

Secondary Market Practices Committee European Secondary Market Data Report

H1 2024 – Sovereign Edition



Executive Summary

This report provides an overview of European trading activity for sovereign bond markets, comparing our latest findings with past performances since January 2022. Specific changes and trends relative to past reports can be summarised as follows:

- In H1 2024, 2,834 unique ISINs were traded, reflecting a 6.5% increase from H1 2023 and covering 93.7% of 2023's unique ISINs.
- The total number of transactions in H1 2024 reached 6,018,959, a 17.2% rise from H1 2023, representing 56.4% of 2023's total transactions.
- The EUR-equivalent notional traded in H1 2024 amounted to €31.326 trillion, marking a 17.1% increase from H1 2023 and 58.6% of 2023's total volume.
- EUR-denominated volumes dominate European markets at 72%, with USD at 23% and GBP at 3%.
- In the UK, EUR-denominated trades account for 36% of volumes, USD for 44%, and GBP for 19%.
- US and Italian sovereign bonds together account for 56% of market volumes, with Germany, the UK, France, and Spain bringing this share to 93%.
- Notional traded in UK issued debt rose by 91% in H1 2024 compared to H1 2022, while Italian issued debt saw a 60% increase, raising its market share from 17% to 23.5%.
- Trade count for UK and Italian issued bonds grew by 95% and 92% respectively, contrasting with a declining share for US issued bonds.
- Trade size averages have increased for the top six issuers. Their growth ranges between 4% and 12% from H2 2023. Despite this increase, these average trade sizes remain well below 2022 levels.
- Average trade sizes are notably higher in the UK compared to the EU, with some countries exhibiting median sizes more than ten times greater in the UK.
- The difference in average trade sizes between the two jurisdictions might suggest that the UK has a more efficient system for digesting block trades.
- Trade count and volumes have grown similarly across most trade size buckets, except trades under €1 million, which saw a disproportionate increase in trade count.
- 84% of notional traded is generated by bonds with outstanding amounts between €10 billion and €100 billion, with smaller bonds generating significantly less volume.

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This report

The purpose of this report is to capture and represent aggregated bond market data as reported under the MiFID II / MiFIR obligation. ICMA has leveraged the capabilities of Propellant.digital¹ in undertaking this analysis. The report covers transactions in sovereign bonds (as defined by the regulatory class of financial instrument – or ‘CFI’ code and the corresponding sub-asset class), as reported under both the EU and UK MiFID II/ MiFIR requirements. It provides traded volumes and trade counts disaggregated by underlying currency, and, in the case of sovereign bonds, by underlying issuer. It further disaggregates by trade sizes, distribution channels, as well as transaction jurisdiction (EU or UK). This report is the fifth in the series, following reports published for H1 2022, H2 2022, H1 2023 and H2 2023. Accordingly, it provides **30 months** of bond market data, covering the period January 2022 through to June 2024. This has facilitated the observation of trends and patterns in secondary market trading activity and structure over this time. ICMA believes that this latest data set is also a more accurate reflection than the previous reports, and the expectation is that future reports will see continued improvements in both the depth and quality of the underlying data.

What’s new

In the previous versions of this report, we have presented the data aggregating trades executed both within the EU and the UK. We furthered this by then presenting the findings and highlighting the differences from bonds **issued** by EU members only, but the underlying data still combined trades from both UK and EU trading venues (TVs).

Given the current legislative scenario, where changes to both the UK and EU’s deferral systems have been proposed by competent regulatory bodies, we have deemed it more appropriate to present the data differently in this version.

- i) The aggregated values of both the UK and EU TVs are presented as usual to provide an overall picture of the market for this specific period (H1 2024).
- ii) On the aggregated values, we present its evolution by checking patterns on a quarterly or biannual basis from January 2022.
- iii) For this period, instead of filtering for bonds issued by EU countries only, we then present the data by jurisdiction of trade (EU and UK) without filtering for any other criteria. This will allow us to identify any differences between the two jurisdictions.

Compared to previous versions the analysis in this report is also enriched thanks to the use of additional reference data, which has been provided by [ICE Fixed Income Data Services](#).

Previous versions of this report included both sovereign and corporate analysis. Following readers’ input and feedback, the report will now be published in two different editions: a sovereign edition and a corporate edition.

¹ Propellant is a software solution that provides market participants functionality to enable them to aggregate transparency data of up to 88 Trading Venues (TVs) and Approved Publication Arrangements (APAs). The list of TVs and APAs whose data is used in this report can be found in Annex 1.

Data coverage and quality

Based on the underlying sources of transaction data, it is estimated that the report captures more than 80% of all secondary bond market transactions reported in the EU and UK and is therefore relatively representative of overall bond trading in these jurisdictions. It is important to recognise, however, that there are data quality limitations with the current transaction reporting regime. A common issue is the reporting of incorrect notional amounts by Approved Publication Arrangements (APAs), which can be inflated (usually by a factor of x1,000). Sometimes these reported transactions are corrected at a later date, but often they are not. A more systemic problem lies with the sub-asset class information in the ESMA Financial Instruments Transparency System (FITRS), which are often incorrect, giving underlying bonds the wrong bond type classification. For example, many French and Dutch sovereign bonds, among others, are classified as corporate bonds in FITRS. A further challenge is the nature in which sovereign bond data is reported, with much of the trading activity subject to indefinite aggregation. In some cases the trade count is not published, making it difficult to estimate average and median trade sizes. While both Propellant and ICMA have tried to identify such mis-reporting or underlying errors in the publicly reported data used in this report, and to correct the data where possible, neither takes responsibility for any misrepresentation, whether in the APA and Trading Venue (TV) reported data or in FITRS or FIRDS (Financial Instruments Reference Data System).

Introduction

The first half of 2024 saw prints in 2,834 unique ISINs. This represents an increase of 6.5% compared to H1 2023 (2,660 ISIN).

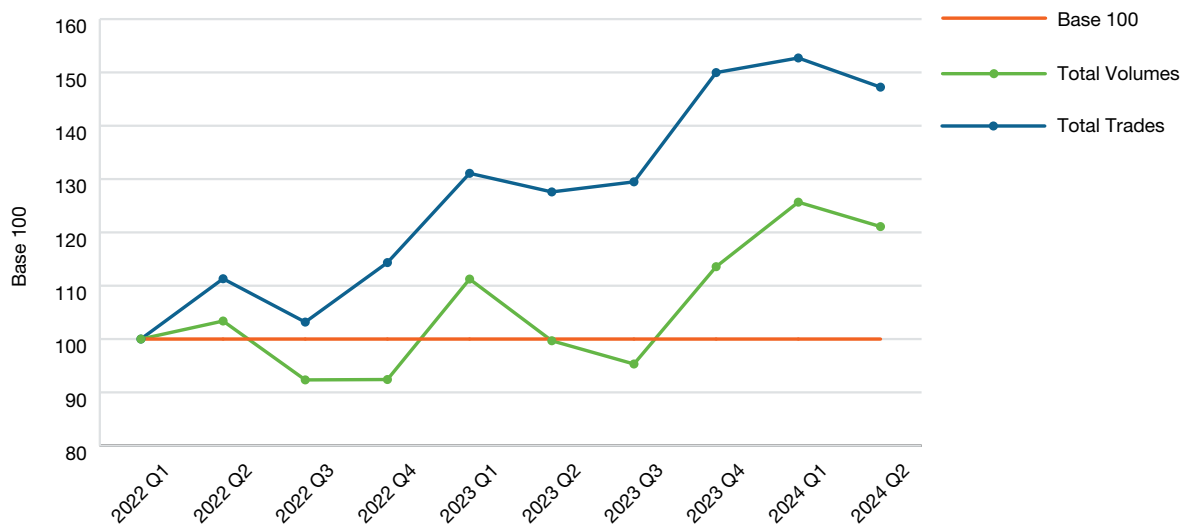
The number of total transactions in H1 2024 amounts to 6,018,959. This marks a 17.2% increase when compared to H1 2023 (5,137,101).

The EUR equivalent notional traded sums up to €31.326 tn. A 17.1% rise from H1 2023 (€26.758 tn).

When observing the number of trades and volumes quarterly from 2022 (Figure 1), three observations can be made:

- The number of trades seems to increase quarter on quarter (QoQ) at a faster rate than volume (with the exception of this half-year where they both rose by 17.2% and 17.1% respectively).
- There is some cyclical with both notional traded and trade count experiencing a rise in value towards the first quarter of each year which is consistent with market dynamics.
- The linear trend, despite cyclical is upward sloping indicating a growth in secondary markets.

Figure 1 – Quarterly volumes and trade count (base 100)



Volumes

Volumes by currency

Aggregated volumes

The average weekly volume observed in the first half of 2024 equates to €1.205 tn (€1.029 in H1 2023). This equates to a 17.9% increase when compared to the weekly average of €1.022 tn for the full year 2023.

When examining the market as a whole (EU and UK TVs² and APAs³) we observe the following currency distribution:

53.4% of notional was traded in EUR denominated transactions (51.3% in 2023 FY), followed by USD at 33.8% (37.1% in 2023 FY) and GBP with 11.4% (10.2% in 2023 FY) of total notional traded. The remaining 1.4% share (1.4% in 2023 FY) is represented by other currencies (including but not limited to CAD, CHF, DKK, SEK, and NOK).

Figure 2 – Weekly sovereign bond volume by currency

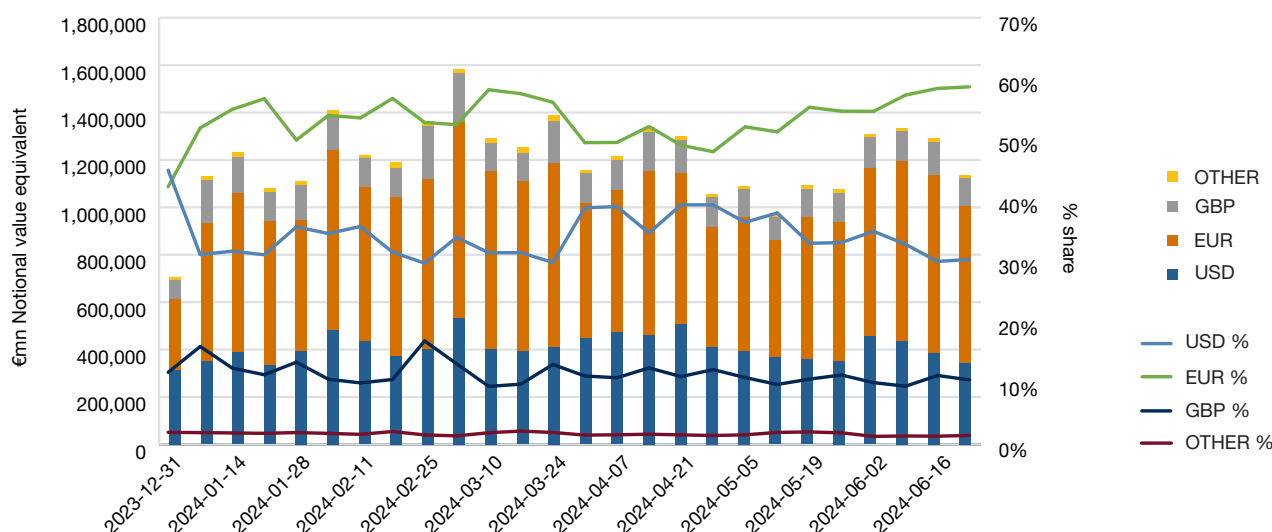
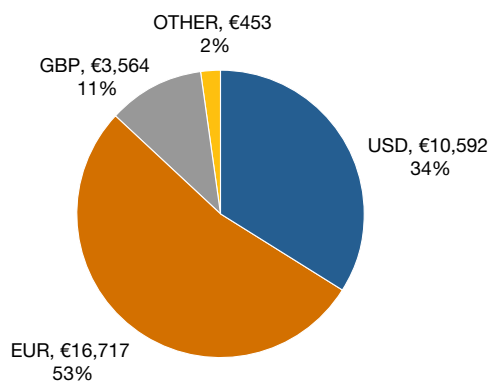


Figure 3 – Total sovereign bond volume by currency (€bn equivalent)



2 TV: Trading Venues

3 APA: Approved publication arrangement

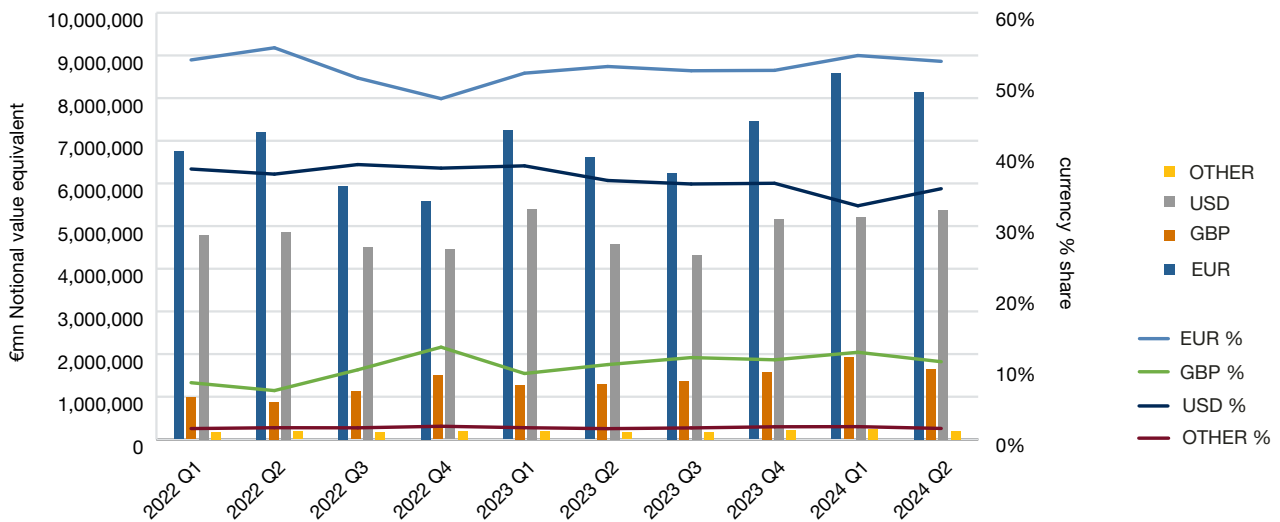
Table 1

Currency	Notional Value (€bn)	%
EUR	16,716.90	53.36%
USD	10,591.86	33.81%
GBP	3,564.01	11.38%
OTH	361.20	1.15%
SEK	43.21	0.14%
DKK	25.38	0.08%
NOK	22.89	0.07%
CHF	0.13	0.0004%
CAD	0.02	0.0001%
JPY	0.02	0.0001%

Evolution of currency distribution

When examining the evolution of the distribution of currencies by volume QoQ, we observe a relatively stable trend, with currency share oscillating by only a few percentage points while maintaining the same overall trend.

Figure 4 – Evolution of currency distribution



EU and UK Markets

When observing volume distribution by currency at an individual trade jurisdiction level, rather than aggregated level, distinct trends emerge.

European markets (as expected) are predominantly dominated by EUR denominated volumes. These account for 72% of EU volumes. Followed by USD denominated volumes with a 23% share and GBP 3%. The remaining 2% share is shared among all other currencies.

In the UK, likewise, 99% of volumes are dominated by the same three currencies but the shares are different. EUR denominated trades are almost halved in terms of notional. Its percentage share amounts to 36%, while USD denominated amounts to 44% and GBP 19%, leaving only 1% of total notional traded to all other currencies.

ICMA estimates that in H1 2024, notional traded summed to €14.914 tn within the EU and €16.403 tn for the UK. This equates to a weekly average of €574 bn in the EU and €631 bn in the UK.

Table 2⁴

EU Markets			UK Market		
Currency	Notional Value (€bn)	%	Currency	Notional Value (€bn)	%
EUR	10,747.04	72%	USD	7,226.93	44%
USD	3,364.93	23%	EUR	5,960.62	36%
GBP	483.69	3%	GBP	3,080.32	19%
OTH	253.44	2%	OTH	107.76	0.7
SEK	28.62	0.2%	SEK	14.59	0.1%
DKK	21.22	0.1%	NOK	8.18	0.05%
NOK	14.71	0.1%	DKK	4.02	0.02%
CHF	0.06	0.0004%	CHF	0.07	0.0004%
CAD	0.001	0.000004%	CAD	0.02	0.0001%
			JPY	0.02	0.0001%

⁴ Please note that EU volumes summed to UK volumes do not equate, and are slightly less than total aggregated volumes. This is due to jurisdiction data missing from the dataset.

