

MSCI Liquidity Risk Monitor Report

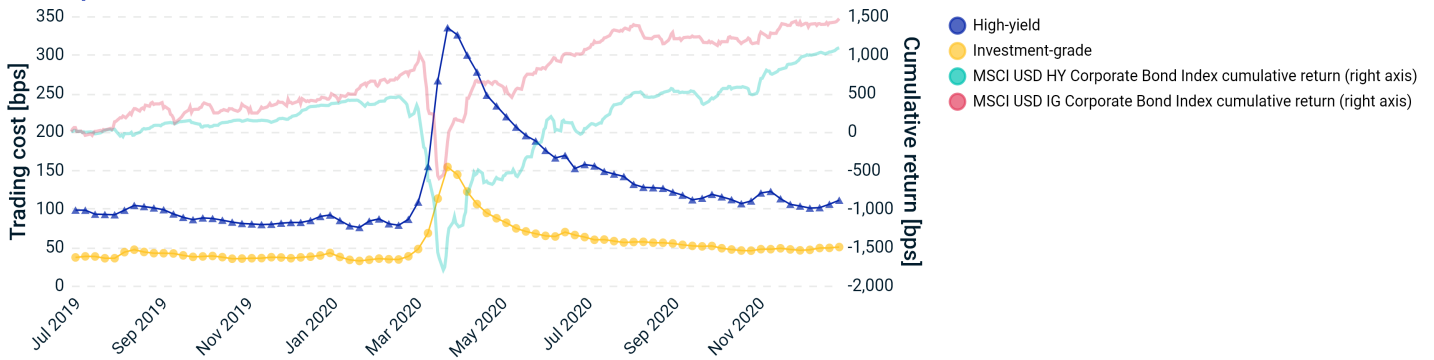
Data through December 31, 2020

Monthly report highlighting the behavior of key liquidity indicators in global markets

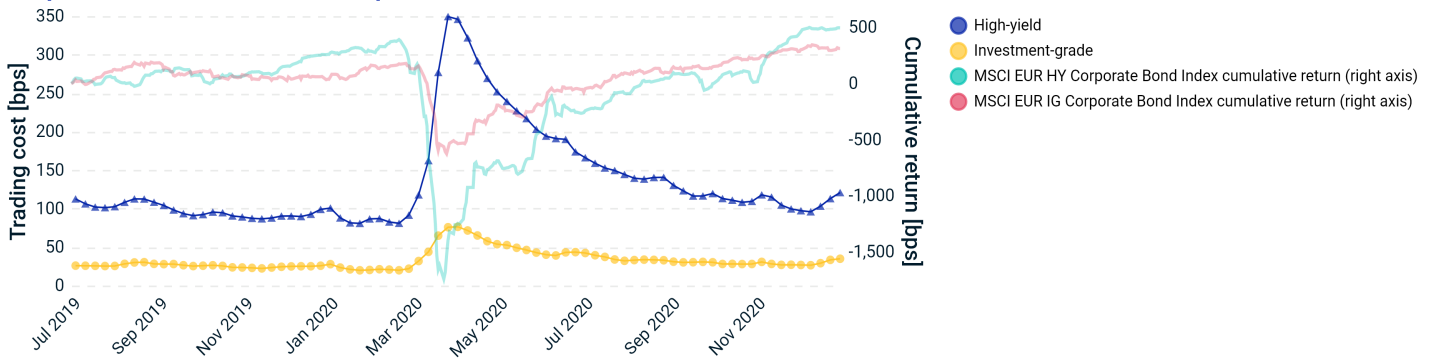
Corporate bonds liquidity - Cost of forced selling of USD 10 million

- Transaction costs have increased sharply for non-U.S. developed countries, and especially for the U.K. towards the end of 2020, mainly due to a significant increase in the market impact component of trading costs.
- In the U.S. a moderate increase in transaction costs was observed, while trading costs did not change significantly in emerging countries.
- Market depths generally decreased for corporate bonds of developed countries, however, this may be explained by the year-end.

