investment-grade bonds of developed countries has shown significant improvement.

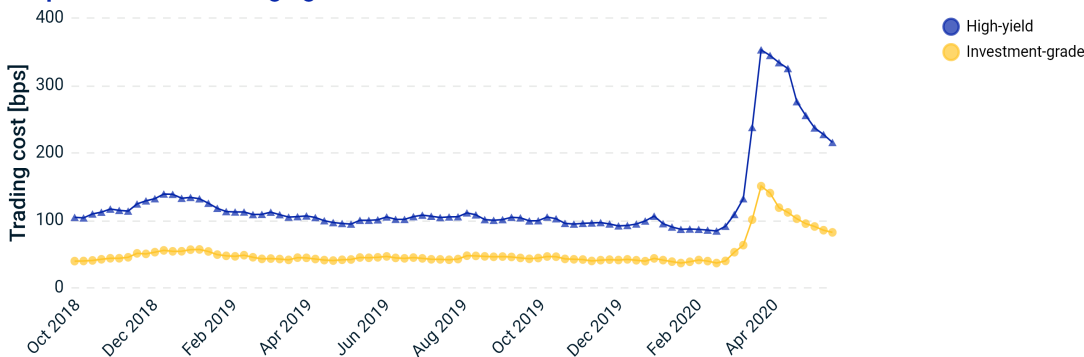
### US corporate bonds



### Corporate bonds - non-US developed countries



### Corporate bonds - emerging countries



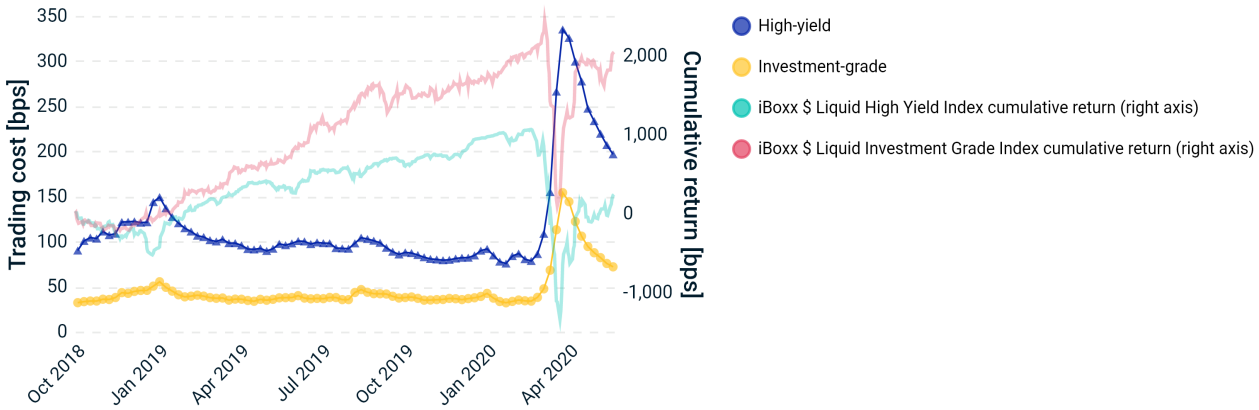
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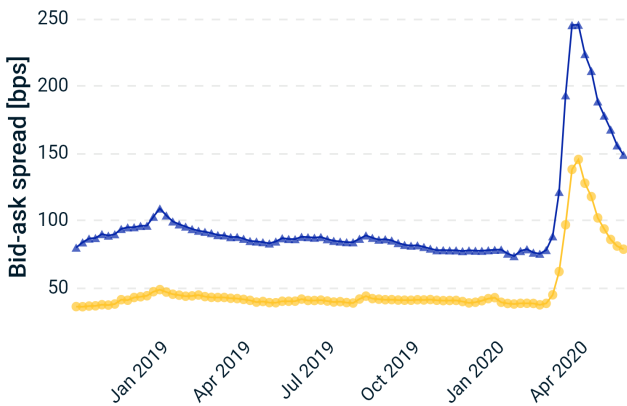
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## US corporate bonds