Figure 5 – EU weekly sovereign bond volume

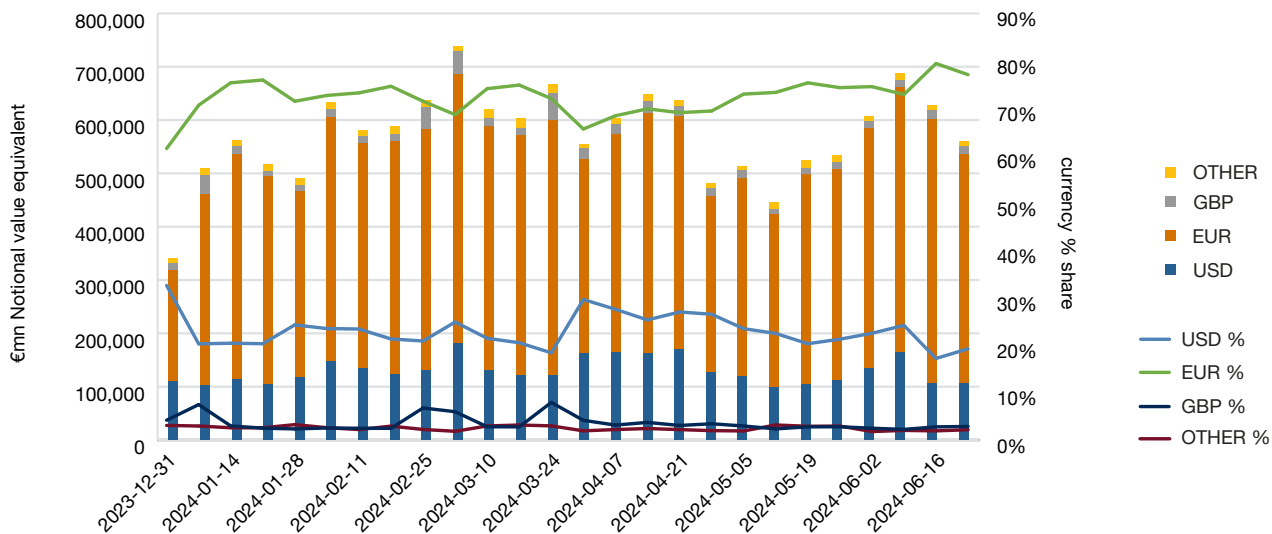


Figure 6 – EU - Total sovereign bond volume by currency (€bn equivalent)

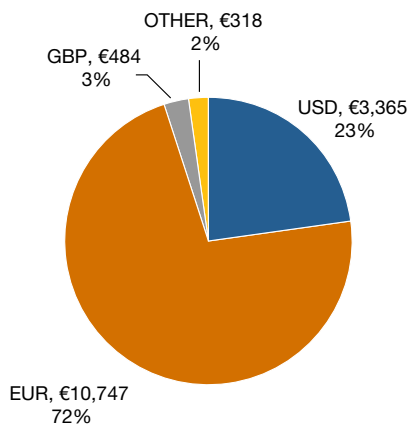


Figure 7 – UK weekly sovereign bond volume

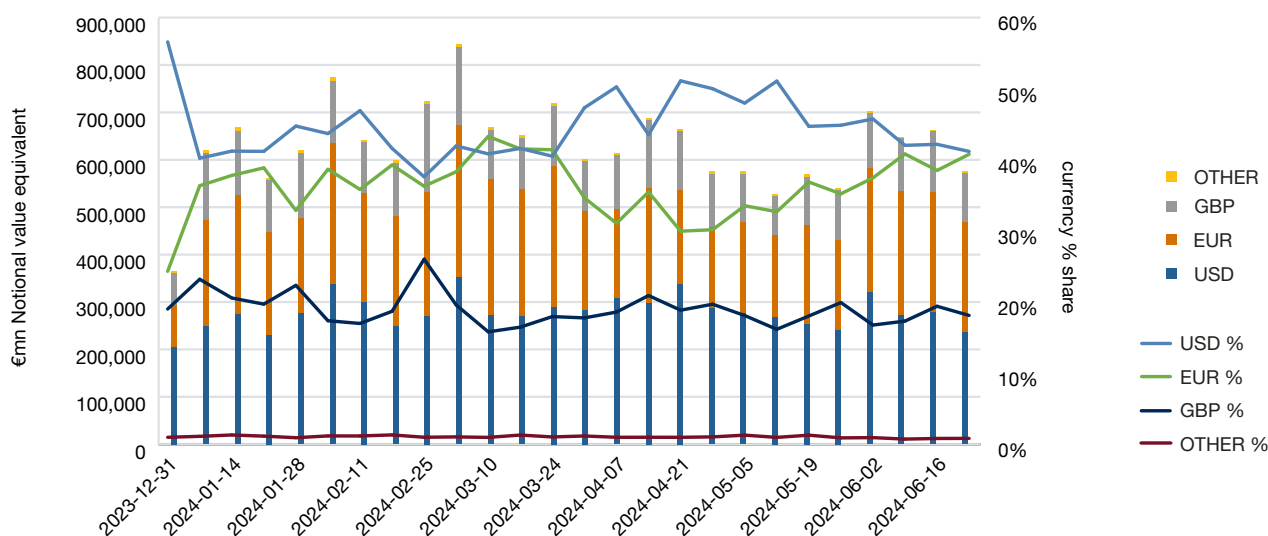
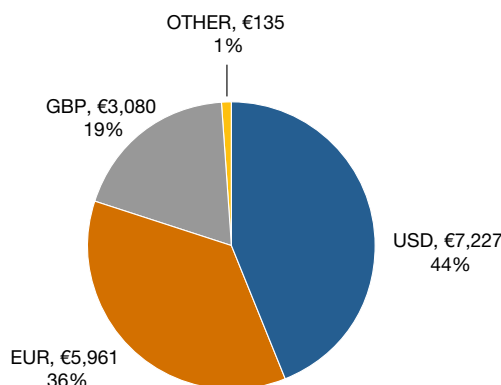


Figure 8 – UK - Total sovereign bond volume by currency (€bn equivalent)



Volumes by Issuer

Aggregated volumes

At an aggregated level, as seen in previous versions of this report, the same six countries make up most of the market. In fact, volumes from sovereign bonds issued by the US and Italy alone make up 56% of volumes. Adding Germany, the UK, France and Spain would bring this share up to 93% of total volumes.

The largest share of traded volume for the first half of 2024 is represented by US issued bonds. These account for 34% or €10,547.7 bn (37% or EUR 19,640.7 billion in 2023 FY). This is followed by Italy with a share of 23% or €7,094.6 bn (18% or EUR 9,626.6 billion in 2023 FY), Germany with a share of 12% or €3,683.6 bn (14% or EUR 7,208.2 billion in 2023 FY), the UK with a share of 11% or €3,559.5 bn (10% or EUR 5,423.5 billion in 2023 FY), France with a share of 9% or €2,839.1 bn (10% or EUR 5,055.5 billion in 2023 FY) and Spain with a share of 5% or €1,411.7 bn (4% or EUR 2,356.9 billion in 2023 FY). The remaining 7% or €2,189.3 bn is composed of all other issuers.

It is worth noting that, out of the six issuers mentioned before the notional traded in H1 2024 represents between 53% and 65% of notional traded in the full year 2023, with the exception of Italy, which in the last semester alone traded an equivalent of 74% of total notional traded in 2023.

Bonds issued by Estonia and Iceland traded more in the first six months of 2024 than the full year in 2023 (127% and 112% respectively). Full information for all issuers is available in Table 3 below.

Figure 9 – Weekly sovereign bond volumes by sovereign issuer

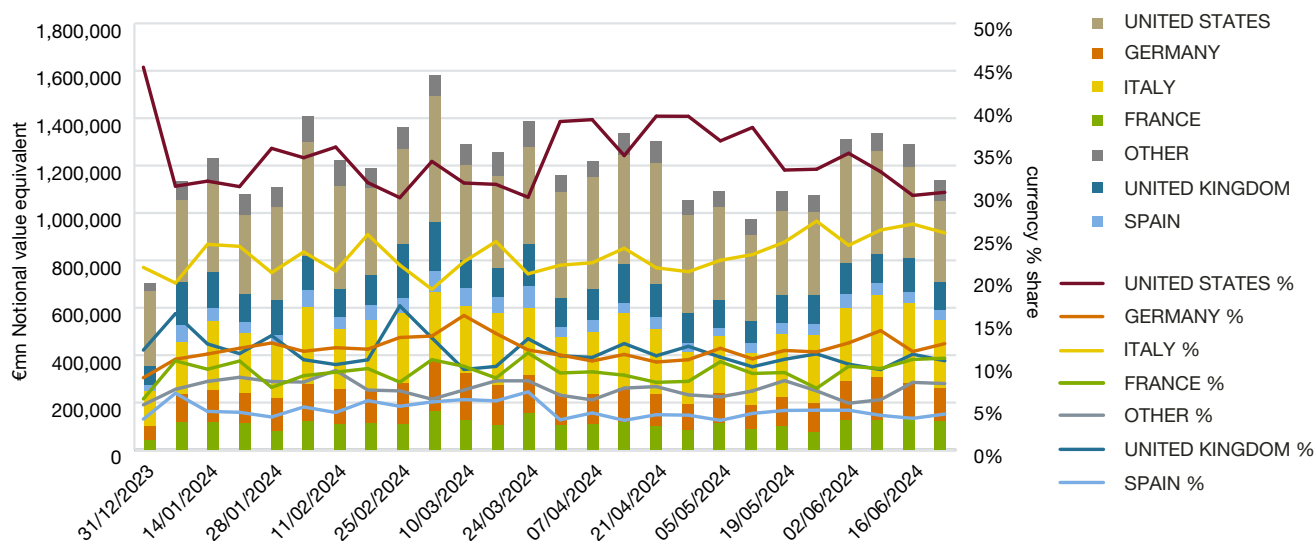


Figure 10 – Total sovereign bond volume by sovereign issuer (€bn equivalent)

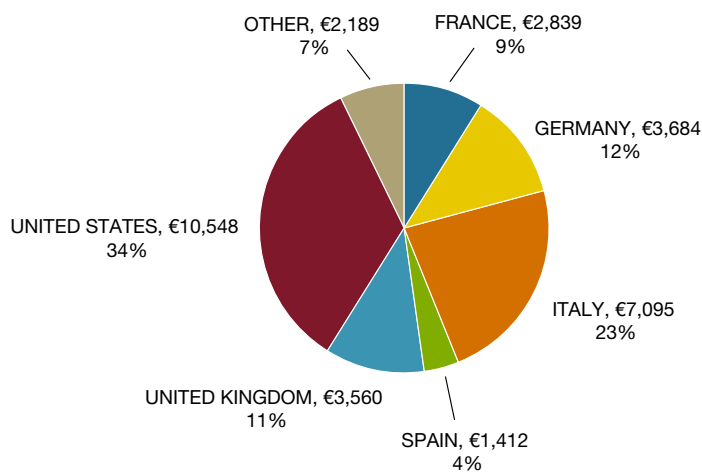


Table 3

Issuer Country	Notional Value (€bn)	%	Notional traded in H1 2024 as a % of 2023 FY
UNITED STATES	10,547.66	34%	53.7%
ITALY	7,094.64	23%	73.7%
GERMANY	3,683.64	12%	51.1%
UNITED KINGDOM	3,559.54	11%	65.6%
FRANCE	2,839.07	9%	56.2%
SPAIN	1,411.74	5%	59.9%
BELGIUM	583.91	1.9%	55.5%
NETHERLANDS	496.89	1.6%	46.5%
POLAND	228.58	0.7%	70.0%
AUSTRIA	217.00	0.7%	67.0%
FINLAND	134.93	0.4%	74.8%
PORTUGAL	88.72	0.3%	63.0%
HUNGARY	82.42	0.3%	59.9%
ROMANIA	72.05	0.2%	56.2%
CZECH REPUBLIC	55.07	0.2%	53.0%
SWEDEN	43.56	0.1%	63.0%
GREECE	39.74	0.1%	66.4%
IRELAND	38.81	0.1%	45.7%
DENMARK	25.99	0.1%	40.2%
NORWAY	22.89	0.1%	83.5%
SLOVAKIA	20.12	0.1%	92.3%
SLOVENIA	13.95	0.04%	59.3%
BULGARIA	5.95	0.02%	65.6%
CROATIA	4.16	0.01%	33.3%
LATVIA	4.07	0.01%	76.9%
LITHUANIA	3.71	0.01%	76.7%
LUXEMBOURG	3.10	0.01%	57.2%
ESTONIA	2.07	0.01%	127.4%
CYPRUS	1.51	0.005%	39.9%
ICELAND	0.12	0.0004%	112.3%

Evolution of issuer distribution

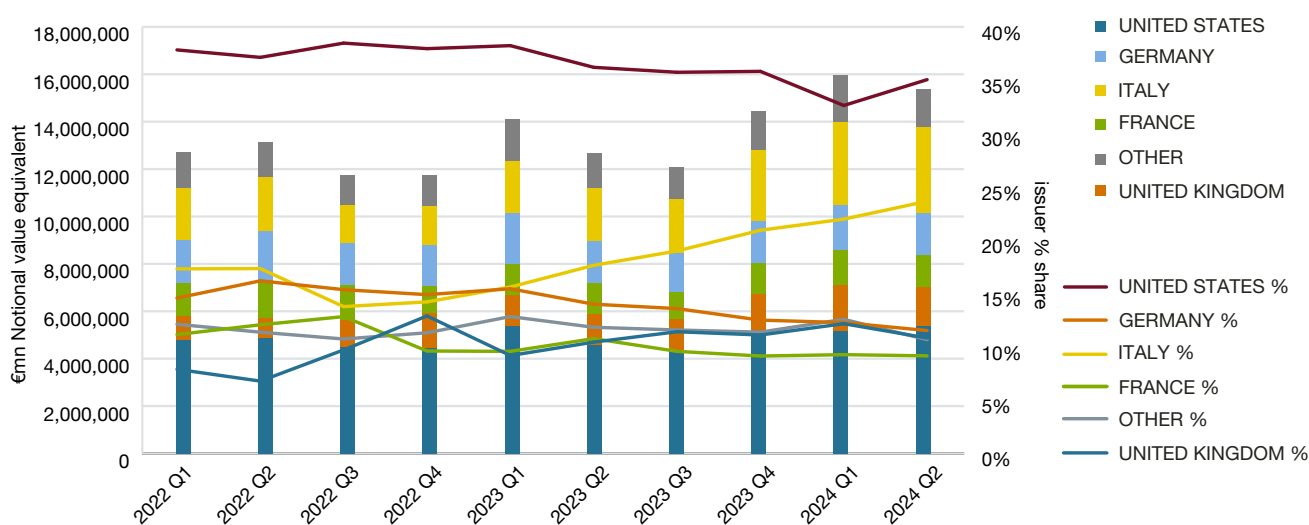
When looking at the evolution of volumes by issuer country over a longer time series, the following observations can be made.

- a) From Q1 2022⁵ the traded volume for the US, France, Germany and all other countries exhibited cyclical patterns with seasonal reductions typically in Q2 and Q3 of each year (consistent with market dynamics).

When comparing H1 2024 to H1 2022 we observe an increase in volume for the US and all other countries of 9.4% and 20% respectively. French and German bonds on the other hand have traded 4% and 6% less respectively in terms of volume when compared to H1 2022 (see Figure 11 & Figure 12).

- b) From Q1 2022, the percentage share of volume for the above mentioned countries remains fairly constant (see Figure 11).
- c) The notional traded for UK issued debt increased by 91% in H1 2024 when compared to H1 2022. Despite this increase, its percentage share remains constant (see Figure 11 and Figure 13).
- d) Italian issued debt activity in terms of volumes increased by 60% in H1 2024 when compared to H1 2022. This increase in notional traded also equates to the biggest increase in the percentage share, from 17% in Q1 2022 to 23.5% in Q2 2024. We notice how the percentage share of Italian issued debt kept growing since Q3 2022, without experiencing any decrease at any point (see Figure 11 and Figure 13).

Figure 11 – Evolution of issuer distribution



⁵ Date from which ICMA has data and the first edition of this report was published.

Figure 12 – Sovereign bond volumes (base 100 as of Q1 2022)

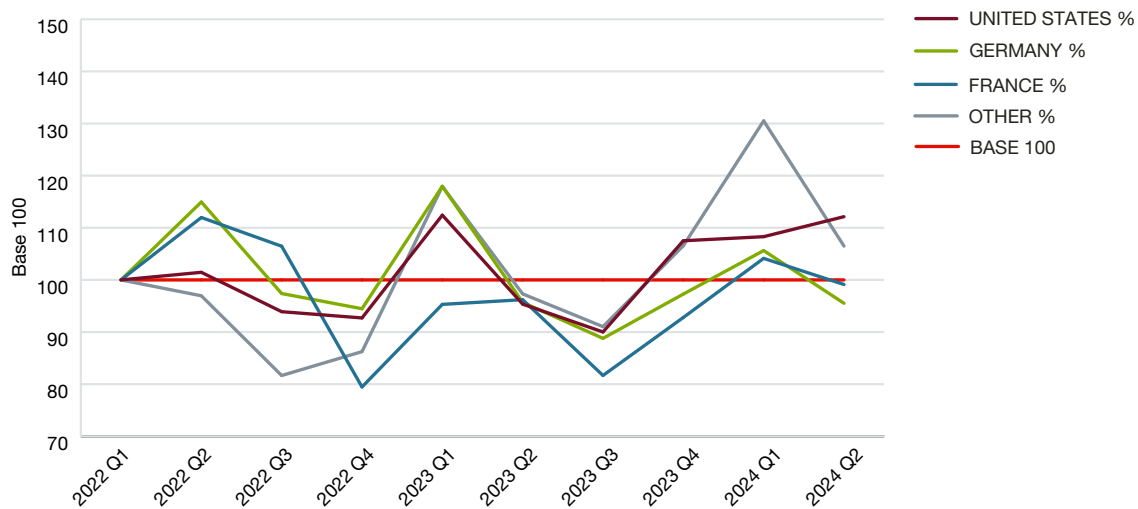


Figure 13 – Evolution of issuer distribution

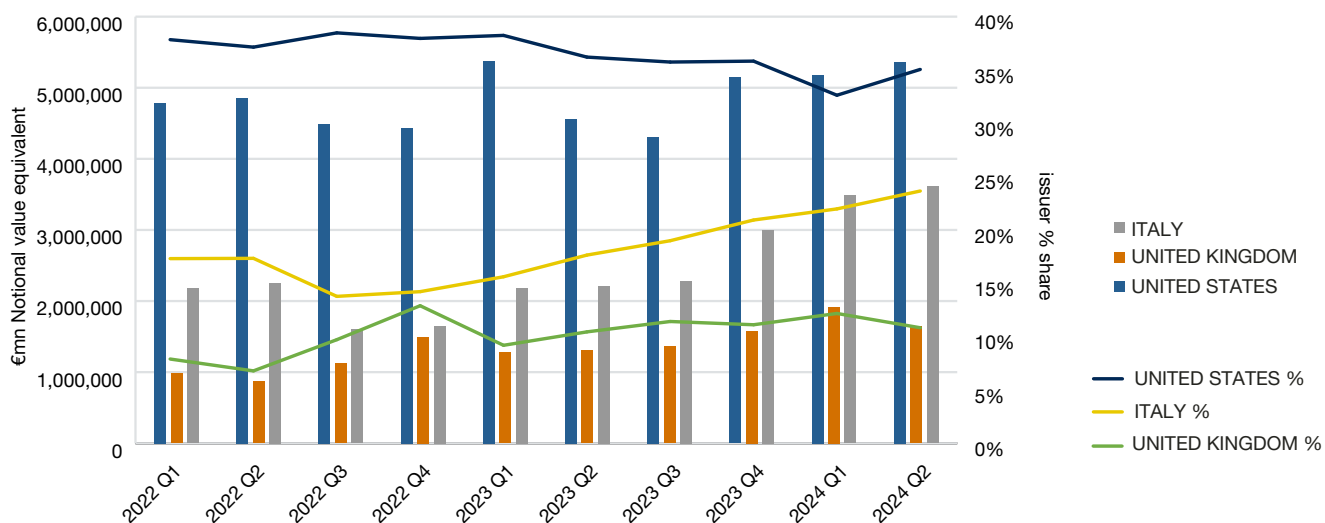


Figure 14 – Sovereign bond volumes (base 100 as of Q1 2022)

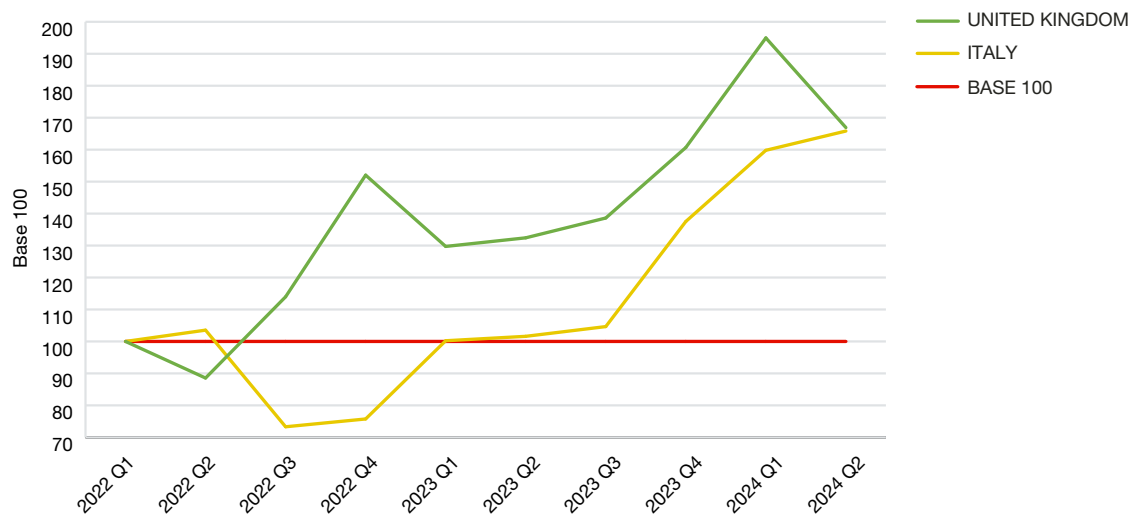
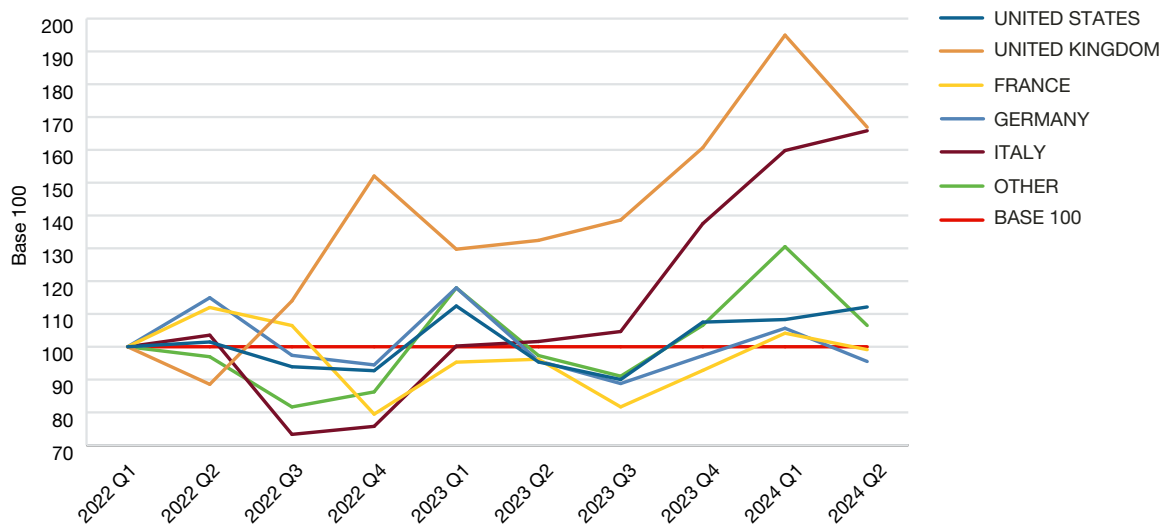


Figure 12 and 14 combined



While the sovereign debt amount outstanding for these two countries keeps increasing at a linear pace (Figure 15), a different explanation for this constant increase in volumes might be found in total returns⁶. Amount outstanding and traded volumes are known in financial literature to be two highly correlated variables (ICMA also found this in previous studies). When considering this specific example we observe that from Q1 2022 to Q2 2024, UK and Italian traded notional correlated with their amount outstanding at a coefficient of 87 and 90 respectively.