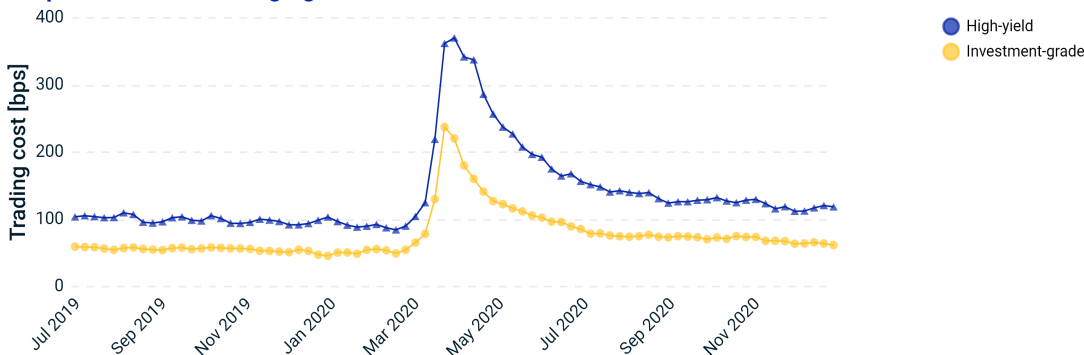
US corporate bonds



Corporate bonds - non-US developed countries



Corporate bonds - emerging countries



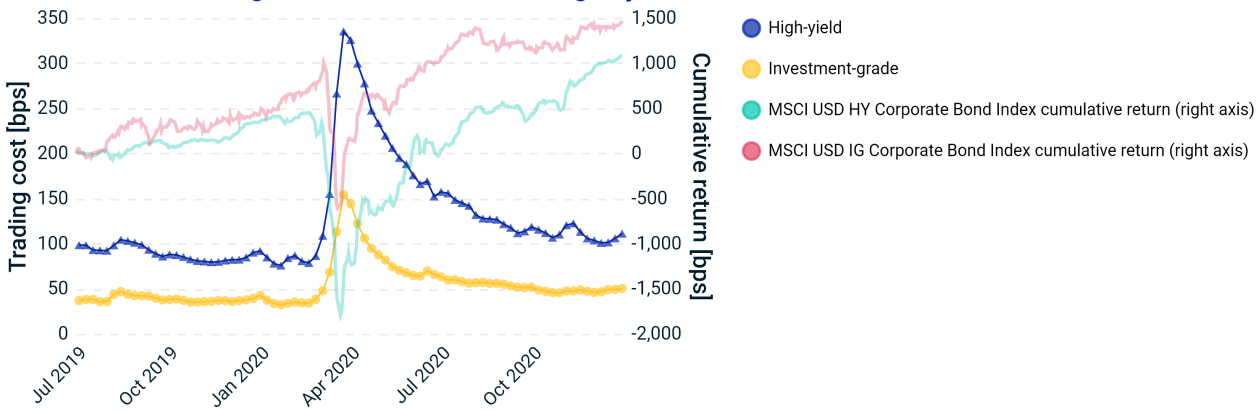
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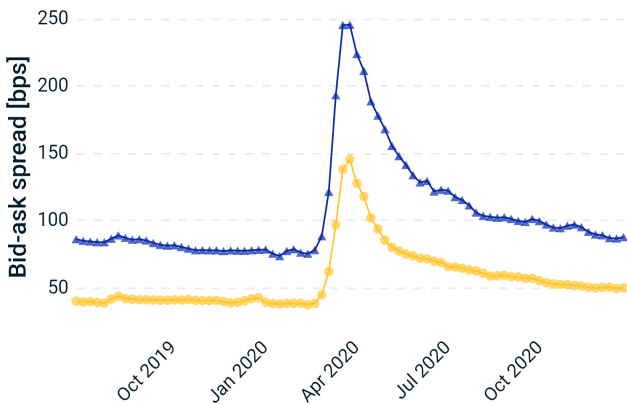
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US corporate bonds

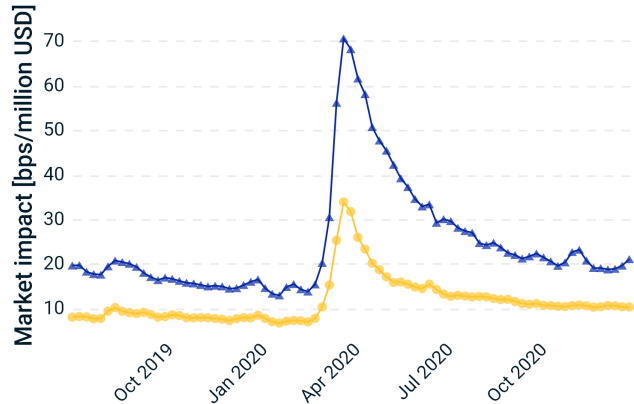
Cost of forced selling of USD 10M in one trading day