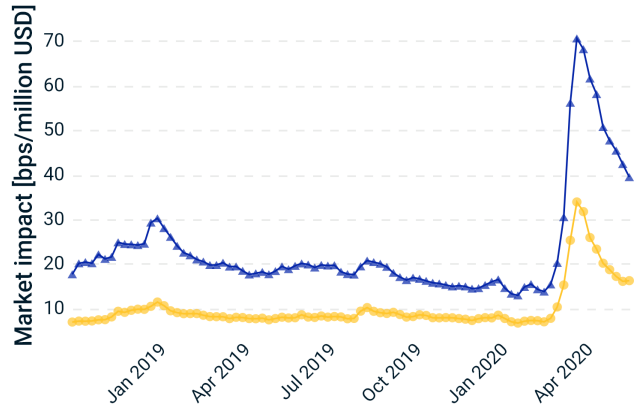
### Cost of forced selling of USD 10M in one trading day



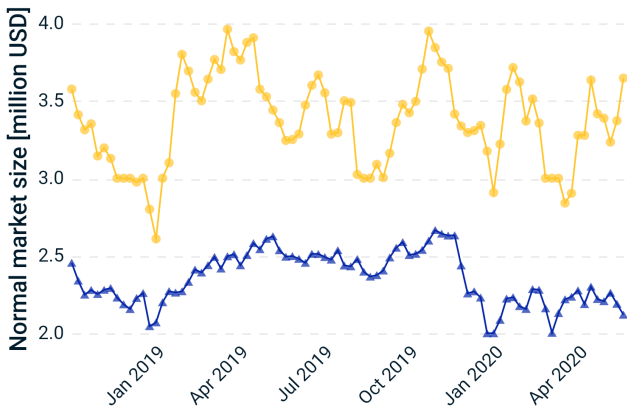
### Bid-ask spread



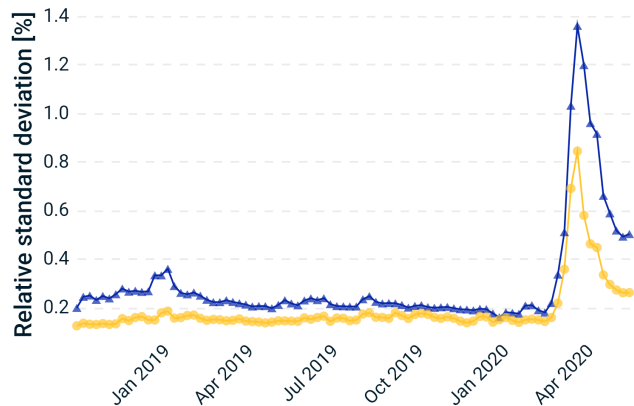
### Market impact



### Depth at best price



### Quoted price uncertainty



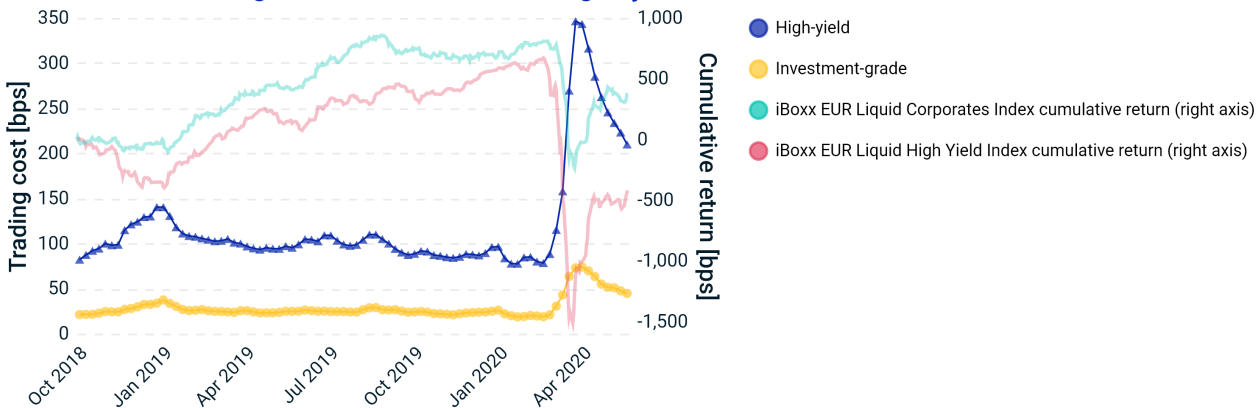