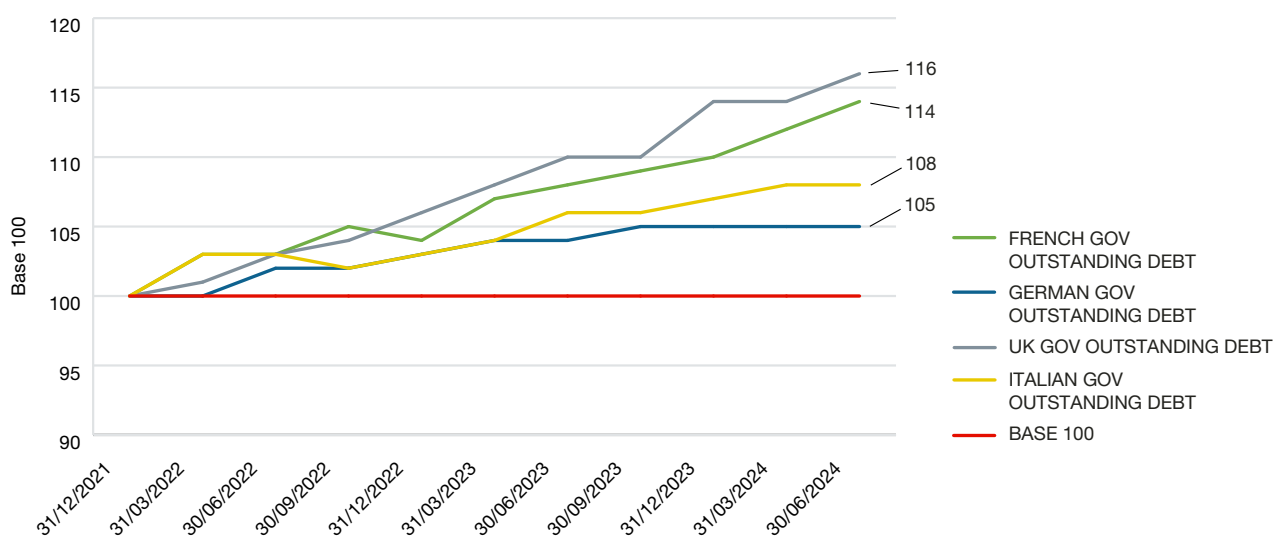
On the other hand German and French notional traded, do not exhibit a correlation to their respective amount outstanding (see Figure 15a and 15b).

From January 2023 to the end of June 2024, Italian bonds yielded the highest return (7.9%) followed by UK bonds with a return of 6%. All other countries return range between 2% and 5% (Figure 16).

We also note that the market seems to exhibit a growing confidence in Italy's economy, whose outperforming Germany's in terms of GDP growth⁷, CPI⁸ and Inflation⁹. This is also reflected in a tightening of the BTP-Bund Spread (Figure 17) and negative swap spreads in Italy (Figure 18).

Anecdotally, while we lack specific data on flows, ICMA has learned from its members that secondary volumes have experienced increased activity from hedge funds. Consequently, we cannot rule out the possibility that, due to the nature of their strategies, these volumes may have risen as a result of technical factors as well. Therefore, it is important to note that the changes in volumes might not solely be attributable to return or economic factors.

Figure 15 – Outstanding Government debt (base 100 as of Jan 2022)



ICMA calculated using ONS and Banca D'Italia data

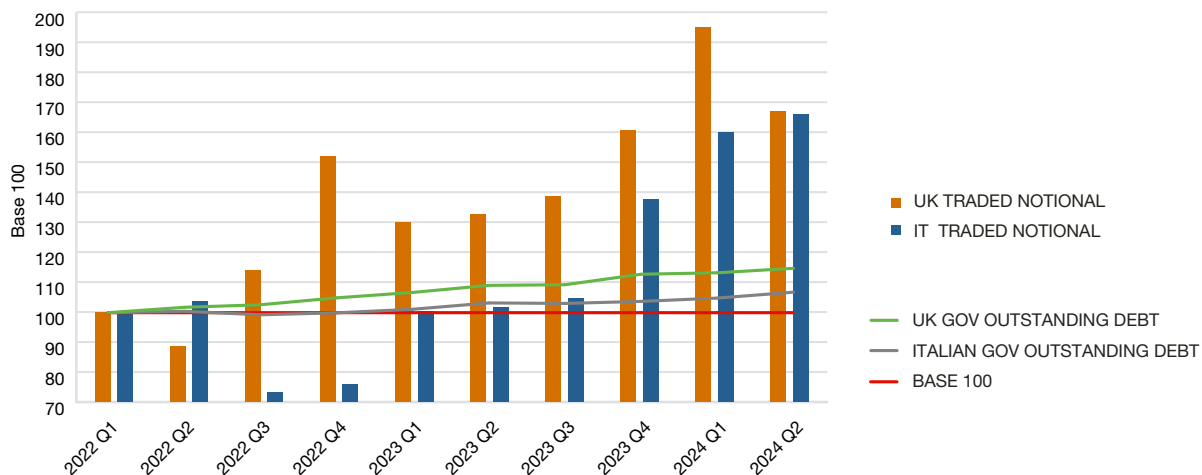
⁶ Total Return figures were obtained from Bloomberg ISL, Total Return is calculated as coupon return + price return + currency return. Base 100 as of 01/01/2023 is ICMA calculated. Please also note that the return is based on EUR currency. The currency component is unhedged in this case, meaning that currency fluctuations will be part of total return.

⁷ <https://www.ft.com/content/b641c35f-35de-4541-a133-458aad38155e>

⁸ <https://www.ft.com/content/6a296a30-e5bc-47a6-be40-4b048ead5bda>

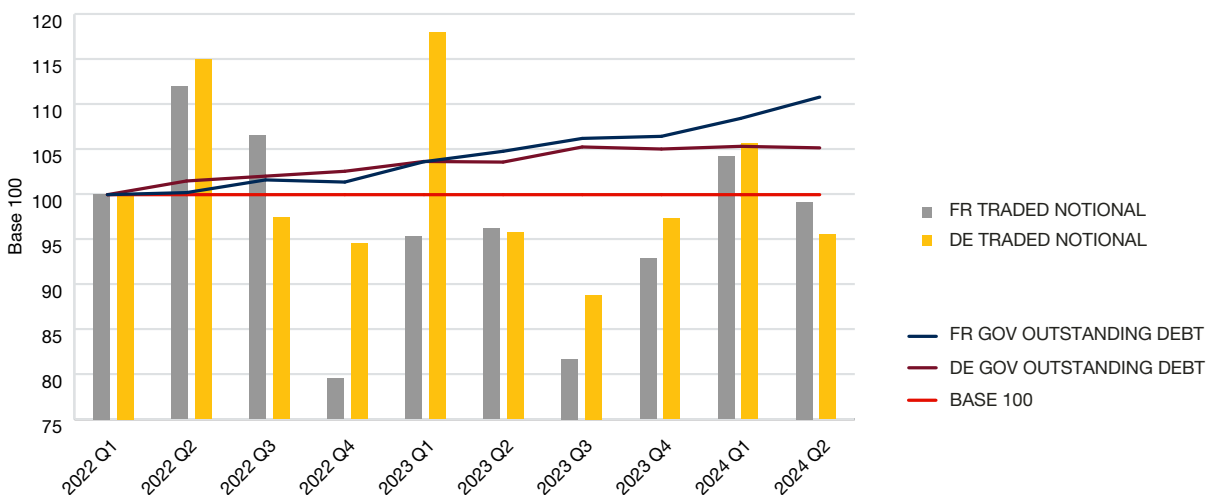
⁹ <https://www.ft.com/content/088d3368-bb8b-4ff3-9df7-a7680d4d81b2>

Figure 15a – UK and Italy - Traded notional and outstanding Government debt



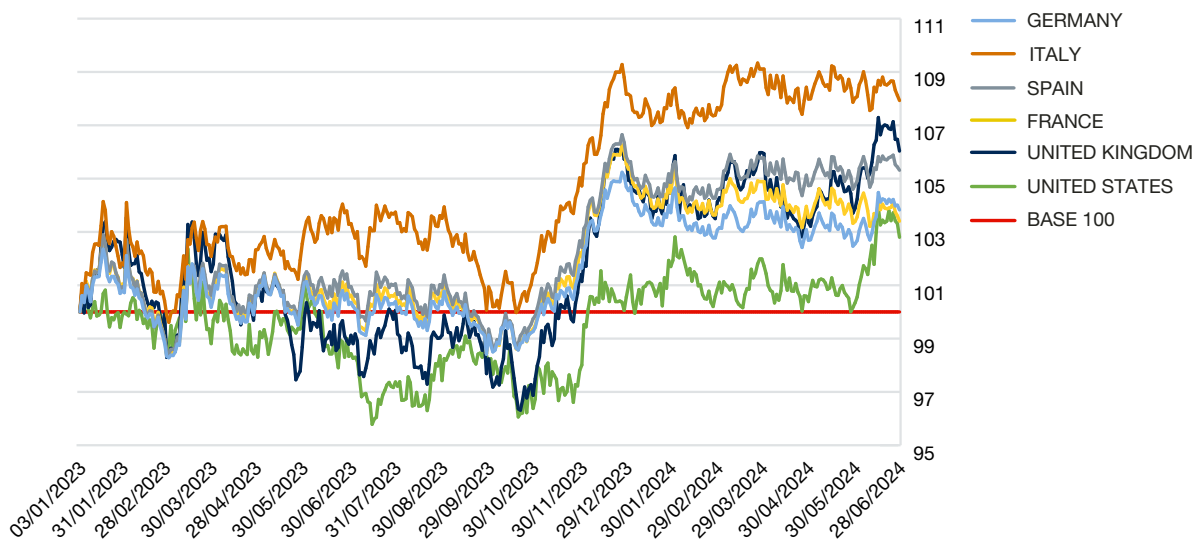
ICMA calculated using ONS and Banca D'Italia data

Figure 15b – France and Germany- Traded notional and outstanding Government debt



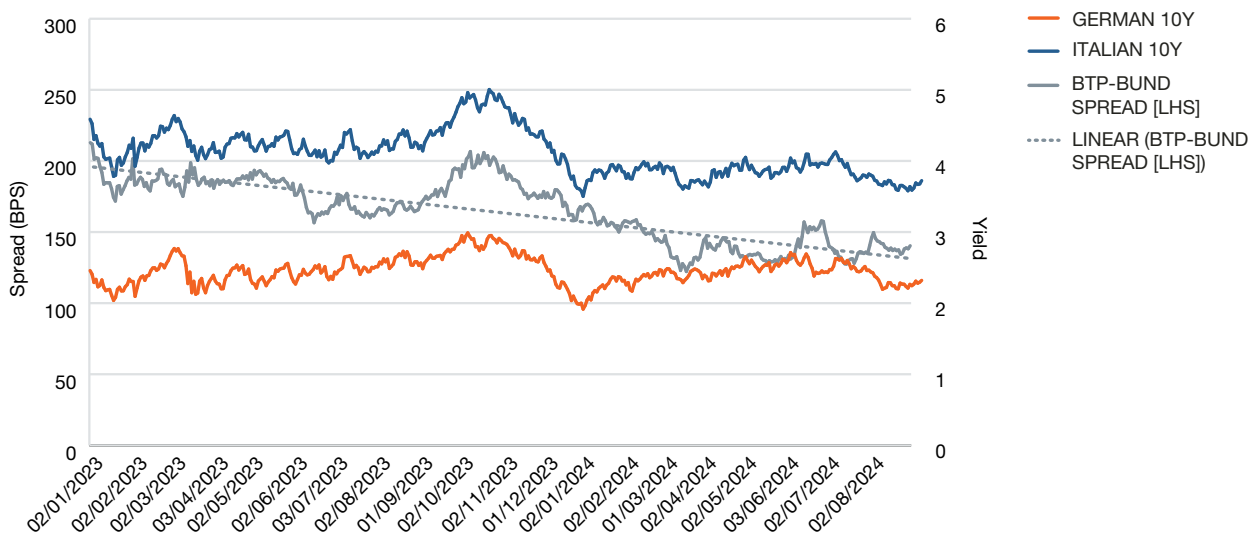
ICMA calculated using INSEE and Deutsche Bundesbank data

Figure 16 – Total Return Index unhedged EUR (base 100 as of 01/01/2023)



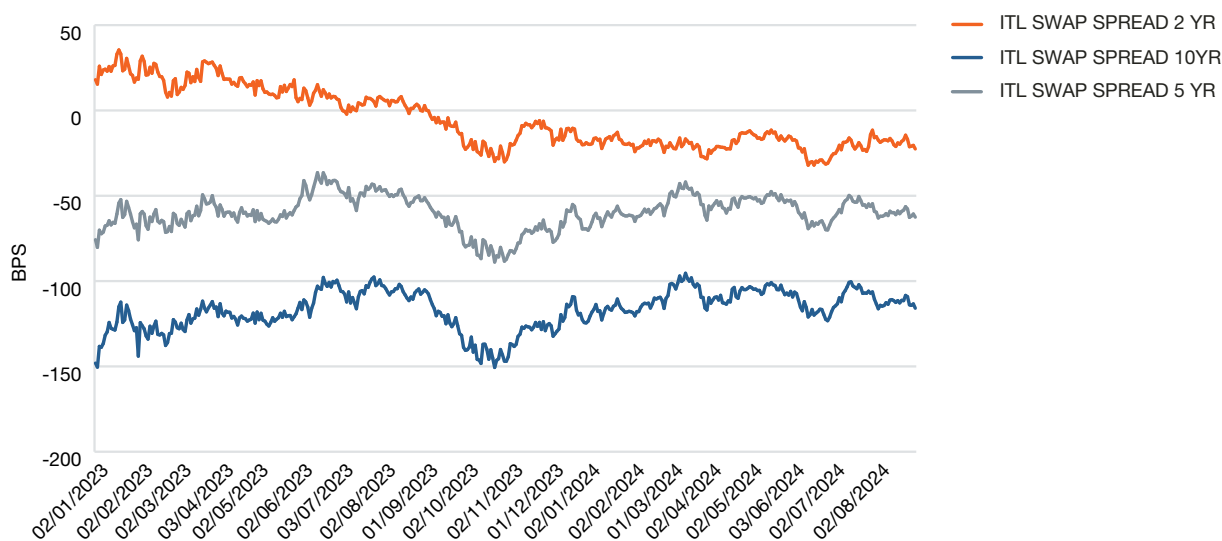
ICMA calculated using Bloomberg data

Figure 17 – Italian and German 10Y yield and spread



ICMA calculated using Bloomberg data

Figure 18 – Italian swap spreads



ICMA calculated using Bloomberg data

EU and UK Markets

When observing the volume distribution by Issuer at a non-aggregated level, but rather take the individual trade jurisdictions, the trends once again differ, showing different dynamics.

While for most countries the notional traded in the EU is roughly the same in the UK, for major issuers we notice substantial differences.

For US issued bonds, the notional traded in the UK is more than double than what is traded in the whole EU. We see in fact the equivalent of €7.2 tn of US issued bonds traded in the UK against the €3.4 tn in the EU. Italian issued bonds make up 37% of the EU share, with €5.6 tn of notional traded, against €1.5 tn traded in the UK. The same applies to UK issued bonds, being much more liquid domestically, with a notional traded of €3.1 tn in UK trading venues and only €481 bn in the EU. The whole distribution is available as per Table 4.

Table 4¹⁰

EU Markets			UK Market		
Issuer Country	Notional Value (€bn)	%	Issuer Country	Notional Value (€bn)	%
ITALY	5,577.49	37%	UNITED STATES	7,194.61	44%
UNITED STATES	3,353.05	22%	UNITED KINGDOM	3,078.71	19%
GERMANY	1,792.79	12%	GERMANY	1,890.86	12%
FRANCE	1,520.17	10%	ITALY	1,517.15	9%
SPAIN	881.49	6%	FRANCE	1,318.90	8%
UNITED KINGDOM	480.83	3%	SPAIN	530.25	3%
BELGIUM	358.36	2%	BELGIUM	225.50	1.4%
NETHERLANDS	272.04	2%	NETHERLANDS	215.65	1.3%
POLAND	163.00	1.1%	AUSTRIA	121.93	0.7%
AUSTRIA	95.08	0.6%	POLAND	65.59	0.4%
FINLAND	93.44	0.6%	FINLAND	41.49	0.3%
PORTUGAL	65.88	0.4%	ROMANIA	37.03	0.2%
HUNGARY	46.11	0.3%	HUNGARY	36.31	0.2%
ROMANIA	35.02	0.2%	PORTUGAL	22.84	0.1%
CZECH REPUBLIC	34.89	0.2%	GREECE	21.05	0.1%
SWEDEN	28.73	0.2%	CZECH REPUBLIC	20.18	0.1%
IRELAND	21.60	0.1%	IRELAND	17.21	0.1%
DENMARK	21.54	0.1%	SWEDEN	14.83	0.1%
GREECE	18.69	0.1%	NORWAY	8.18	0.05%
SLOVAKIA	14.84	0.1%	SLOVAKIA	5.29	0.03%
NORWAY	14.70	0.1%	SLOVENIA	5.08	0.03%
SLOVENIA	8.87	0.1%	DENMARK	4.31	0.03%
BULGARIA	3.28	0.02%	BULGARIA	2.67	0.02%
CROATIA	2.61	0.02%	CROATIA	1.55	0.01%
LATVIA	2.52	0.02%	LATVIA	1.55	0.01%
LITHUANIA	2.43	0.02%	LITHUANIA	1.28	0.01%
LUXEMBOURG	1.91	0.01%	LUXEMBOURG	1.18	0.01%
ESTONIA	1.16	0.01%	ESTONIA	0.91	0.01%
CYPRUS	1.07	0.01%	CYPRUS	0.44	0.003%
ICELAND	0.11	0.001%	ICELAND	0.003	0.00002%

¹⁰ Please note that EU volumes summed to UK volumes do not equate, and are slightly less than total aggregated volumes. This is due to jurisdiction data missing from the dataset.