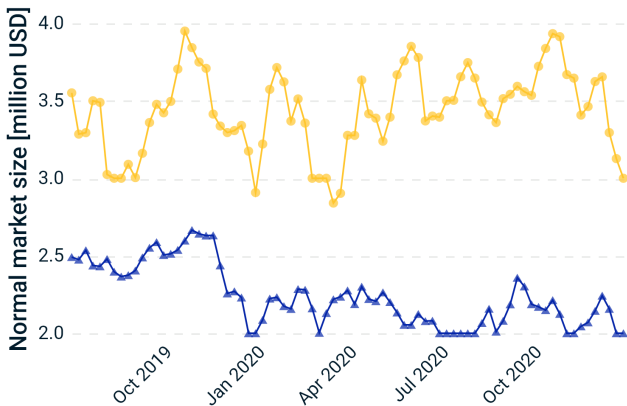
Bid-ask spread



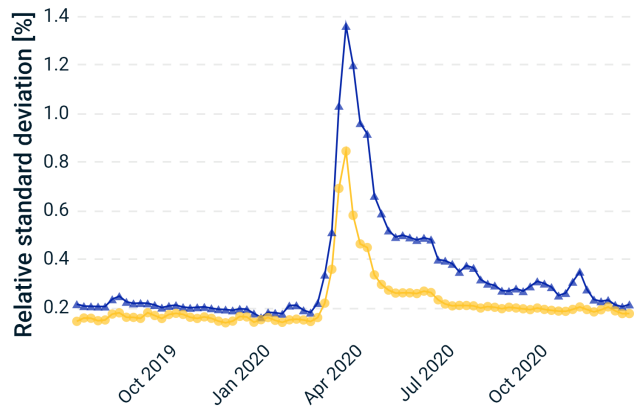
Market impact



Depth at best price



Quoted price uncertainty



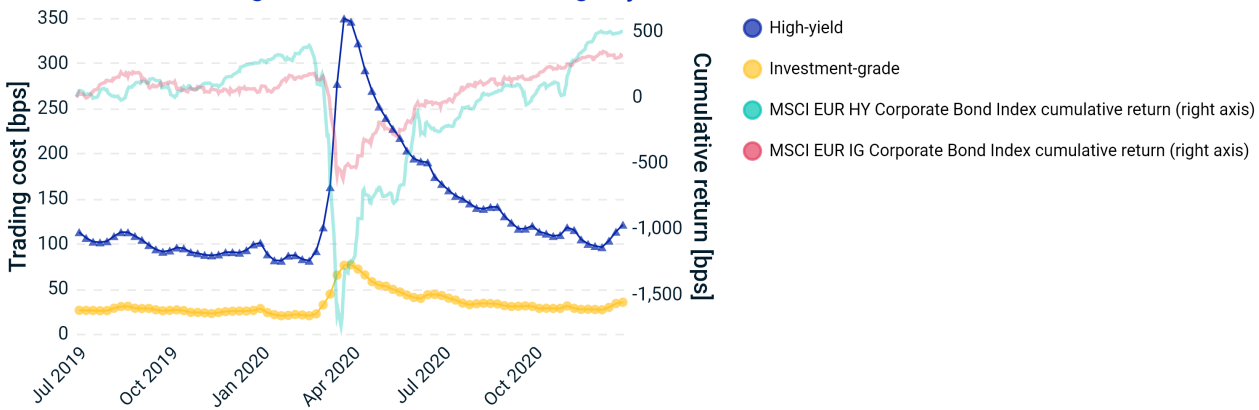
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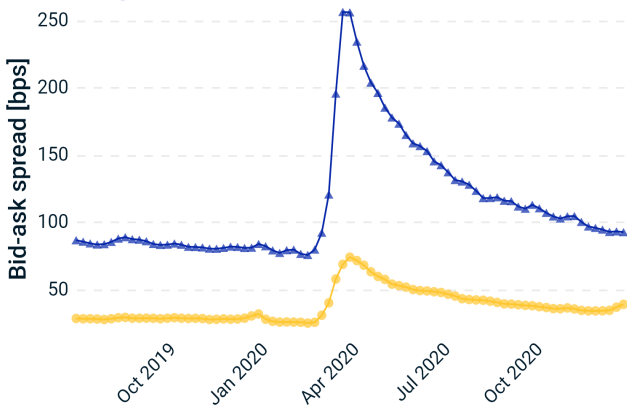
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Corporate bonds - non-US developed countries

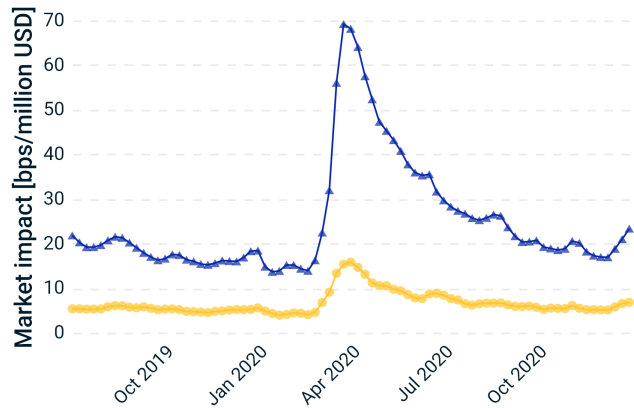
Cost of forced selling of USD 10M in one trading day