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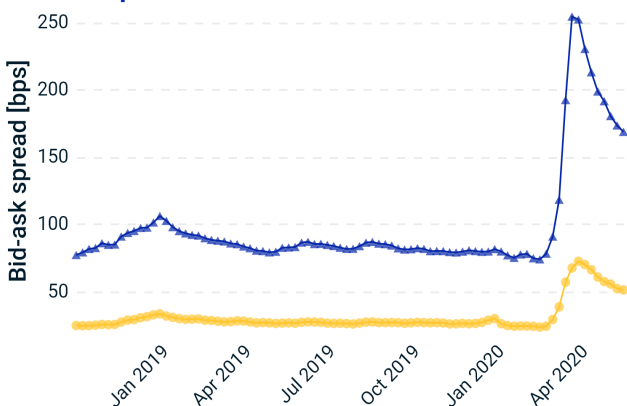
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## Corporate bonds - non-US developed countries

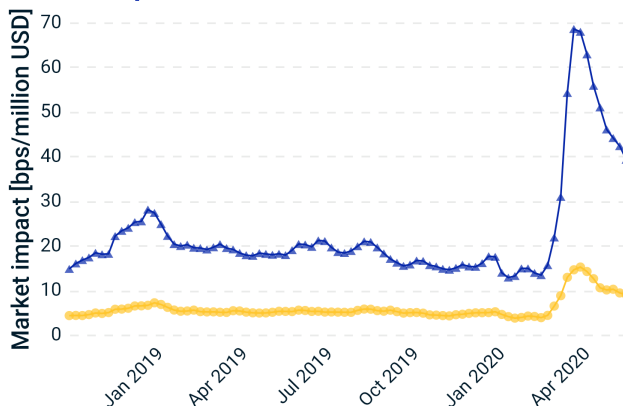
### Cost of forced selling of USD 10M in one trading day