Figure 19 – EU - Weekly sovereign bond volumes by sovereign issuer

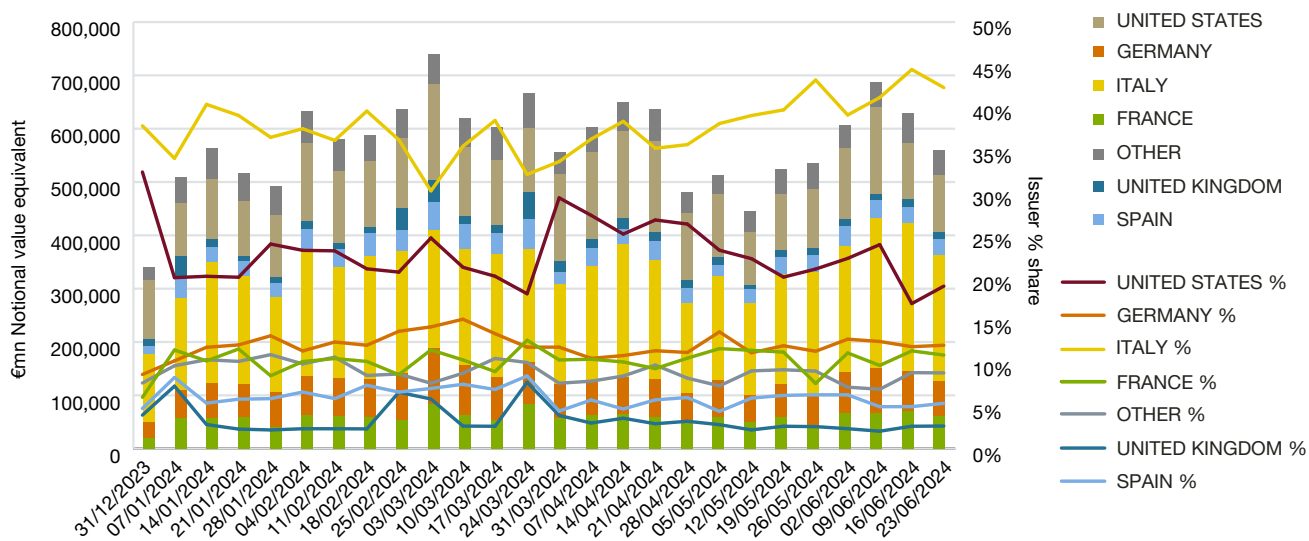


Figure 20 – EU - Total sovereign bond volume by issuer (€bn equivalent)

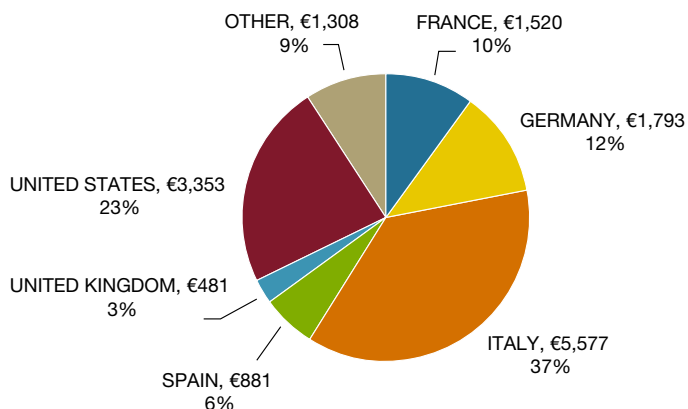


Figure 21 – UK - Weekly sovereign bond volumes by sovereign issuer

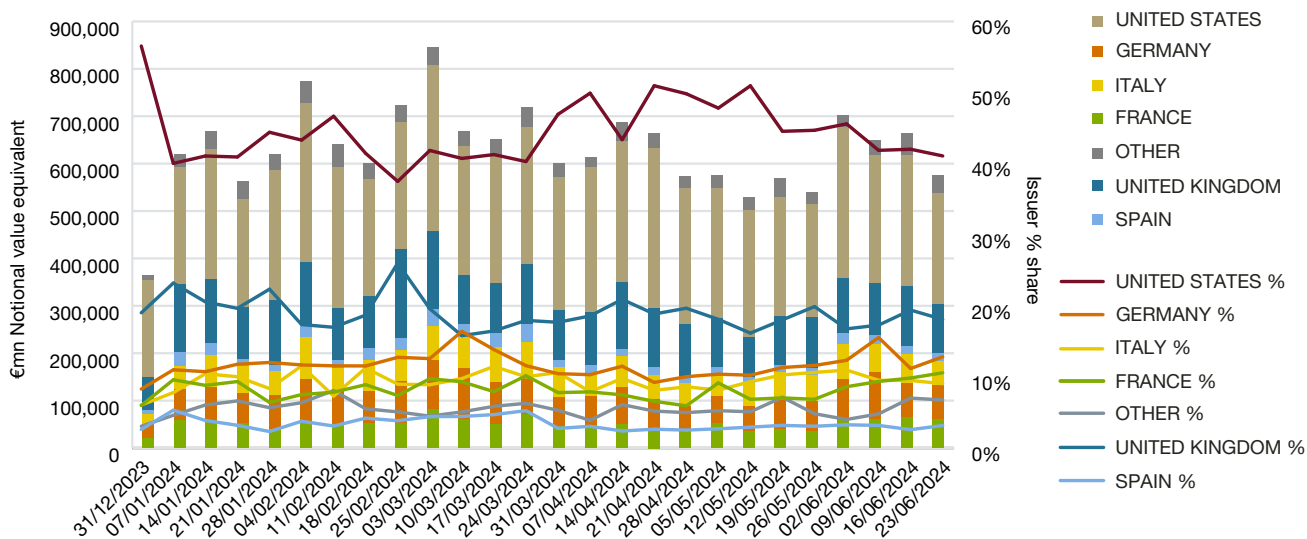
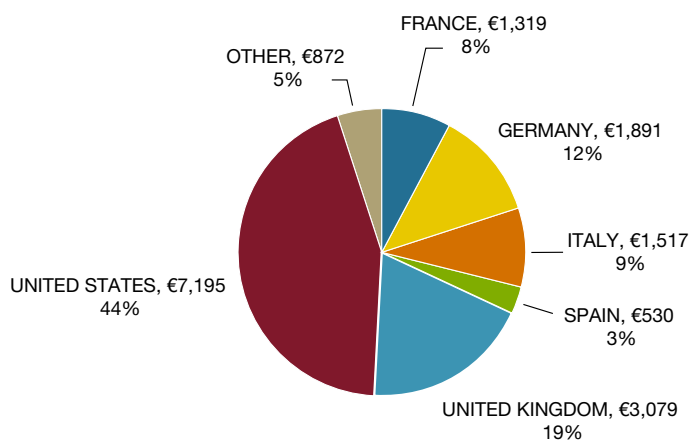


Figure 22 – UK - Total sovereign bond volume by issuer (€bn equivalent)



Trade Count

Count by currency

Aggregated count

The total trade count for the first half of 2024 totalled 6,018,959, equating to a weekly average of 231.5k (197.6k in H1 2023 and 205.2k in 2023 FY).

The weekly currency distribution does not show any noteworthy trends, with percentage share exhibiting minimal deviation across the 26 weeks.

The total distribution for H1 2024 is composed of EUR denominated trades making up more than half of total trades. These are 3.1 mn and account for 52% of total transactions (51% in 2023 FY). USD denominated trades follow with 2.2 mn trades, accounting for 37% of total trades (38% in 2023 FY). GBP trades summed up to 556k representing 9% of the total share (9% in 2023 FY). The remaining 143k trades (2%) are shared among all other currencies that include (but are not limited to) CAD, CHF, DKK, JPY, NOK and SEK.

Table 5

Currency	Transaction Count	%
EUR	3,108,434	52%
USD	2,210,934	37%
GBP	556,089	9%
Other	113,158	2%
NOK	12,313	0.2%
DKK	9,240	0.2%
SEK	8,791	0.1%

Figure 23 – Weekly sovereign trade count by currency

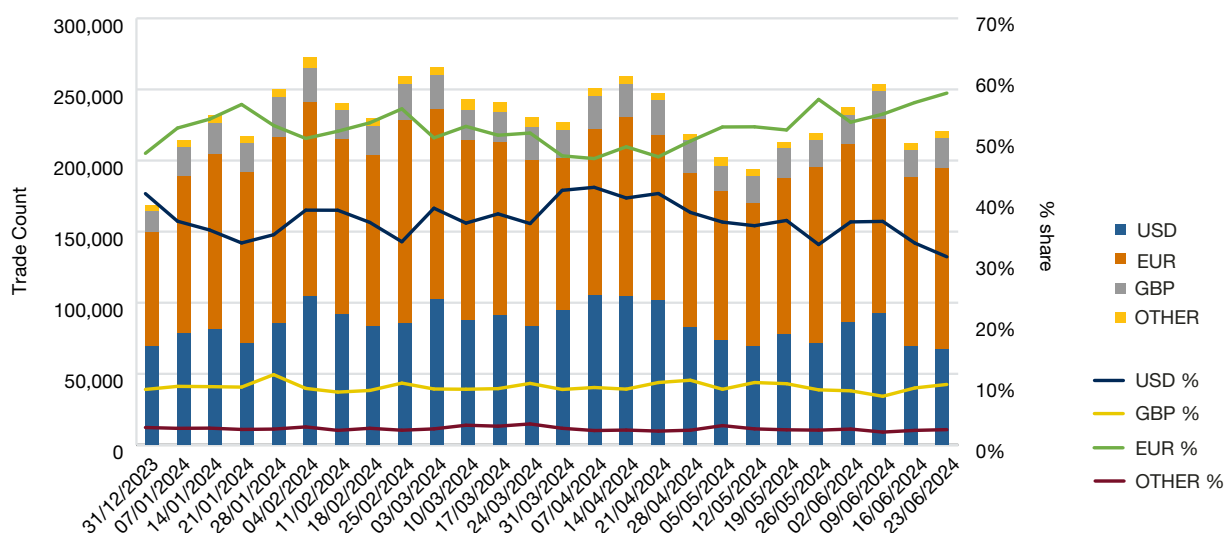
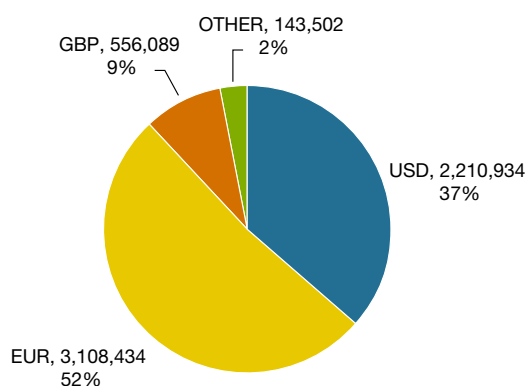


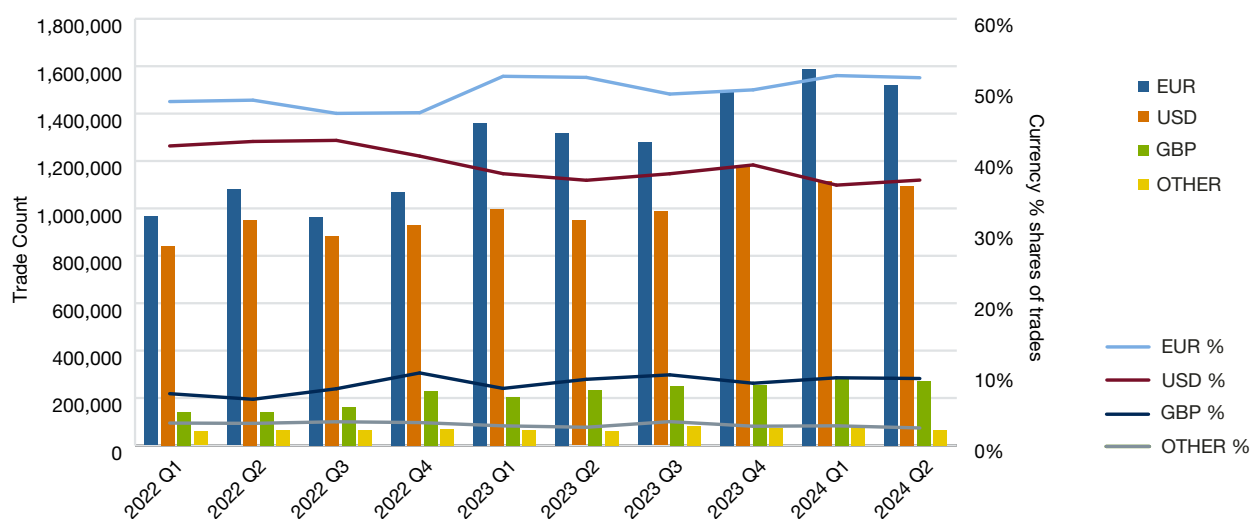
Figure 24 – Total sovereign trade count by currency



Evolution of currency distribution

Figure 25 shows the evolution of trade count by currency since Q1 2022. As per Figure 1 it is noticeable how trade count has an upward sloping trend for all currencies (with the exception of cyclical downtrends in the second and third quarters of each year). With regards to the percentage share, this exhibits stable trends, without deviating significantly.

Figure 25 – Evolution of currency distribution (trade count)



EU and UK Markets

USD denominated trades are shared out almost evenly between the two jurisdictions with 1.07 mn trades in the EU and 1.14 mn in the UK. EUR denominated trades however are almost three times in EU markets compared to the UK. We see in fact 2.3 mn trades in the EU against 0.8 mn in the UK.

Table 6¹¹

EU Markets			UK Market		
Currency	Transaction Count	%	Currency	Transaction Count	%
EUR	2,301,843	64%	USD	1,137,733	47%
USD	1,073,201	30%	EUR	806,279	33%
GBP	105,393	3%	GBP	450,696	19%
Other	82,884	2%	Other	30,274	1%
NOK	8,567	0%	SEK	3,775	0%
DKK	6,707	0%	NOK	3,746	0%
SEK	5,016	0%	DKK	2,527	0%

Count by issuers

Aggregated count

The trade count percentage share by issuers remained fairly constant during the 26 weeks in H1 2024 (Figure 26).

US issued bonds recorded 2.2 mn trades for a total share of 36% (14.7% increase compared to 1.9 mn in H1 2023). Italian issued bonds are the second most traded, with 1.5 mn trades and a 24% share of total trades (42.1% increase compared to 1.03 mn in H1 2023). US and Italian issued bonds alone make up 60% of total trades. German issued bonds make up 10% of total trades with a count of 597.4k. This represents a 6.3% decrease from H1 where 637.4k trades were recorded. UK issued bonds place themselves in fourth position with 555.7k trades and 9% of total share (+28% compared to 433.6k trades in H1 2023). French issued bonds trade count remains fairly constant when compared to H1 2023. French bonds recorded 335.6k trades for a 6% share of total trades (+2.7% compared to 326.6k trades in H1 2023). Spain is the last country on the list to hold a share greater than 2%, contributing 4% of the total transaction count. All other countries, including Belgium and the Netherlands, hold shares below 2%. Spanish bonds recorded 251.4k trades (compared to 214.3k trades in H1 2023).

¹¹ Please note that EU trades summed to UK trades do not equate, and are slightly less than total aggregated trades. This is due to jurisdiction data missing from the dataset.

Figure 26 – Weekly sovereign trade count by issuer

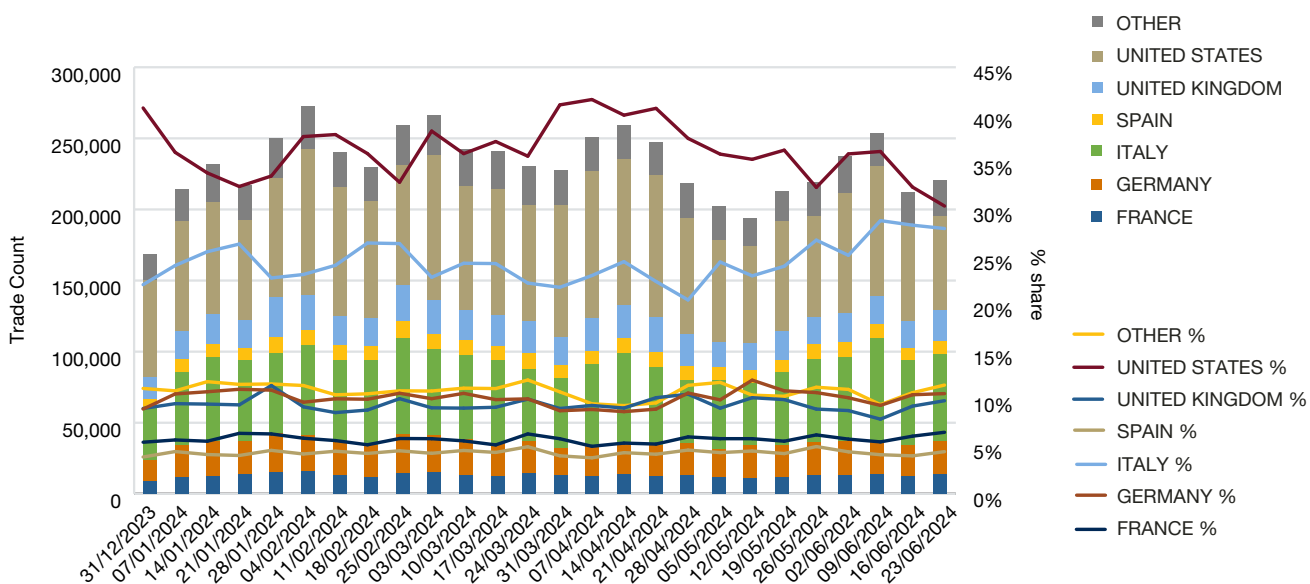


Figure 27 – Total sovereign trade count by issuer

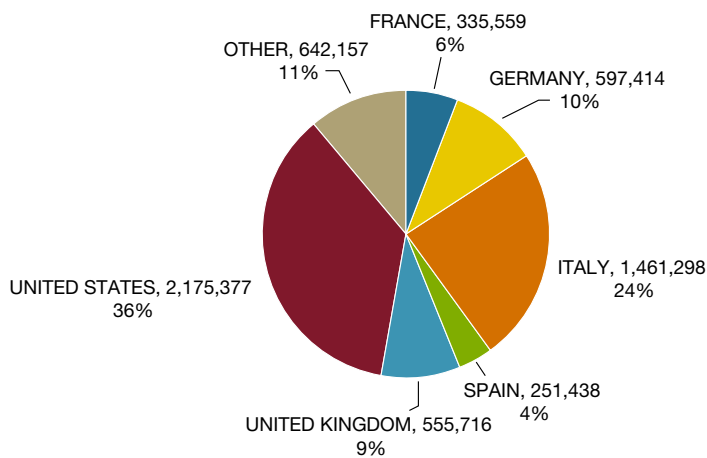


Table 7

Issuer Country	Transaction Count	%
UNITED STATES	2,175,377	36%
ITALY	1,461,298	24%
GERMANY	597,414	10%
UNITED KINGDOM	555,716	9%
FRANCE	335,559	6%
SPAIN	251,438	4%
BELGIUM	102,177	1.7%
NETHERLANDS	90,012	1.5%
AUSTRIA	83,891	1.4%
ROMANIA	79,574	1.3%
POLAND	62,009	1.0%
HUNGARY	45,888	0.8%
FINLAND	37,484	0.6%
PORTUGAL	27,943	0.5%
IRELAND	27,778	0.5%
CZECH REPUBLIC	19,599	0.3%
NORWAY	12,309	0.2%
GREECE	10,875	0.2%
DENMARK	9,475	0.2%
SWEDEN	8,851	0.1%
SLOVENIA	5,872	0.1%
SLOVAKIA	5,230	0.1%
BULGARIA	3,120	0.1%
LITHUANIA	2,729	0.05%
LUXEMBOURG	2,371	0.04%
CROATIA	1,948	0.03%
LATVIA	1,384	0.02%
ESTONIA	865	0.01%
CYPRUS	683	0.01%
ICELAND	90	0.001%

Evolution of issuer distribution

When observing the evolution of trade count from Q1 2022, we notice some similar trends as per the evolution of issuers volume. We can summarise these as below:

- While the trade count for German, French, US and “other countries” issued bonds grew in a range between 30% and 33%, Italian and UK issued bonds recorded a growth of 95% and 92% respectively (Figure 28). When compared to the trade count of US issued bonds, the UK and Italian bond trade counts represent an increasingly larger percentage quarter after quarter (Figure 29).
- In terms of trade count share, all countries have a fairly constant trend with the exception of US issued bonds whose share is in decline (despite a growth in trade count). From its peak share of 42% in Q2 2022, US issued bonds lost on average 0.6 percentage points in every quarter, ending up with a share of 36.5% in Q2 2024. The percentage share lost by the US was mainly absorbed by Italian issued bonds whose share increased from 18.5% in Q1 2022 to 24.5% in Q2 2024 (Figure 30).