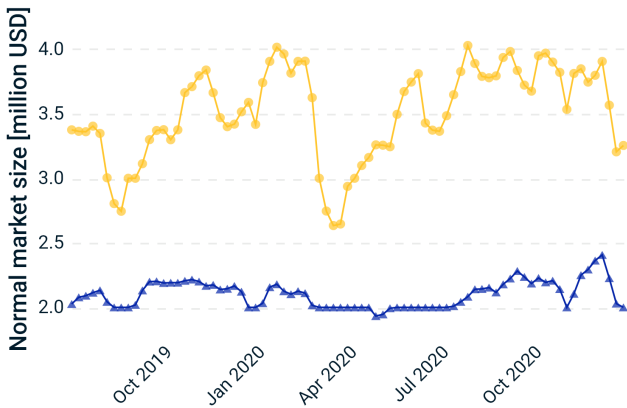
Bid-ask spread



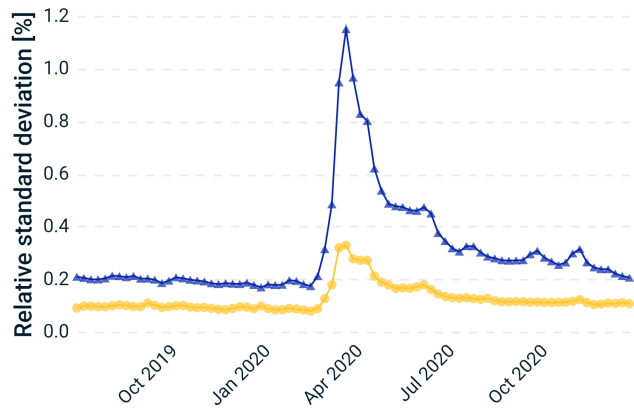
Market impact



Depth at best price



Quoted price uncertainty



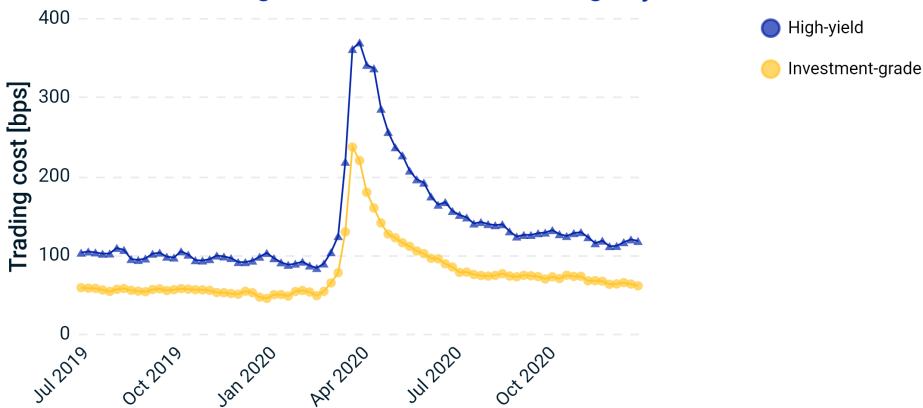
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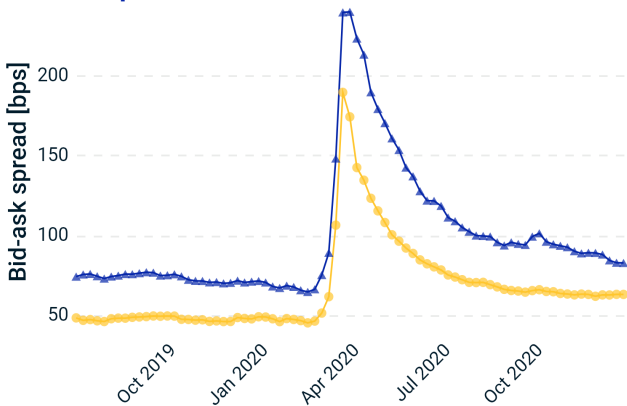
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Corporate bonds - emerging countries

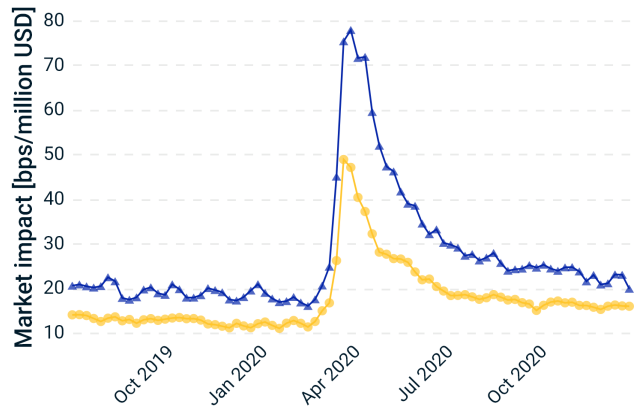
Cost of forced selling of USD 10M in one trading day