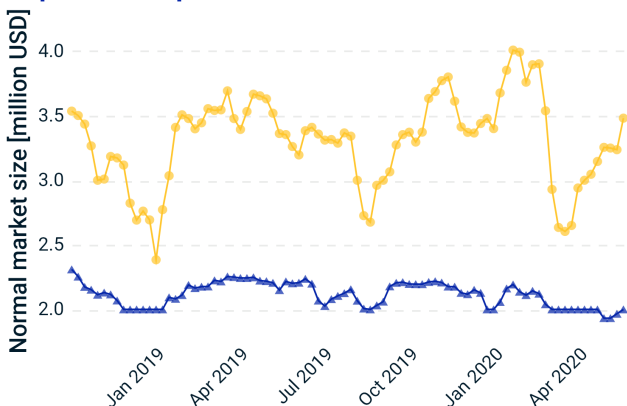
### Bid-ask spread



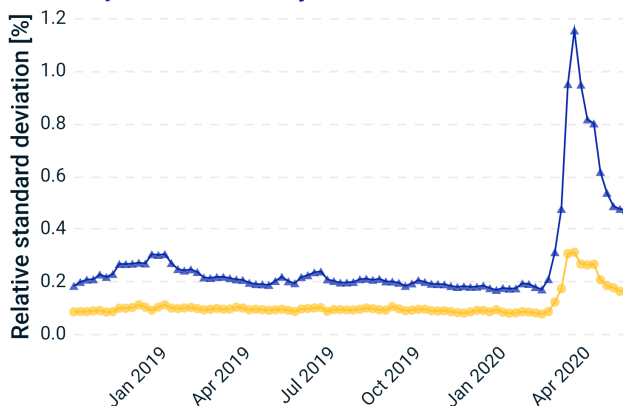
### Market impact



### Depth at best price



### Quoted price uncertainty



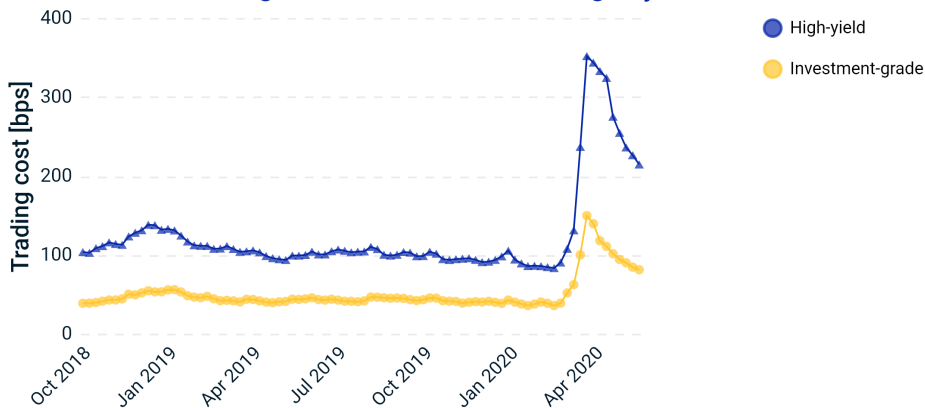
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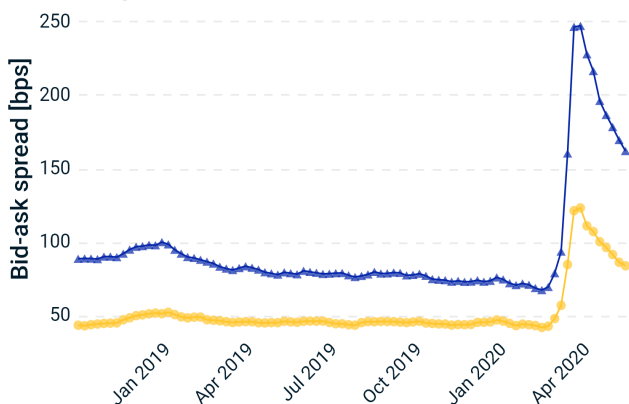
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## Corporate bonds - emerging countries

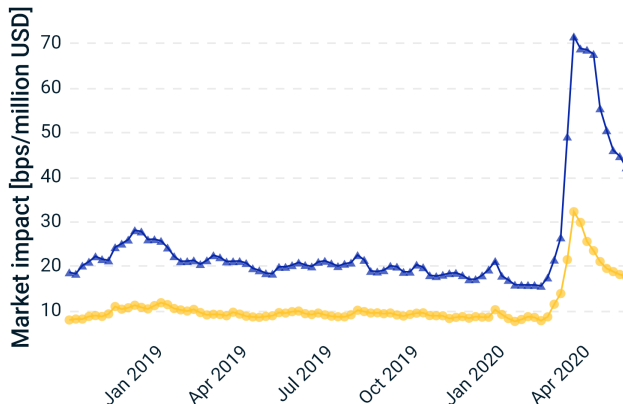
### Cost of forced selling of USD 10M in one trading day