Figure 28 – Trade count growth by issuer country (base 100 as of 2022 Q1)

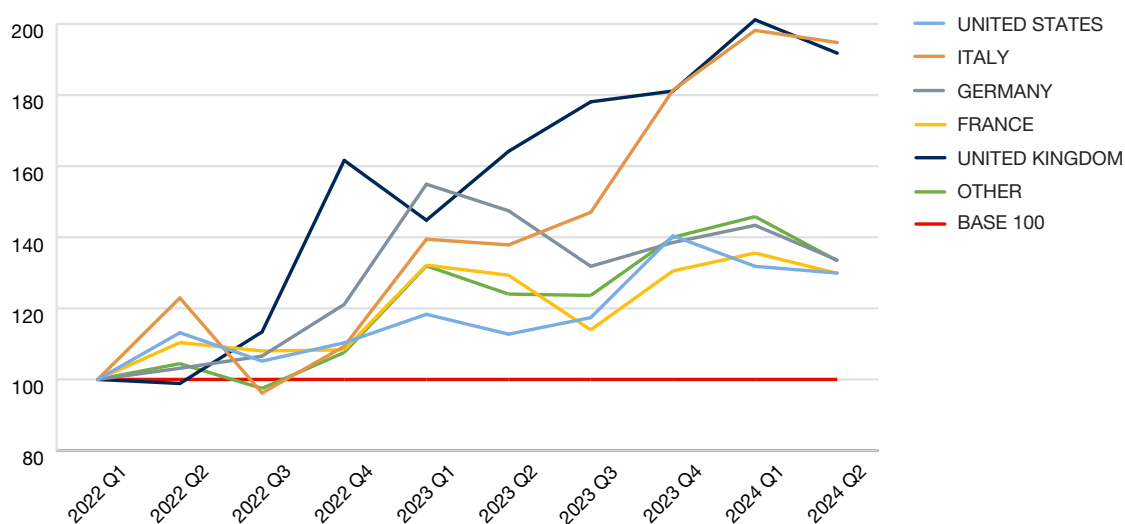


Figure 29 – Italian & UK trade count comparison to US¹²

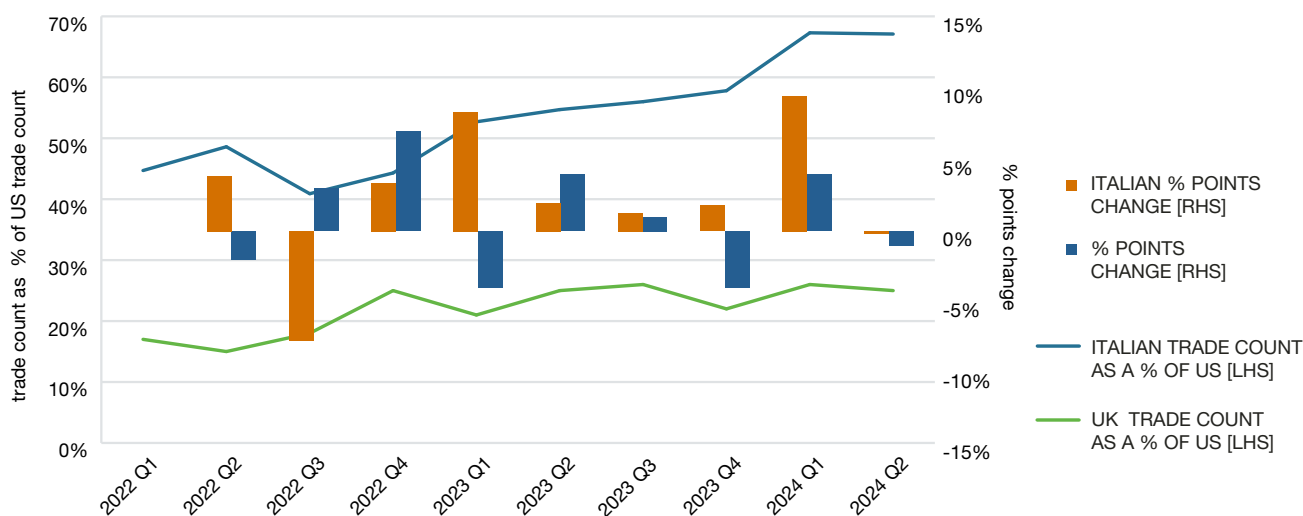
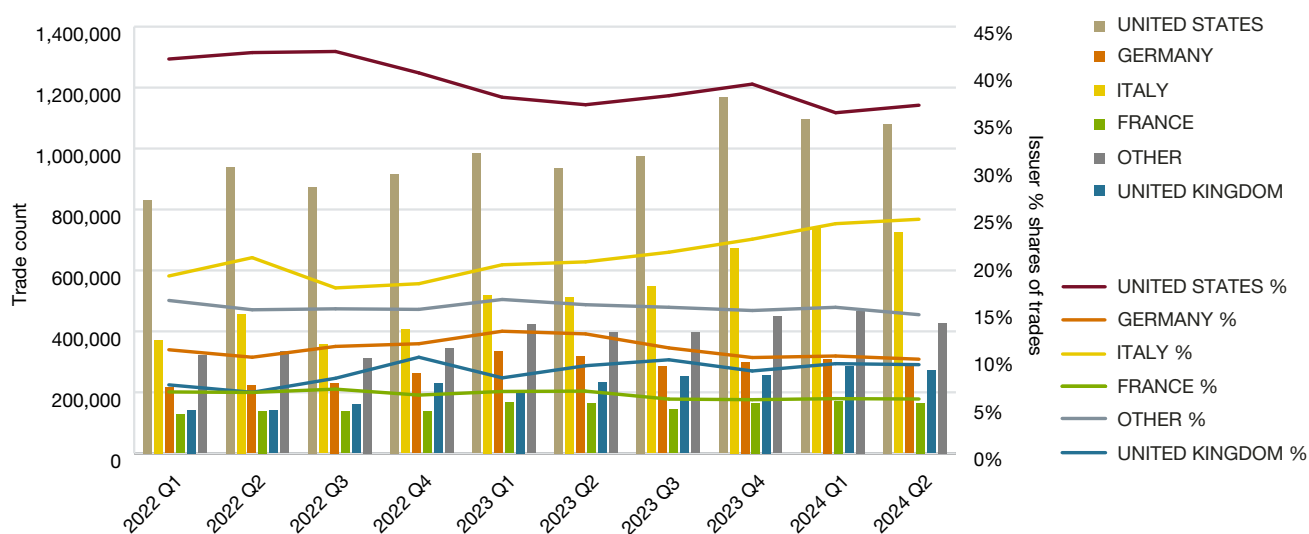


Figure 30 – Evolution of issuer distribution (trade count)



EU and UK Markets

The dynamics at a non aggregated level resemble what was already seen with the distribution of volumes by issuer. US trades are (almost) evenly distributed among the two jurisdictions but account for different shares. In fact, the 1.12 mn of US-issued bond trades that were executed in the UK account for 46% of the UK trade count share, while the 1.06 mn trades in the EU account for only 30% of the share.

As expected, UK issued bonds trade four times more often on UK trading venues compared to EU ones. Italian bonds instead traded almost six times more frequently in the EU.

65% of trades executed within the EU are comprised of only two countries: Italy and the US with a respective share of 35% and 30%. In the UK 64% of trades are also comprised of only two countries, namely the US and the UK with a share of 46% and 19% respectively.

¹² The lines in this chart (left axis) represent the trade count of the country as a % of US trade. This is calculated as trade count for country over trade count for US. The bars (right axis) simply represent the % points change QoQ of the line chart.

Table 8

EU Markets			UK Market		
Issuer Country	Transaction Count	%	Issuer Country	Transaction Count	%
ITALY	1,249,434	35%	UNITED STATES	1,115,050	46%
UNITED STATES	1,060,327	30%	UNITED KINGDOM	450,506	19%
GERMANY	328,886	9%	GERMANY	268,528	11%
FRANCE	223,235	6%	ITALY	211,864	9%
SPAIN	189,618	5%	FRANCE	112,324	5%
UNITED KINGDOM	105,210	3%	SPAIN	61,820	3%
BELGIUM	71,508	2%	ROMANIA	38,198	2%
NETHERLANDS	60,557	2%	BELGIUM	30,668	1.3%
AUSTRIA	58,427	2%	NETHERLANDS	29,144	1.2%
ROMANIA	41,376	1.2%	AUSTRIA	25,464	1.0%
POLAND	39,547	1.1%	POLAND	22,462	0.9%
HUNGARY	28,692	0.8%	HUNGARY	17,196	0.7%
FINLAND	26,885	0.8%	FINLAND	10,599	0.4%
PORTUGAL	22,128	0.6%	IRELAND	9,445	0.4%
IRELAND	18,333	0.5%	CZECH REPUBLIC	5,988	0.2%
CZECH REPUBLIC	13,611	0.4%	PORTUGAL	5,815	0.2%
NORWAY	8,565	0.2%	SWEDEN	3,801	0.2%
GREECE	7,840	0.2%	NORWAY	3,744	0.2%
DENMARK	6,864	0.2%	GREECE	3,035	0.1%
SWEDEN	5,050	0.1%	DENMARK	2,605	0.1%
SLOVENIA	4,499	0.1%	BULGARIA	1,473	0.1%
SLOVAKIA	3,966	0.1%	SLOVENIA	1,373	0.1%
LITHUANIA	2,244	0.1%	SLOVAKIA	1,264	0.1%
LUXEMBOURG	1,744	0.05%	LUXEMBOURG	627	0.03%
BULGARIA	1,647	0.05%	CROATIA	609	0.03%
CROATIA	1,339	0.04%	LATVIA	501	0.02%
LATVIA	883	0.02%	LITHUANIA	485	0.02%
ESTONIA	600	0.02%	ESTONIA	265	0.01%
CYPRUS	509	0.01%	CYPRUS	174	0.01%
ICELAND	87	0.002%	ICELAND	3	0.0001%

Trade size

Aggregated

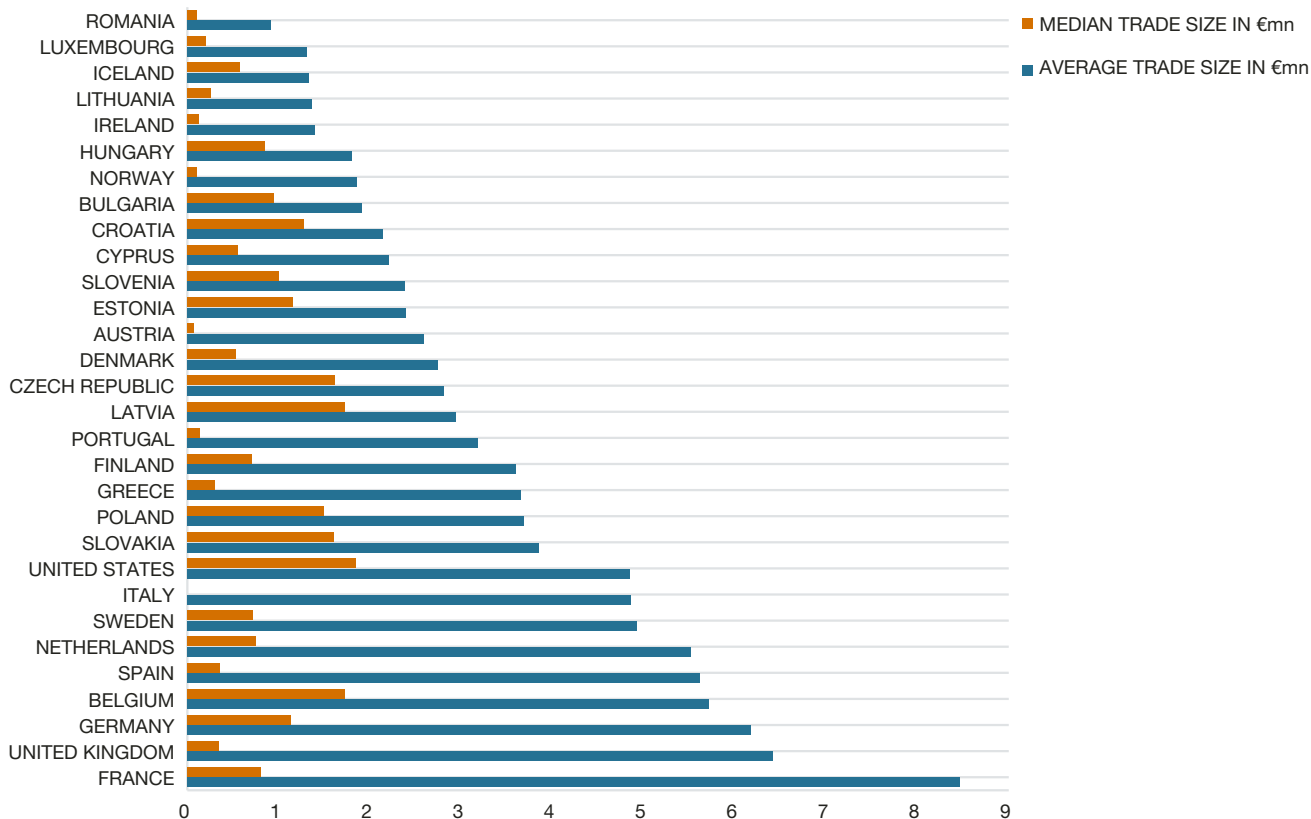
The top six countries by amount traded and trade count also all rank among the top 10 when considering average and median trade sizes. France ranks first with an average trade size of €8.46 mn and a median of €800k. Among the top 10 countries by average trade size, in addition to the top six issuers, we also find Belgium, with an average trade size of €5.71 mn and a median of €1.73 mn; the Netherlands with an average trade size of €5.52 mn and a median of €750k; Sweden with an average trade size of €4.9 mn and a median of €720k; and in 10th place Slovakia, with an average trade size of €3.85 mn and a median of €1.6 mn.

Table 9

Issuer Country	Average Trade Size in €mn	Median Trade Size in €mn
FRANCE	8.46	0.80
UNITED KINGDOM	6.41	0.35
GERMANY	6.17	1.13
BELGIUM	5.71	1.73
SPAIN	5.61	0.36
NETHERLANDS	5.52	0.75
SWEDEN	4.92	0.72
ITALY	4.86	NA ¹³
UNITED STATES	4.85	1.85
SLOVAKIA	3.85	1.60

¹³ Due to the aggregation of numerous trades, ICMA is currently unable to estimate a median trade size for Italy. We are actively working to address this issue to enable efficient estimation in future versions of this report.

Figure 31 – Average and median trade sizes (€mn)



Evolution of trade sizes

From H1 2022 to H2 2023, most countries, including the big 6¹⁴, exhibited decreasing average trade sizes. From H2 2023 onwards, the downward trend seems to have reversed, and compared to H2 2023 this semester saw an increase in trade size ranging from 1% to 40% (only six countries out of 30 appear to have average trade sizes on a down trend). Despite this apparent trend reversal, most countries are currently trading at an average trade size below the 2022 average (Figure 32).