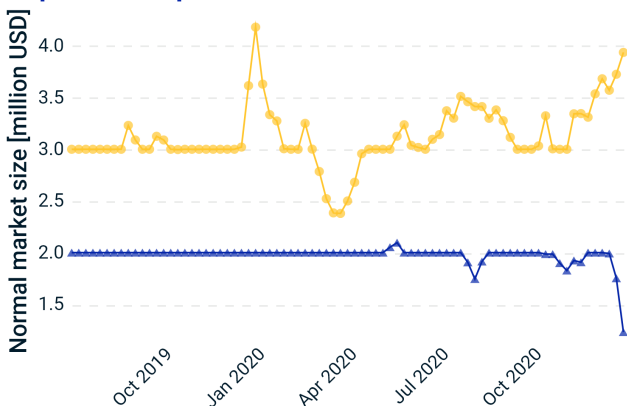
Bid-ask spread



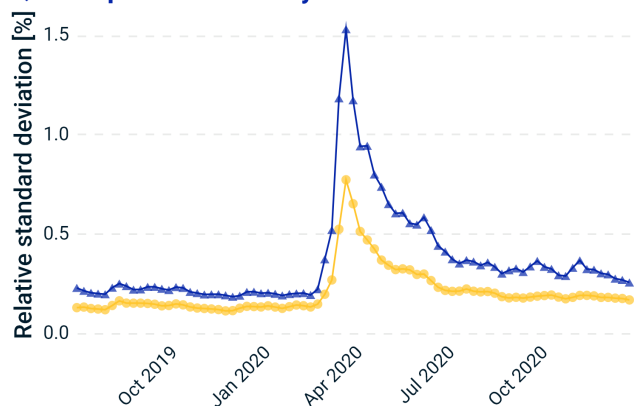
Market impact



Depth at best price



Quoted price uncertainty



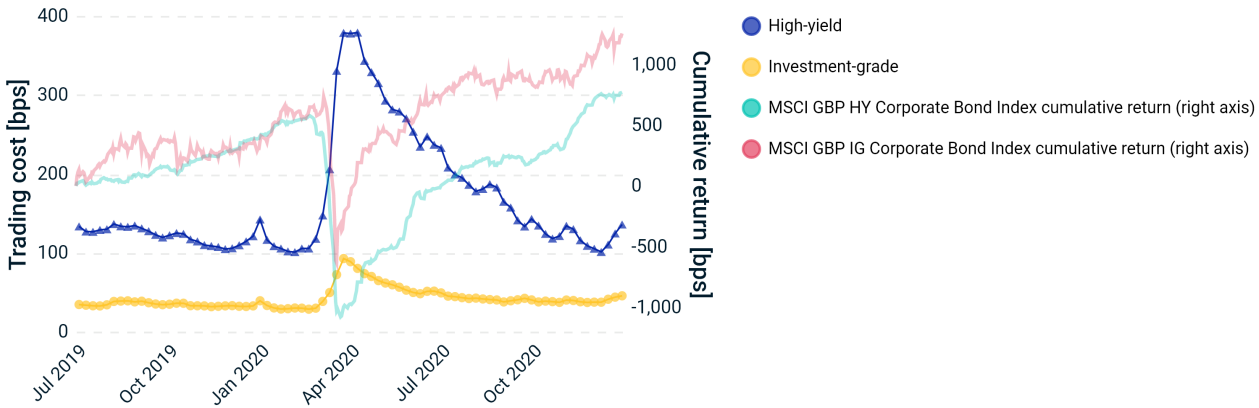
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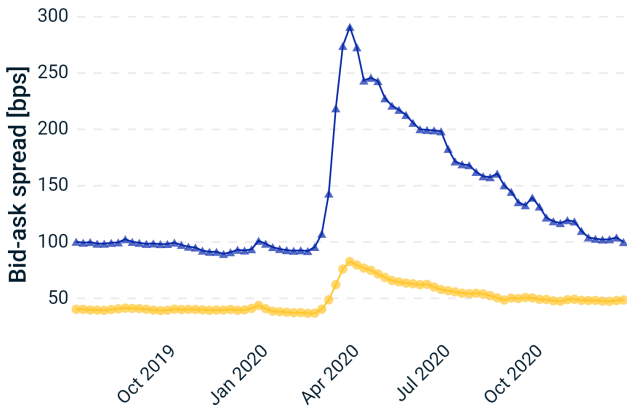
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Corporate bonds - United Kingdom

