Liquidity in euro area bond markets and the market impact of the end of net purchases of the APP

12 FEBRUARY 2019
Impact of the end of Net purchases of the APP

- Impact on Traded volumes, as SEEN on Tradeweb
- Impact on futures Market activity
- Liquidity / cost of trading
- Overall conclusions
• Tradeweb Institutional average EUR daily trading volume was approximate €8.9Bn pre-APP.
• ADTV dropped slightly and reached lowest average of €7.7Bn in 2nd round APP.
• ADTV backed to €11Bn after the slowdown of APP and also related to the MiFID boost.
Volume split by security country  (Tradeweb Institutional excl. PSPP)

Indexed ADTV (France)

Indexed ADTV

Notional Volume in €Mn

2014 2015 2016 2017 2018

France

Total PSPP (FR) net purchase (excl. Supranationals)
Average Tradeweb ADTV (FR) during PSPP period

PSPP net purchase(excl. Supranationals)
Volume split by security country (Tradeweb Institutional excl. PSPP)

Indexed ADTV (Germany)

- Total PSPP (DE) net purchase (excl. Supranationals)
- Average Tradeweb ADTV (DE) during PSPP period

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Volume split by security country  (Tradeweb Institutional excl. PSPP)

Indexed ADTV (Netherlands)

- Total PSPP (NL) net purchase (excl. Supranationals)
- Average Tradeweb ADTV (NL) during PSPP period
Indexed ADTV (Italy)

- Total PSPP (IT) net purchase (excl. Supranationals)
- Average Tradeweb ADTV (IT) during PSPP period

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EUGV Futures

OAT Futures

Future Volume in €'Bn

Open Interest in €'Bn

2014 2015 2016 2017 2018

Source: Refinitiv

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BTP Futures

- Future Volume in €'Bn
- Open Interest in €'Bn

Source: Refinitiv

- Futures Volume (1 month MA)
- Open Interest (1 month MA)
Tradeweb Liquidity Index

DE 0 - 2 Year

Liquidity Index

FR 0 - 2 Year

Liquidity Index

NL 0 - 2 Year

Liquidity Index

IT 0 - 2 Year

Liquidity Index

Total PSPP net purchase (DE,FR,NL,IT only)

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Tradeweb Liquidity Index

DE 5.5 - 11.5 Year

FR 5.5 - 11.5 Year

NL 5.5 - 11.5 Year

IT 5.5 - 11.5 Year

Total PSPP net purchase (DE,FR,NL,IT only)

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