14 Big 6 is referred to the top six countries by volume: US, UK, Italy, France, Germany and Spain

Figure 32 – Evolution of trade sizes (average)

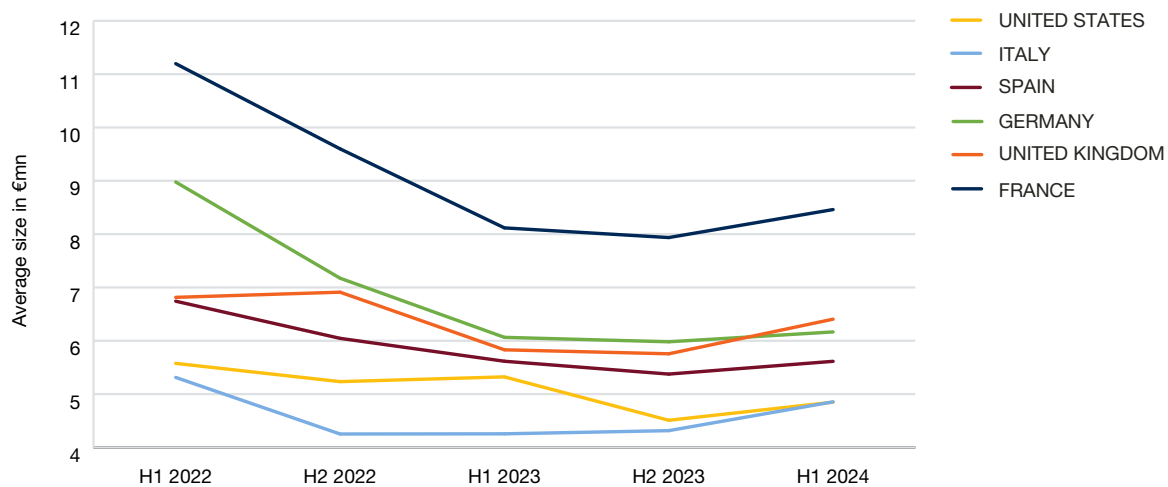
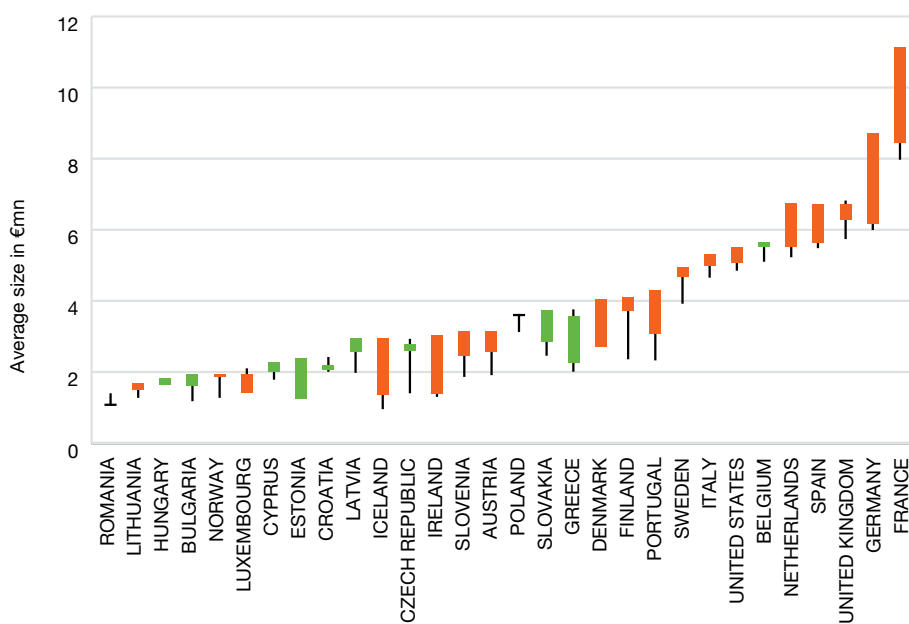


Figure 33 – Half-yearly distribution of average trade size by country from H1 2022 to H1 2024 (OHLC)



EU and UK Markets

Average and median trade sizes have different dynamics in different jurisdictions. A clear trend is that for many countries (25 out of 30), the average trade size in the UK is higher than in the EU. Of these, four countries exhibit average trade sizes that are more than double the EU.

UK median sizes are also much bigger compared to EU median sizes for many countries (23 out of 30). In this case, for four countries, median sizes in the UK are over 10 folds the EU one.

Table 10

Issuer Country	Average Trade Size TOTAL (€mn)	Average Trade Size EU (€mn)	Average Trade Size UK (€mn)	UK Avg size as % of EU
AUSTRIA	2.59	1.63	4.79	194%
GREECE	3.65	2.38	6.94	191%
LITHUANIA	1.36	1.08	2.64	144%
UNITED STATES	4.85	3.16	6.45	104%
SLOVENIA	2.38	1.97	3.70	88%
SPAIN	5.61	4.65	8.58	85%
ESTONIA	2.39	1.93	3.43	78%
FRANCE	8.46	6.81	11.74	72%
LUXEMBOURG	1.31	1.10	1.88	72%
NETHERLANDS	5.52	4.49	7.40	65%
ITALY	4.86	4.46	7.16	60%
IRELAND	1.40	1.18	1.82	55%
UNITED KINGDOM	6.41	4.57	6.83	50%
BELGIUM	5.71	5.01	7.35	47%
PORTUGAL	3.18	2.98	3.93	32%
CZECH REPUBLIC	2.81	2.56	3.37	31%
HUNGARY	1.80	1.61	2.11	31%
CROATIA	2.14	1.95	2.55	31%
GERMANY	6.17	5.45	7.04	29%
NORWAY	1.86	1.72	2.18	27%
CYPRUS	2.21	2.10	2.53	20%
ROMANIA	0.91	0.85	0.97	15%
FINLAND	3.60	3.48	3.91	13%
SLOVAKIA	3.85	3.74	4.19	12%
LATVIA	2.94	2.85	3.09	8%
BULGARIA	1.91	1.99	1.81	-9%
ICELAND	1.33	1.26	1.00	-21%
POLAND	3.69	4.12	2.92	-29%
SWEDEN	4.92	5.69	3.90	-31%
DENMARK	2.74	3.14	1.65	-47%

Figure 34 – Average trade size by jurisdiction

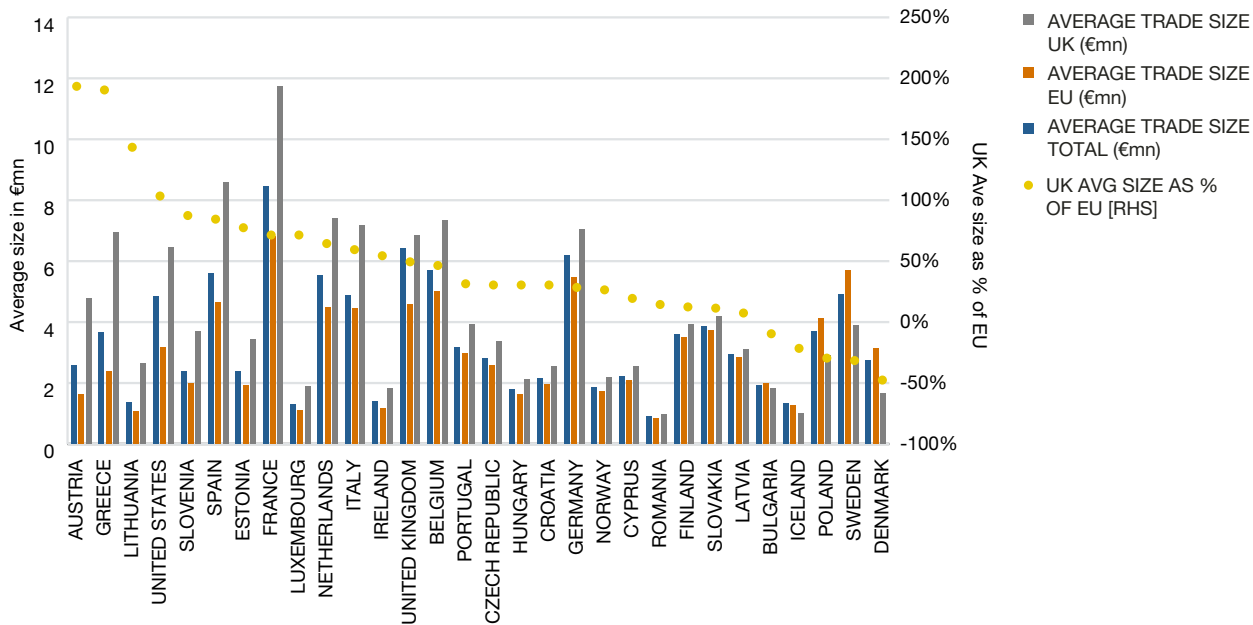


Figure 35 – UK Avg size as % of EU Avg size

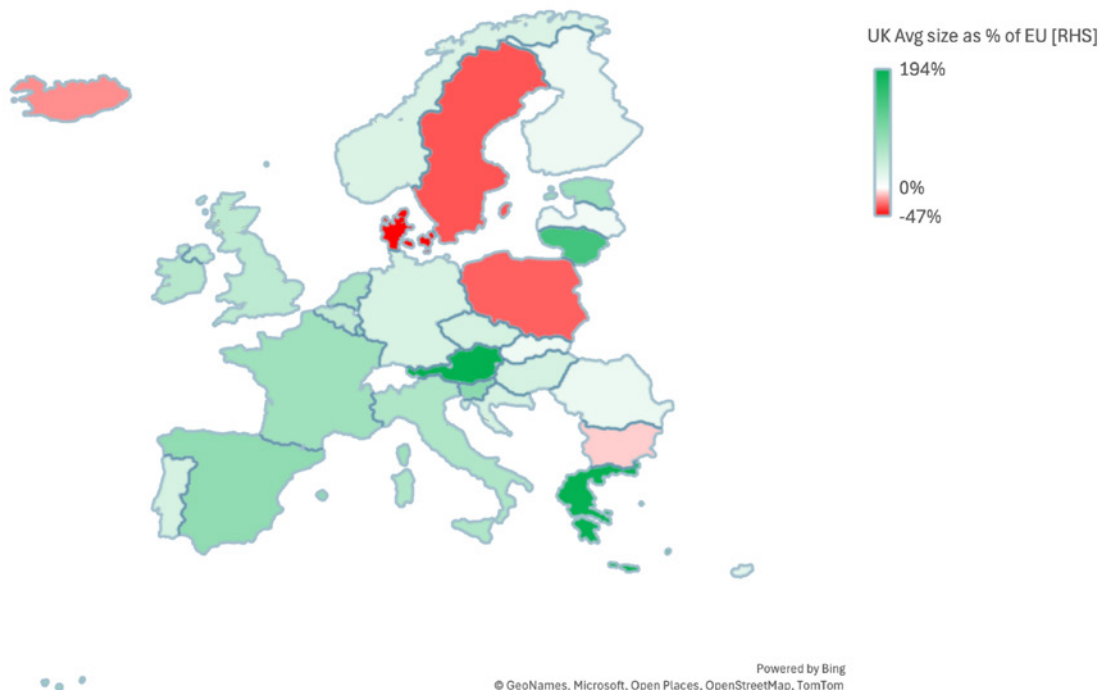
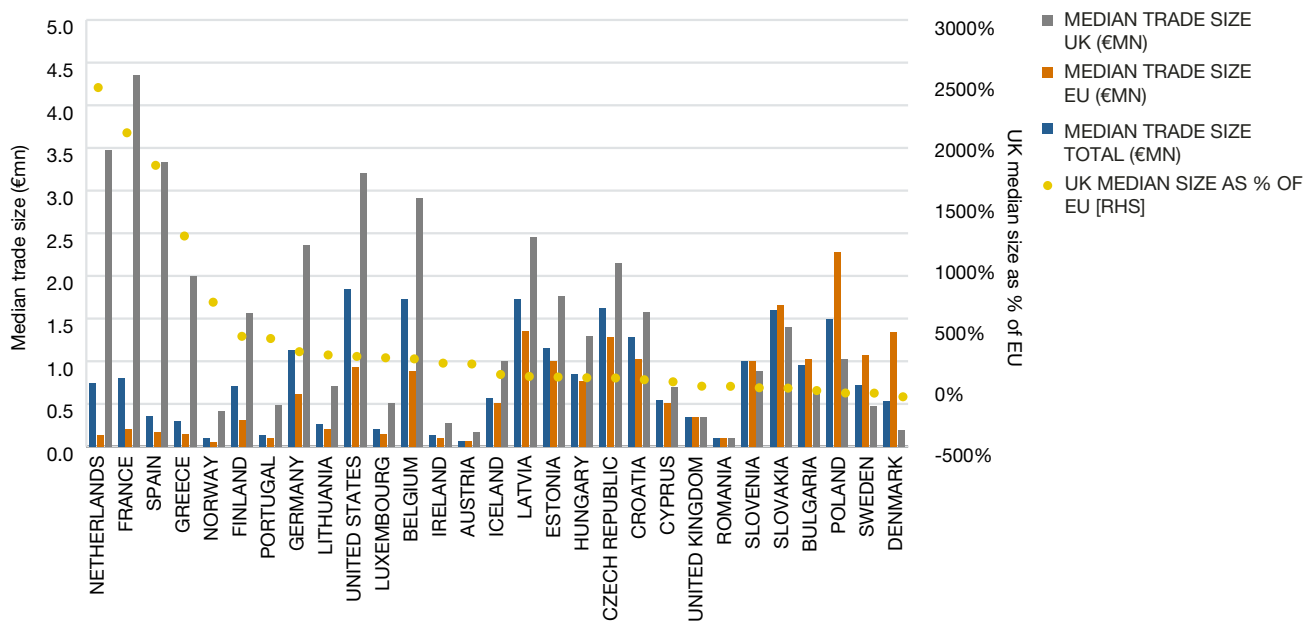


Table 11

Issuer Country	Median Trade Size TOTAL (€mn)	Median Trade Size EU (€mn)	Median Trade Size UK (€mn)	UK Median size as % of EU [RHS]
NETHERLANDS	0.75	0.14	3.47	2451%
FRANCE	0.80	0.20	4.36	2080%
SPAIN	0.36	0.17	3.33	1813%
GREECE	0.30	0.15	2.00	1233%
NORWAY	0.10	0.05	0.42	690%
FINLAND	0.71	0.31	1.57	410%
PORTUGAL	0.14	0.10	0.49	392%
GERMANY	1.13	0.62	2.36	284%
LITHUANIA	0.26	0.20	0.71	257%
UNITED STATES	1.85	0.93	3.21	245%
LUXEMBOURG	0.20	0.15	0.51	234%
BELGIUM	1.73	0.89	2.91	225%
IRELAND	0.13	0.10	0.28	190%
AUSTRIA	0.07	0.06	0.17	183%
ICELAND	0.57	0.51	1.00	97%
LATVIA	1.73	1.35	2.45	81%
ESTONIA	1.16	1.00	1.76	76%
HUNGARY	0.85	0.77	1.30	70%
CZECH REPUBLIC	1.62	1.28	2.15	68%
CROATIA	1.28	1.03	1.58	54%
CYPRUS	0.55	0.51	0.70	37%
UNITED KINGDOM	0.35	0.35	0.35	1%
ROMANIA	0.10	0.10	0.10	0%
SLOVENIA	1.00	1.00	0.88	-12%
SLOVAKIA	1.60	1.66	1.40	-15%
BULGARIA	0.95	1.03	0.68	-35%
POLAND	1.50	2.28	1.03	-55%
SWEDEN	0.72	1.07	0.48	-56%
DENMARK	0.53	1.34	0.19	-86%

Figure 36 – Median trade size by jurisdiction



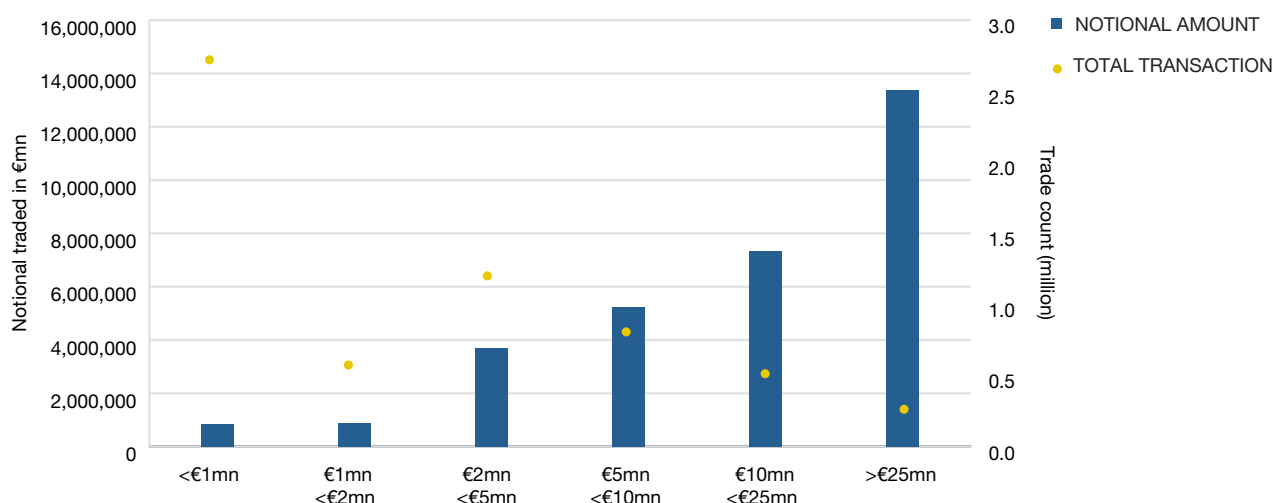
Trade volumes and trade count by trade sizes

Aggregated

When checking the trade count and volume distribution by trade size, we observe similar trends as previously seen in other editions of this report. 45.1% of total trades consist of trades with a notional size less than €1 mn, accounting for only 2.6% of the total notional traded volume. Trades with a notional size between €1 mn and €2 mn make up 9.4% of the total count, contributing 2.8% to the total notional volume. 19.8% of total trades fall between €2 mn and €5 mn, contributing to 11.8% of the total notional volume.

Trades between €5 mn and €10 mn account for 13.2% of the total count, representing 16.7% of the notional volume. Meanwhile, 8.4% of trades fall between €10 mn and €25 mn, contributing 23.4% to the notional traded. Finally, although trades with a notional size greater than €25 mn constitute only 4.2% of total trades, they represent a substantial 42.7% of the total notional volume.

Figure 37 – Total sovereign bond notional traded & trade count by trade size



Between different jurisdictions (UK and EU), we notice no differences at all. The trend described above is consistent across the UK and the EU. As a result, the aggregated value is representative of the market without any skew that could originate from jurisdictional differences.

Evolution

From H1 2022 to H1 2024 both trade count and volumes grow for most buckets at similar paces, with the exception of trades smaller than €1 mn. For this group of trades in fact, the notional traded increase from H1 2022 to H1 2024 is 19%, while the trade count increase equates to 59%. All other trade size buckets exhibit similar growth percentages in trade count and traded notional. Interestingly, the higher the trade size, the lower the growth.

For the bucket of trades between €1 mn and €2 mn, there was growth of 42.9% in notional and 37.6% in transactions. In the €2 mn < €5 mn range, notional grew by 34.4%, while transactions increased by 36.2%. For the €5 mn < €10 mn bucket, we observed notional growth of 39% and transaction growth of 41.3%. In the €10 mn < €25 mn range, there was 15.9% growth in notional and a 14% increase in transactions. Lastly, for buckets > €25 mn, notional grew by 15.4% and transactions increased by 18.3%.