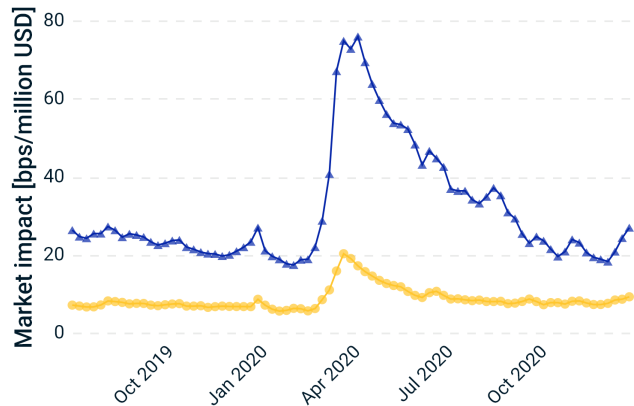
Cost of forced selling of USD 10M in one trading day



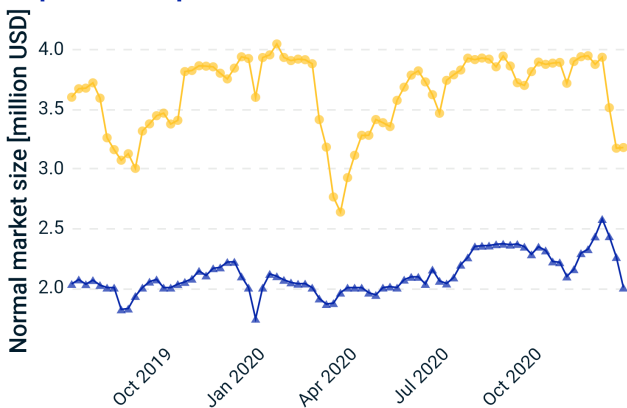
Bid-ask spread



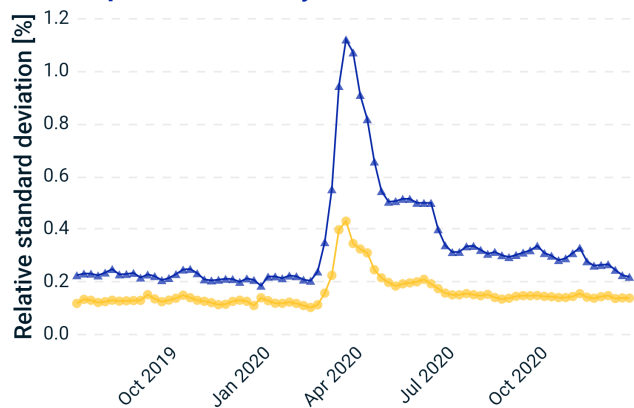
Market impact



Depth at best price



Quoted price uncertainty



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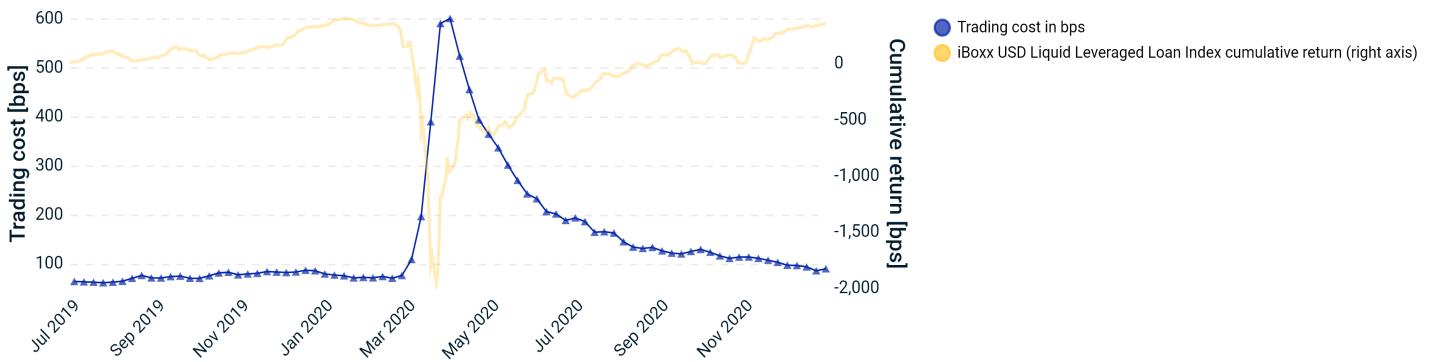
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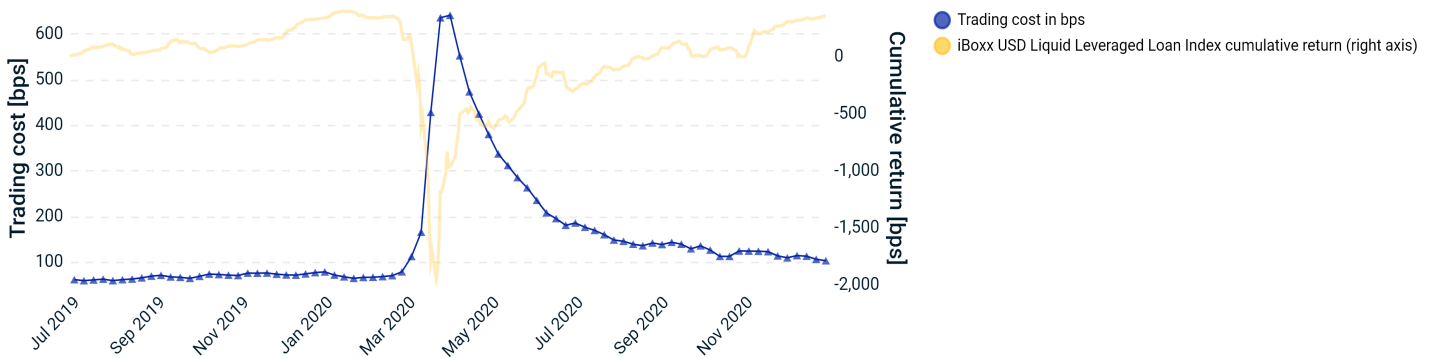
Bank loans liquidity - Cost of forced selling of USD 10 million