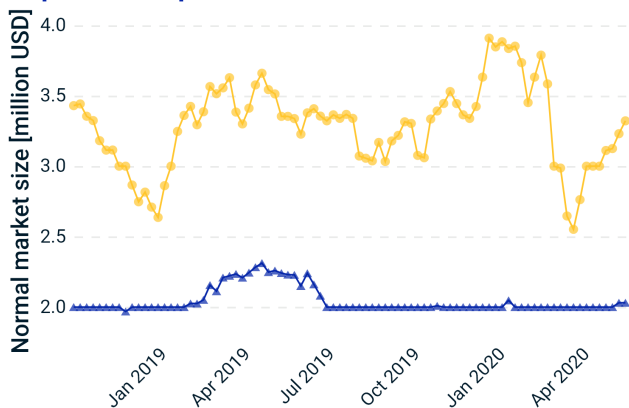
### Bid-ask spread



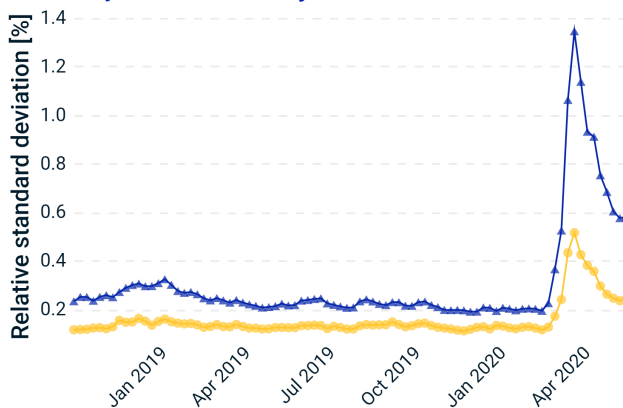
### Market impact



### Depth at best price



### Quoted price uncertainty



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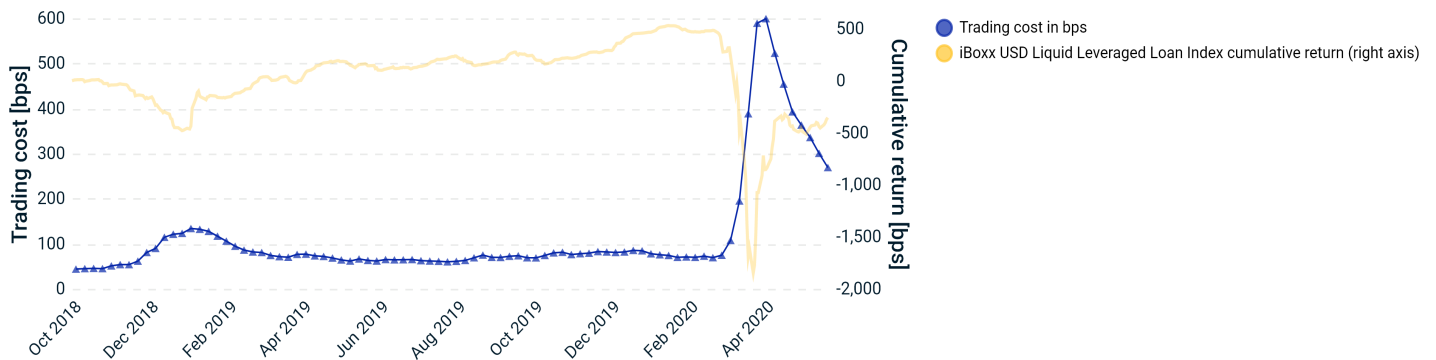
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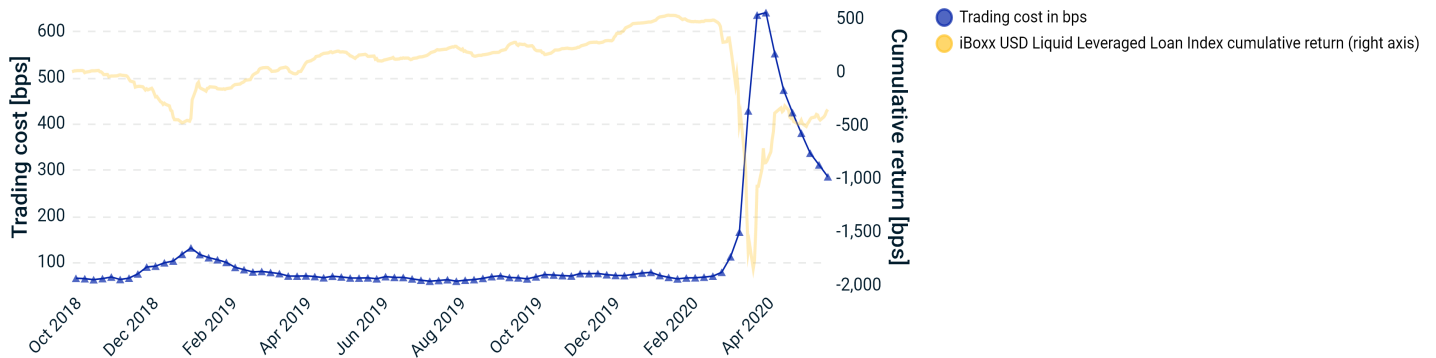
## Cost of forced selling of USD 10 million