Table 12

% difference between H1 2024 and H1 2022		
Buckets	Notional Traded	Trade count
<€1 mn	19%	59%
€1 mn < €2 mn	43%	38%
€2 mn < €5 mn	34%	36%
€5 mn < €10 mn	39%	41%
€10 mn < €25 mn	15%	14%
≥ €25 mn	15%	18%

Figure 38 – Evolution of total sovereign traded notional by trade size

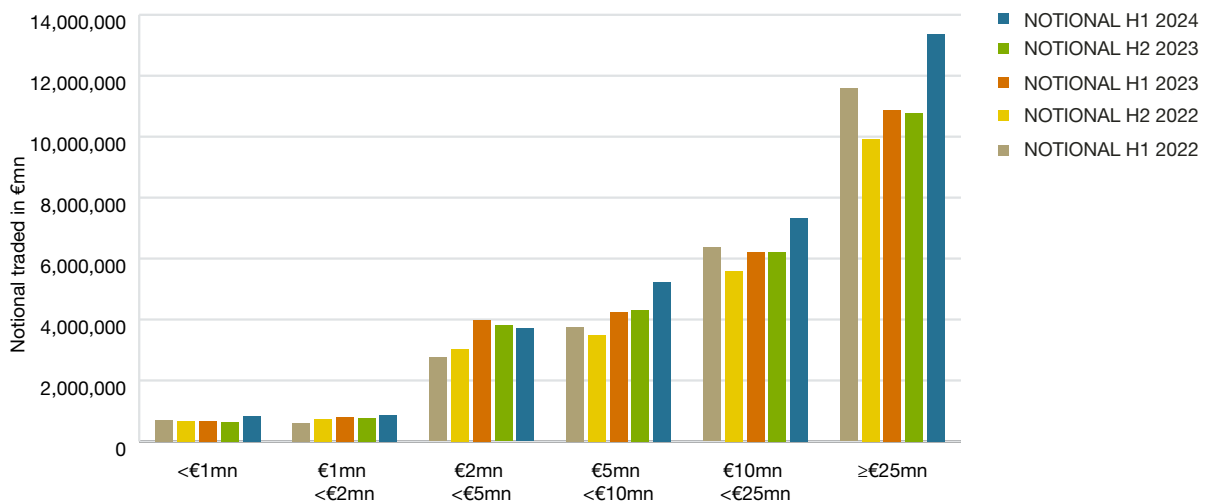
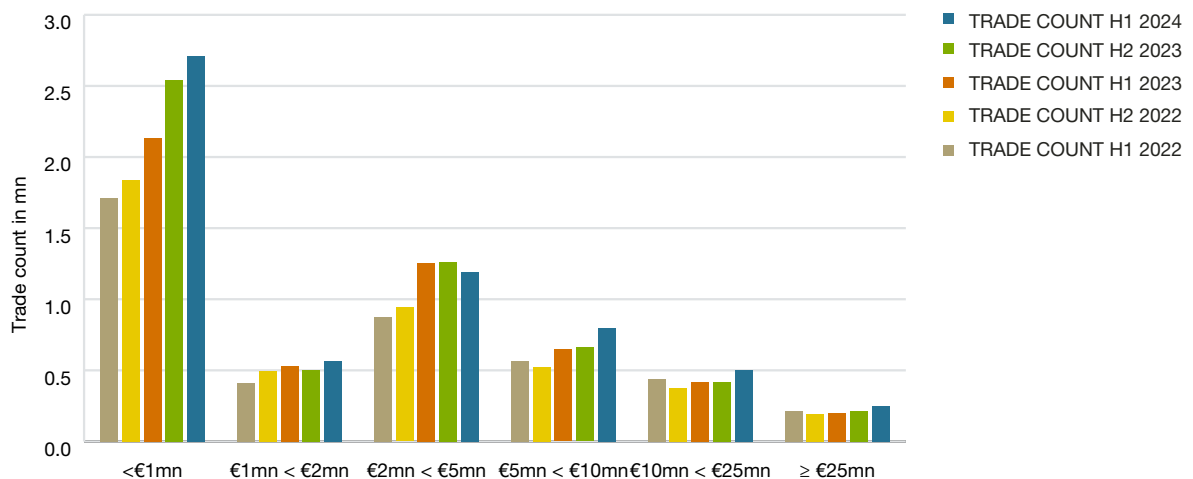


Figure 39 – Evolution of total sovereign trade count by trade size



Distribution channels analysis

Aggregated

The distribution of trades and volumes by distribution channel follows similar patterns as per previous editions of this report. Also between different jurisdictions (UK and EU), we notice no differences at all, with the same trends and values both in UK and EU TVs and APAs.

In H1 2024, 56% of notional was traded via SIs¹⁵. This is followed by D2C (dealer to client) with a 27% share and D2D (dealer to dealer) with a share of 17% (Figure 40). The largest shares in trade count is also represented by SI but at a 46% level only. This is followed by D2C at 41% and D2D at 13%.

SI and D2C volumes and trade count are predominant in very large or very small trades (ie. less than €2 mn or bigger than €10 mn), with D2D having almost no share at all (both for volumes and trades). For middle trade size (between €2 mn and €10 mn) D2D share increases (Figure 42 & Figure 43).

Figure 40 – Sovereign bond volumes by distribution channel (€bn)

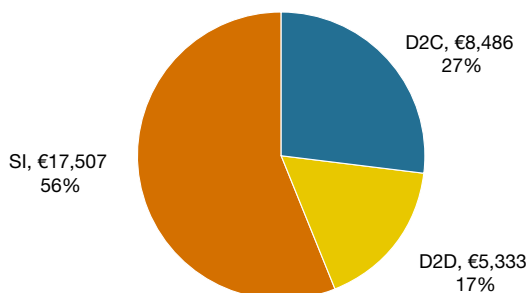
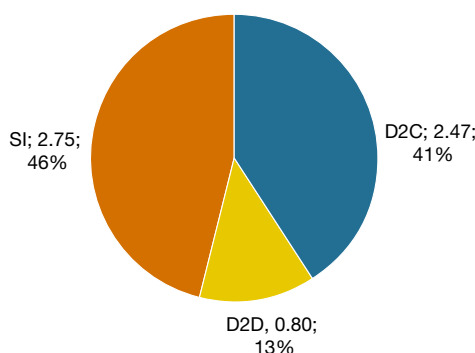


Figure 41 – Sovereign bond trade count by distribution channel (trade in mn)



¹⁵ Systematic Internalisers (including OTC)

Figure 42 – Distribution channel by trade sizes (notional traded in €mn)

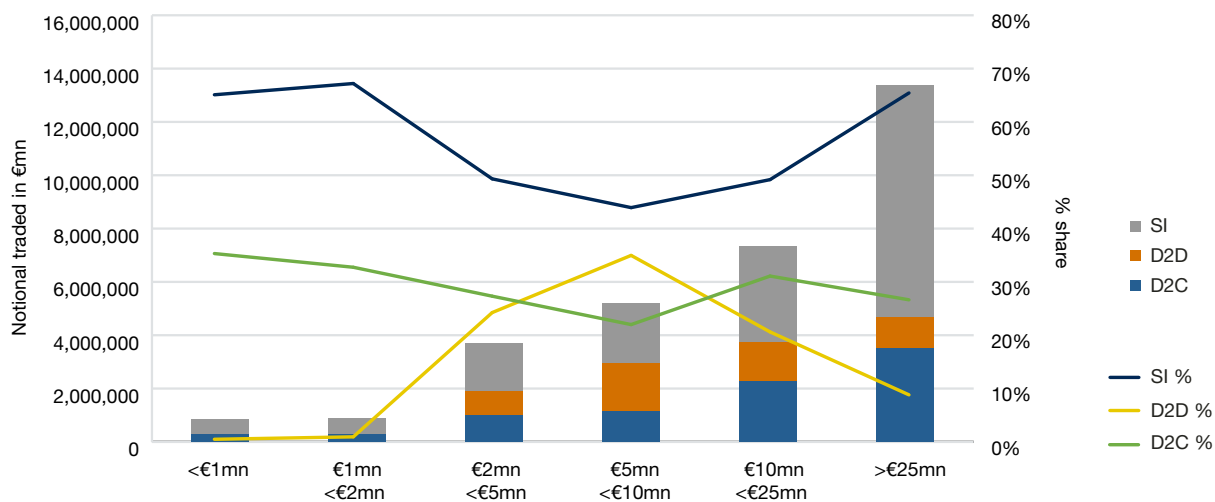
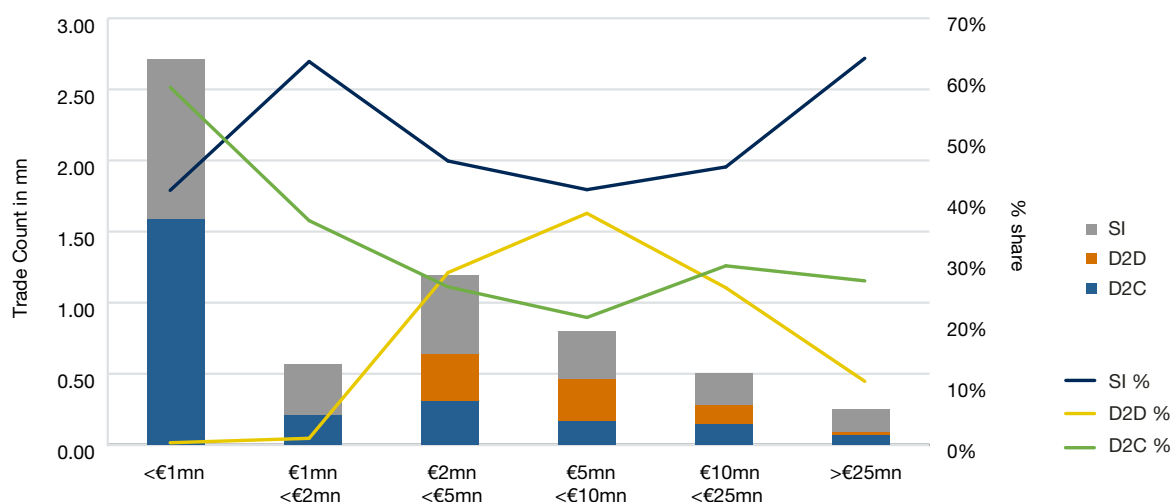


Figure 43 – Distribution channel by trade sizes (trade count)



Evolution

When observing total volumes over an extended time series, we observe a gradual and slow decline in SI volume's share, from a peak share of 63% in 2022 to 56% in H1 2024. While D2C remains relatively constant, oscillating between a share of 25% and 28% across the five semesters, the D2D percentage share increased from a low of 9% in H2 2022 to a high of 17% in this semester (Figure 44). At a more granular level, we observe a shift in dominance between D2C and SI in smaller transaction buckets (e.g., <€1 mn and €1 mn-€2 mn). D2C's share grew significantly from 27% in H1 2022 to a peak of 46% in H1 2023, but then dropped back to 35% by H1 2024. Meanwhile, the SI share initially decreased, but rebounded to 65% by H1 2024, suggesting a possible preference shift back to SI for smaller trades (see the first two groups of bars in Figure 45 & Figure 46). For larger transaction buckets (e.g., €2 mn < €5 mn and above), the D2D share increases over time, particularly in the €2 mn < €5 mn bucket, where it grew from 11% in H1 2022 to 24% in H1 2024 (Figure 47). This can be read as a sign that bigger transactions are more common among dealers, but is difficult to draw conclusions, given the fact that the D2D percentage, despite growing numbers, remains still low as per our previous chapter (more specifically see Figure 42).

Figure 44 – Evolution of notional traded by distribution channel

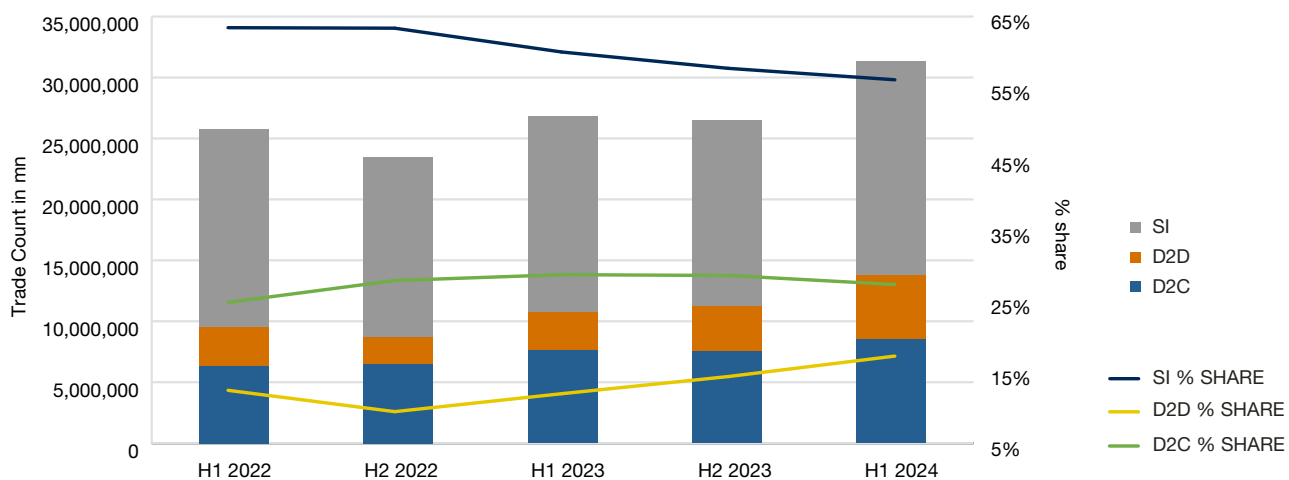


Figure 45 – Evolution of SI share (notional traded)

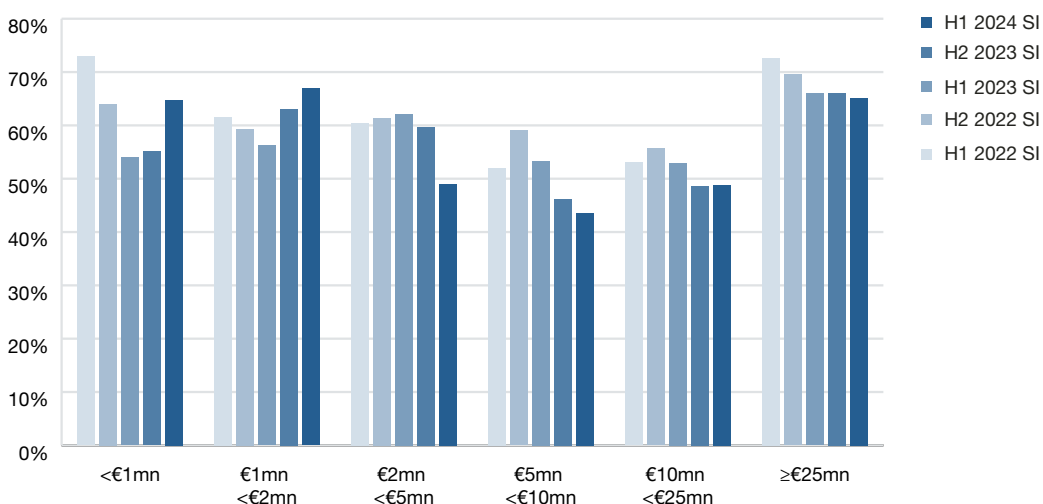


Figure 46 – Evolution of D2C share (notional traded)

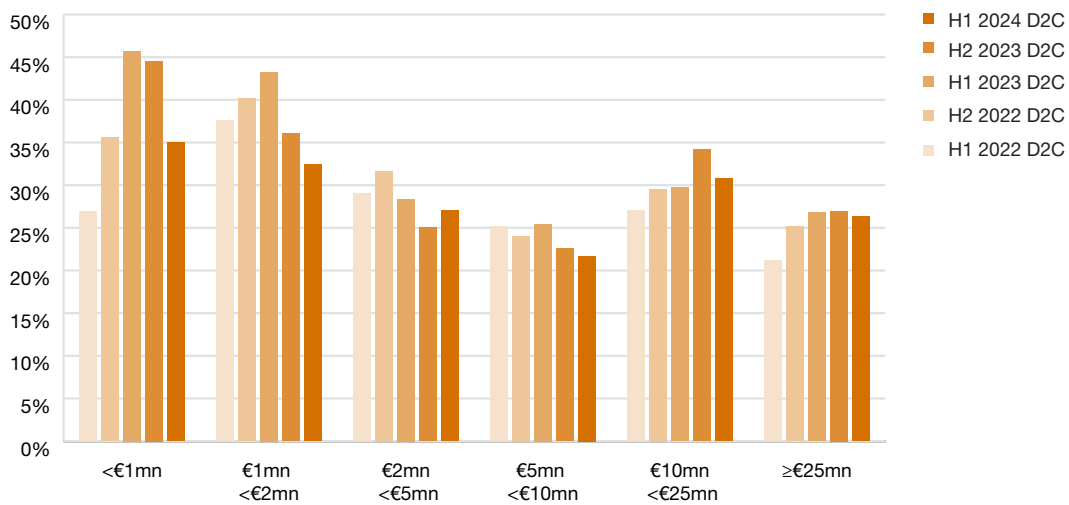
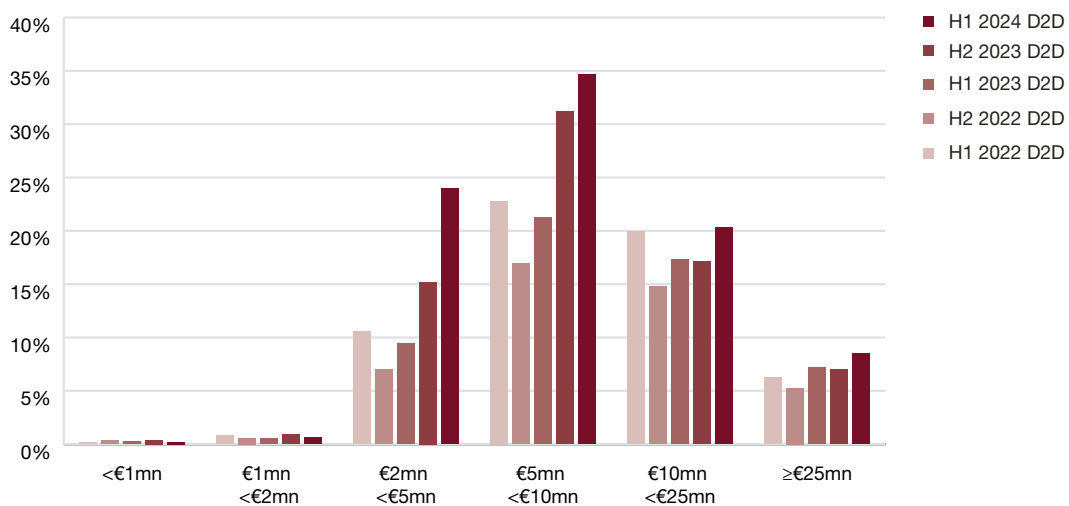


Figure 47 – Evolution of D2D share (notional traded)



Jurisdictions and indefinite aggregation

While total volumes are almost evenly distributed between UK and EU TVs (52% and 48% respectively), trade count in the EU accounts for 60% of total trades (Figure 48).

MiFID II/R reporting provides for the weekly aggregation of transactions (intended to mask individual trades). Much of this aggregation is indefinite, meaning that we may never see individual trade prints, even after the standard four-week deferral period for large transactions or those in less liquid bonds. Indefinite aggregation could be problematic as and when a consolidated tape is introduced. Current proposals in the MiFIR/MiFID II Review look to limit aggregation and deferrals for sovereign bonds to 6 months, while the UK currently proposes a maximum deferral of 4 weeks for sovereign bonds or end-of-day prints with a size cap.

At an aggregate level, we observe that 64% of notional traded appears to be aggregated indefinitely while only 36% has not (Figure 49). When looking at individual jurisdictions, however, we once again find different dynamics (Figure 50). While in the EU indefinite aggregation applies to roughly half of the volumes (51%), in the UK more than three quarters of volumes are indefinitely aggregated (77%).