- Both the bid-ask spread and the market impact components of transaction costs have decreased for bank loans across all regions.
- The market depth of both U.S. and non-U.S. bank loans has dropped, however, this may be explained by the year-end.
- The quoted-price uncertainty of non-U.S. bank loans has dropped significantly and has approached its levels before the COVID-19 crisis.

US bank loans



Non-US bank loans



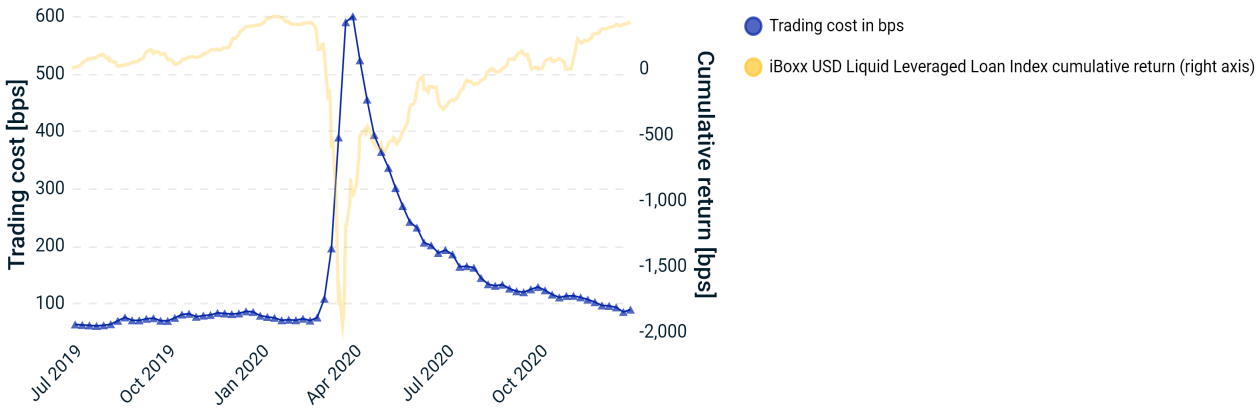
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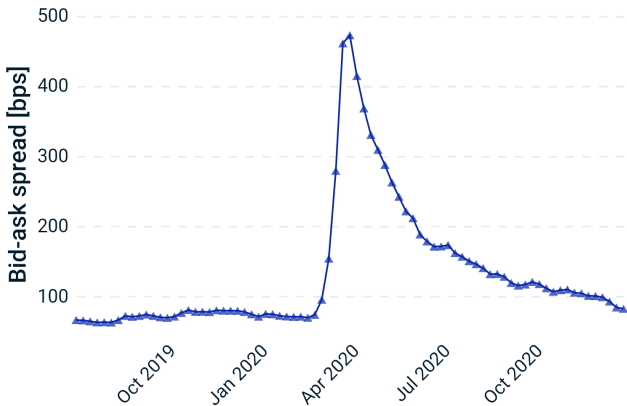
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US bank loans

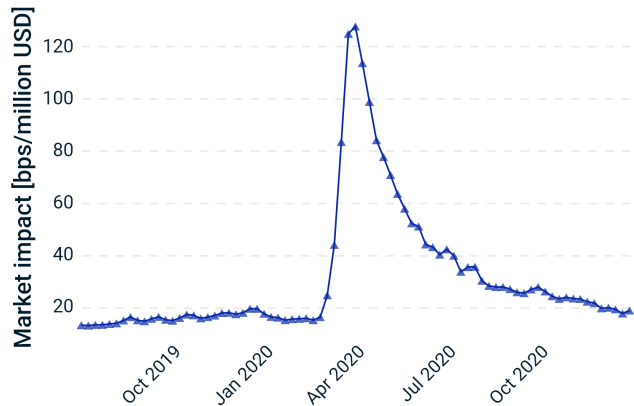
Cost of forced selling of USD 10M in one trading day