- Transaction costs, including both the bid-ask spread and market impact components, have decreased further for both U.S. and non-U.S. bank loans over the last week.
- Unlike in the case of corporate bonds, the dispersion of quoted prices has decreased further across all regions. The quoted-price uncertainty of bank loans is similar to that of high-yield corporate bonds at around 0.5-0.6%.
- The market depth of U.S. bank loans continued to recover while for non-U.S. bank loans it remained low, significantly below the pre-crisis level.

### US bank loans



### Non-US bank loans



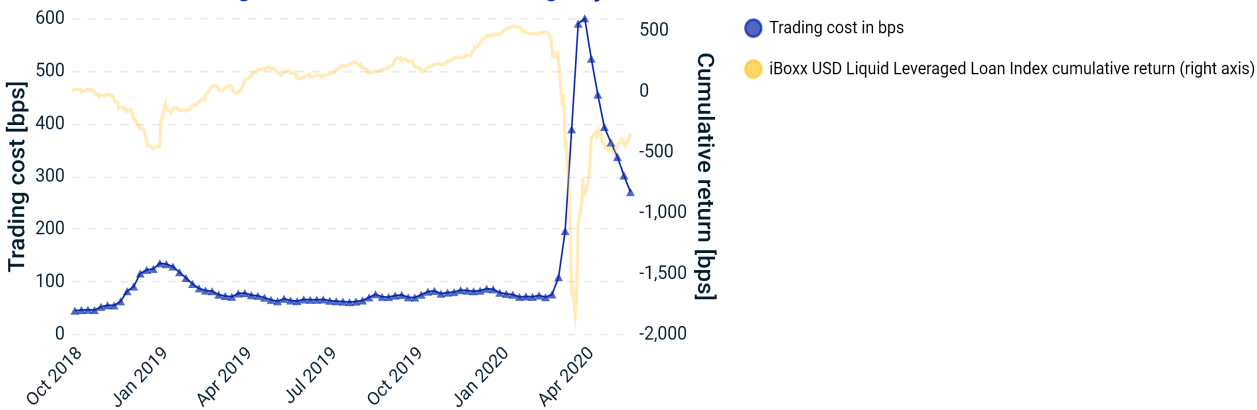
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## US bank loans