Bid-ask spread



Market impact



Depth at best price



Quoted price uncertainty



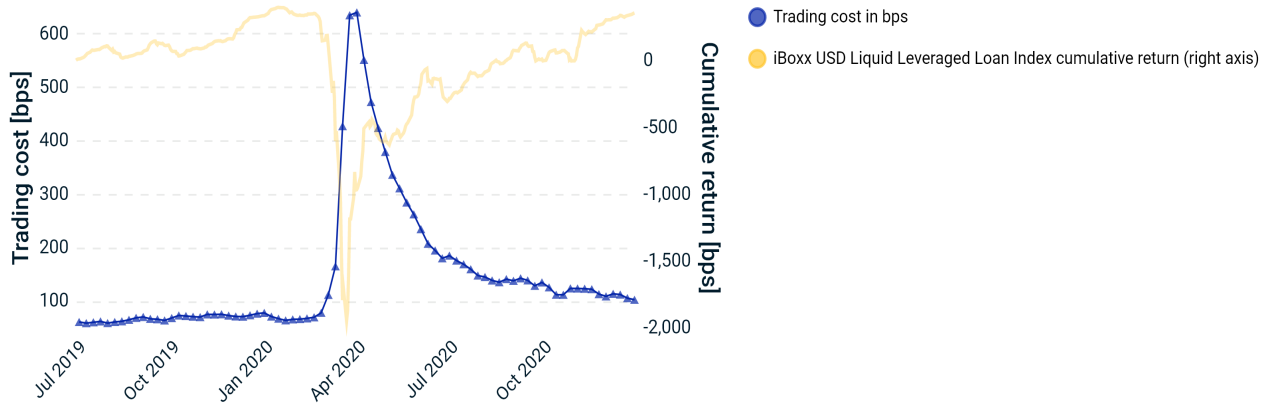
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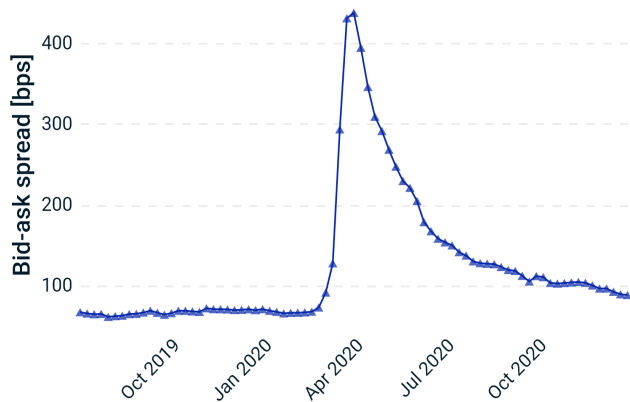
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Non-US bank loans

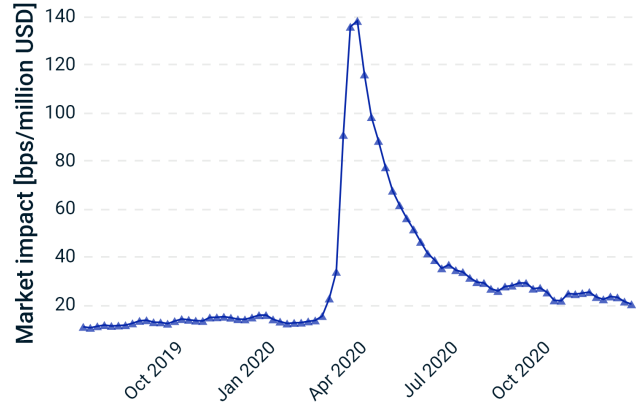
Cost of forced selling of USD 10M in one trading day



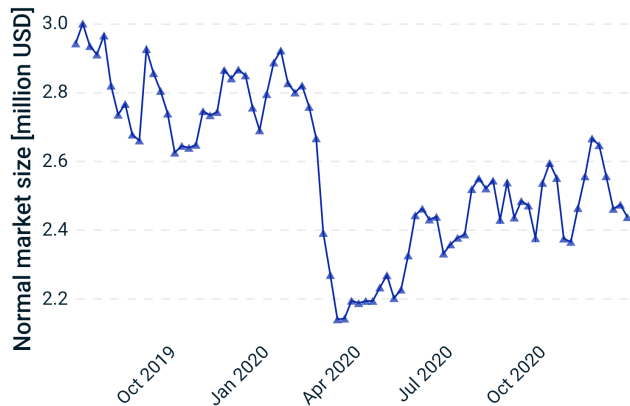
Bid-ask spread



Market impact



Depth at best price



Quoted price uncertainty