### Cost of forced selling of USD 10M in one trading day



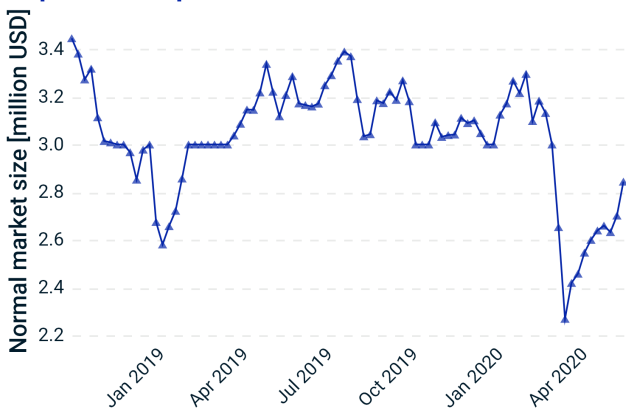
### Bid-ask spread



### Market impact



### Depth at best price



### Quoted price uncertainty



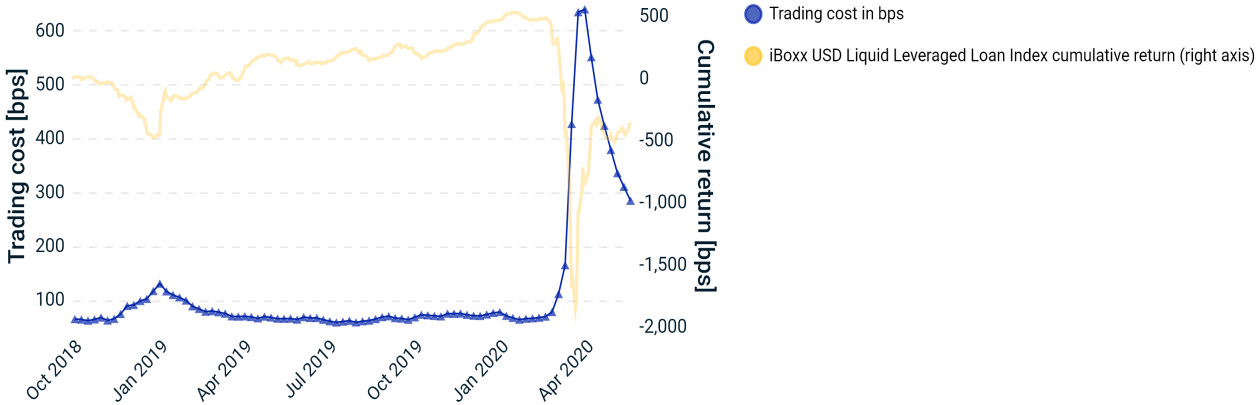
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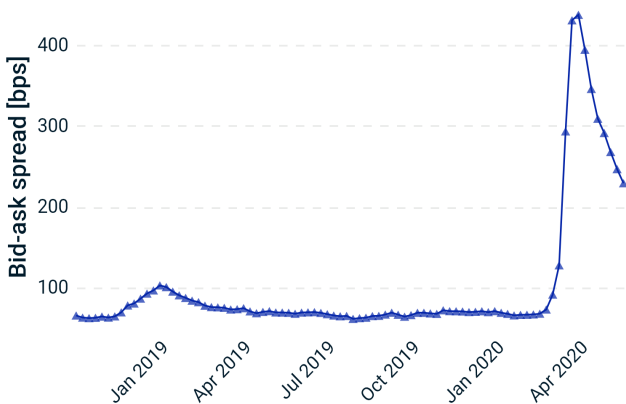
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## Non-US bank loans

### Cost of forced selling of USD 10M in one trading day



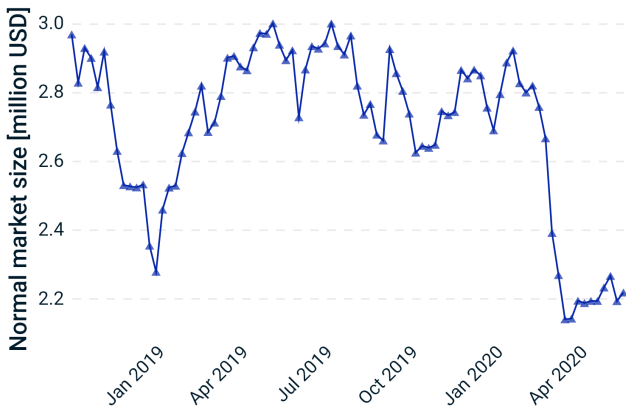
### Bid-ask spread



### Market impact



### Depth at best price



### Quoted price uncertainty