Figure 48 – Distribution of trades and volumes among jurisdictions

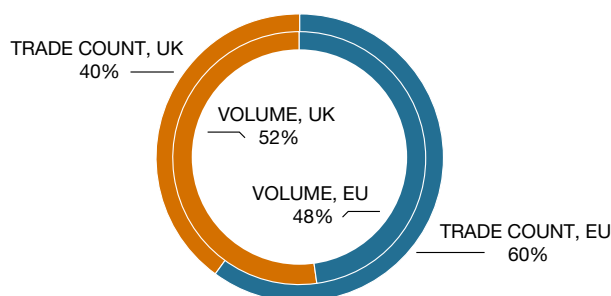


Figure 49 – Indefinite aggregation (volume in €mn)

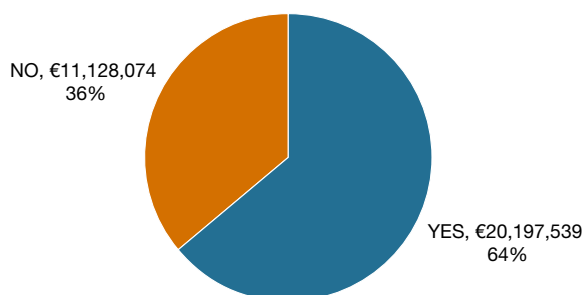
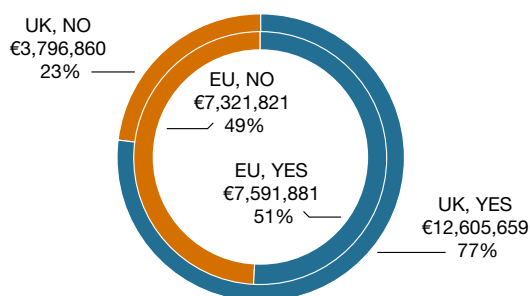


Figure 50 – Indefinite aggregation (volume in €mn) by jurisdiction



Distribution by Tenor

Tenor (or years to maturity) has recently become an important variable under scrutiny, due to proposed changes in legislation, which will be further discussed in a later chapter.

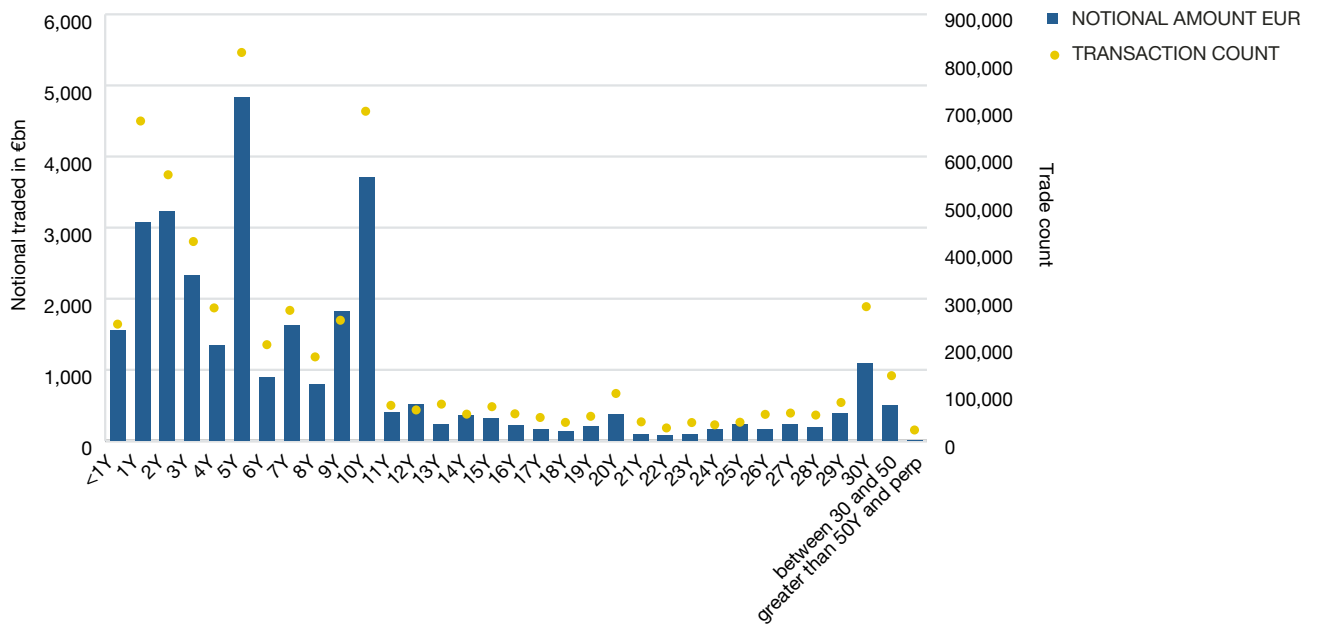
The dynamics between the two jurisdictions are identical, and at an aggregated level we observe that for the first half of 2024, bonds with a 5Y (year) tenor had the most traded volume and transaction count (15% and 14% respectively). This is followed by bonds with a 10Y tenor whose traded notional and transaction count are both 12% of the total. In order of size, the 2Y, 1Y and 3Y tenor follow which together make up 27% of notional traded and 27% of transaction count. All other tenors represent less than 5% of volume or transaction count individually.

Table 13

Tenor	Notional Amount Eur	Transaction Count	% Notional	% Trade
5Y	€4,834,009,272,620	816,204	15%	14%
10Y	€3,701,789,879,887	692,177	12%	12%
2Y	€3,227,163,421,088	558,215	10%	9%
1Y	€3,072,932,523,364	671,604	10%	11%
3Y	€2,334,491,483,633	417,344	7%	7%
9Y	€1,820,151,590,677	251,275	6%	4%
7Y	€1,628,436,082,751	272,108	5%	5%
<1Y	€1,556,921,415,360	243,057	5%	4%
4Y	€1,341,159,376,809	277,301	4%	5%
30Y	€1,088,325,578,881	279,940	3%	5%
6Y	€887,629,446,059	199,731	3%	3%
8Y	€797,301,719,507	173,968	3%	3%
12Y	€512,028,589,778	61,998	2%	1%
between 30 and 50	€494,345,320,534	134,366	2%	2%
11Y	€406,054,349,944	71,691	1%	1%
29Y	€391,473,195,757	77,826	1%	1%
20Y	€369,129,064,586	96,816	1%	2%
14Y	€357,231,477,968	53,184	1%	1%
15Y	€316,092,137,726	68,926	1%	1%
13Y	€232,506,416,194	74,270	1%	1%
25Y	€232,047,185,671	36,140	1%	1%
27Y	€227,324,752,038	55,453	1%	1%
16Y	€217,669,780,225	53,912	1%	1%
19Y	€197,945,319,075	48,636	1%	1%
28Y	€187,675,841,368	51,228	1%	1%
24Y	€165,778,014,302	30,662	1%	1%

Tenor	Notional Amount Eur	Transaction Count	% Notional	% Trade
17Y	€160,741,570,622	46,139	1%	1%
26Y	€157,733,538,015	52,713	1%	1%
18Y	€139,632,661,945	35,778	0.4%	1%
23Y	€97,594,555,104	35,440	0.3%	1%
21Y	€91,526,711,889	36,929	0.3%	1%
22Y	€72,951,602,732	24,067	0.2%	0.4%
greater than 50Y and perp	€6,934,290,231	19,753	0.02%	0.3%

Figure 51 – Trade volume and transaction count by tenor

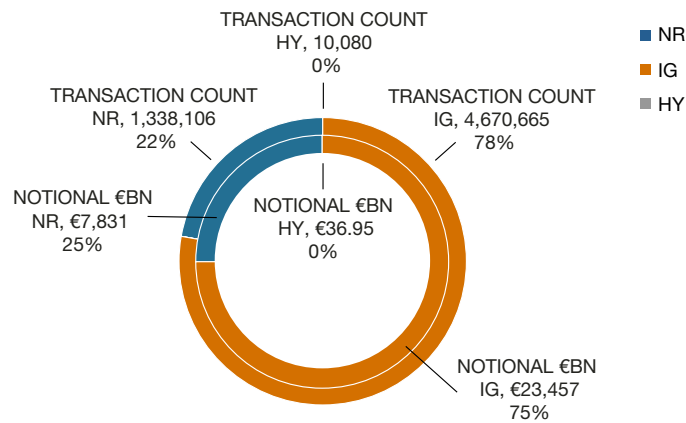


Distribution by Rating

As expected, since the focus of this report is sovereign bonds, it would appear that most bonds are rated as investment grade (IG). These make up 75% of notional traded and 78% of trades. The remaining 25% of notional traded and 22% of transactions are not rated (NR). High yield (HY) represents a very small percentage; 0.12% of notional and 0.17% of trades.

The dynamics between the two jurisdictions are identical, hence rating figures are also presented at an aggregated level only.

Figure 52 – Volume and transaction distribution by rating



Distribution by amount outstanding

Amount outstanding has recently become an important variable under scrutiny by the markets. Amount outstanding is often significantly correlated with liquidity proxies. For each trade in our dataset, we have checked the amount outstanding (in EUR) of the security traded and then grouped both notional traded and transaction count by different bins of amount outstanding.

The dynamics between the two jurisdictions are identical, hence figures are presented at an aggregated level only.

84% of notional traded and 80% of transactions originate from bonds whose amount outstanding ranges between €10 bn and €100 bn. Bonds with an outstanding size smaller than €10 bn only generate 11% of traded notional and 13% of the trade count.

We might however be in the presence of spurious correlation: in previous chapters, we have seen how 99.5% of trade volumes were formed by only three currencies, namely USD, GBP and EUR. Likewise, we have grouped all the ISINs that have traded in the first half of 2024 by issuing currency and checked their average and median amount outstanding along with the 25th and 75th percentile. It appears that these three currencies are the only ones that have median and average amount outstanding with double digits billion EURs. See Figure 54 and Table 15.

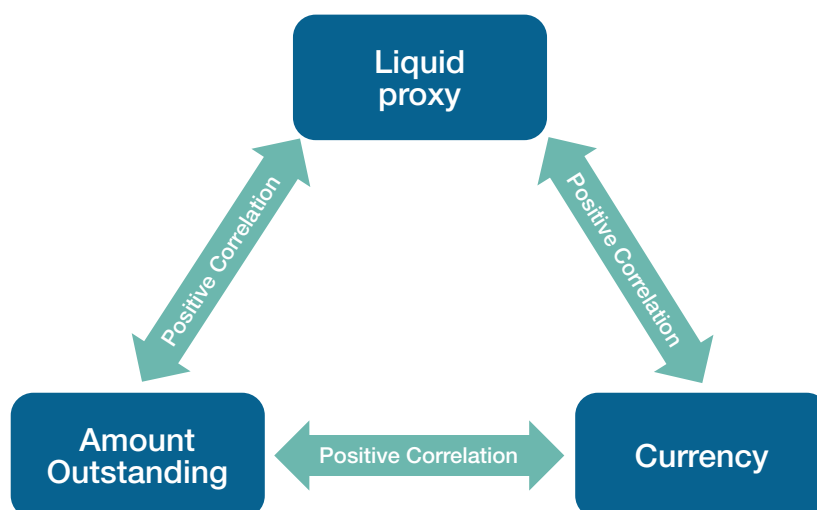


Table 14

Amt Out EUR Bin	Notional Amount EUR (Bn)	Transaction Count	Notional % share	Transaction % share
<€1 bn	1,181	181,070	4%	3%
€1 bn<€5 bn	670	256,628	2%	4%
€5 bn<€10 bn	1,534	363,377	5%	6%
€10 bn<€25 bn	10,301	1,946,607	33%	32%
€25 bn<€50 bn	9,603	1,555,918	31%	26%
€50 bn<€100 bn	6,410	1,302,401	20%	22%
>€100 bn	1,613	671,604	5%	7%

Figure 53 – Trade volume and transaction count by amount outstanding

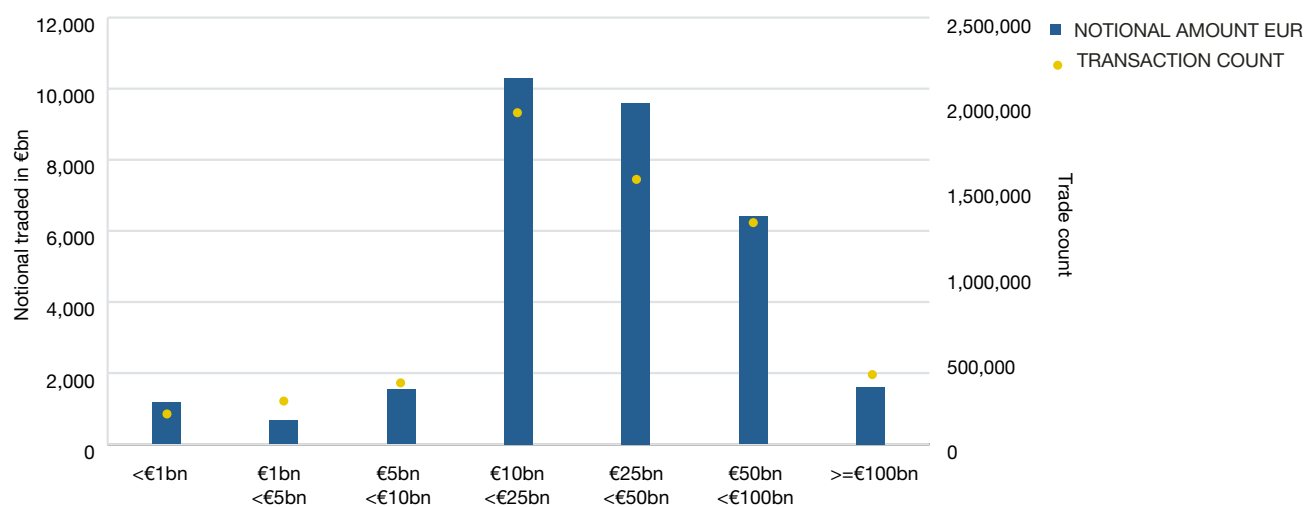
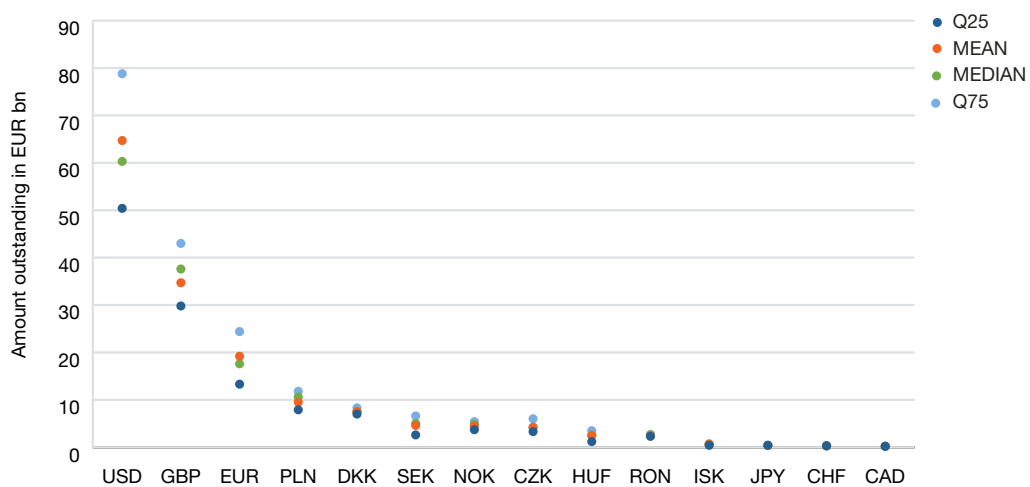


Table 15

Amount outstanding in EUR bn				
Issue Amount Currency	q25	mean	median	q75
USD	50.4	64.7	60.3	78.8
GBP	29.8	34.7	37.6	43.0
EUR	13.3	19.2	17.6	24.4
PLN	7.9	9.5	10.6	11.8
DKK	7.0	7.5	7.5	8.3
SEK	2.6	4.6	5.0	6.6
NOK	3.7	4.5	4.8	5.4
CZK	3.3	4.2	4.2	6.0
HUF	1.2	2.5	2.5	3.5
RON	2.3	2.4	2.6	2.7
ISK	0.4	0.6	0.7	0.7
JPY	0.4	0.4	0.4	0.4
CHF	0.3	0.3	0.3	0.3
CAD	0.2	0.2	0.2	0.2

Figure 54 – Distribution of amount outstanding by currency



Proposed deferral regimes

2024 marks an interesting year from a bond transparency point of view. Both the UK and the EU are revising their respective post-trade transparency regimes.

In the UK, the FCA published its consultation in December 2023.

The FCA proposed two options. Model 1 and Model 2. The main difference between the two models is that the second one uses trade size caps. (For this reason, it will be excluded from our analysis).

The determinants considered by the FCA to differentiate appropriate thresholds are issuance size (>£1 bn), country of issuance (UK, DE, FR, US, IT) and maturity (<5yr, 5-15yr, >15yr). The below image directly shows the FCA proposal for sovereign bonds deferrals:

Picture 1¹⁶

Sovereign and Other public bonds					
Issuer	Issue Size	Maturity	Price and size in real time	Price: 15 mins Size: T+3	Price and size 4 weeks
UK, France, Germany, Italy and USA	>£1bn	<5yr	<£15m	£15m≤•<£50m	≥£50m
		5-15yr	<£10m	£10m≤•<£25m	≥£25m
		>15yr	<£5m	£5m≤•<£10m	≥£10m
All other instruments			<£2m	£2m≤•<£4m	≥£4m

Likewise, ESMA in May 2024 published the [MiFIR Review Consultation Package](#). The deferral regime for sovereign and other public bonds in this case is based purely on issue size. Maturity, country or rating has not been considered. The below image directly shows ESMA's proposal for sovereign bonds deferrals:

Picture 2¹⁷

Category	Issuance Size	Size	Price Deferral	Volume deferral
N/A	Any	< 5 Mn	Real time	
1	≥ 1 Bn	[5Mn – 15Mn[15 minutes	
2	< 1 Bn	[5Mn – 15Mn[End of trading day	
3	≥ 1 Bn	[15Mn – 50Mn[End of trading day	One Week
4	< 1 Bn	[15Mn – 50Mn[End of trading day	Two weeks
5	Any	≥ 50Mn	Four Weeks	

16 Table 10, page 43 from <https://www.fca.org.uk/publication/consultation/cp23-32.pdf>

17 Table 10, page 46 from https://www.esma.europa.eu/sites/default/files/2024-05/ESMA74-2134169708-7241_CP_Package_on_the_MiFIR_Review_-_RTS_2_RCB_and_Reference_Data.pdf

Given the trades recorded in H1 2024 used to produce this report, we can retrofit the data to check the distribution on the proposed deferral regimes.

Nota Bene

Both the suggested deferral regimes apply to Sovereign Bonds and Other Public Bonds as defined by RTS¹⁸. For the purpose of this report, only Sovereign Bonds issued by DMOs were used. As a result, the figures provided below are representative of this dataset and not of the entire Sovereign Bonds and Other Public Bonds universe.

Also note that only trades executed in the UK are used for the FCA proposed regime and only trades executed in the EU for ESMA's proposed regime.

Table 16 – UK FCA

Issuer	Issue Size	Maturity	Transaction count		
			Price and size in real time	price: 15 mins Size T+3	Prize and size 4 weeks
UK, France, Germany, Italy and USA	>£1 bn	<5yr	23.6%	1.9%	0.4%
		5-15yr	38.5%	3.9%	2.0%
		>15yr	14.3%	1.9%	1.9%
All Other instruments			7.0%	1.6%	2.9%

Issuer	Issue Size	Maturity	Volume		
			Price and size in real time	price: 15 mins Size T+3	Prize and size 4 weeks
UK, France, Germany, Italy and USA	>£1 bn	<5yr	12.2%	8.8%	7.3%
		5-15yr	19.0%	10.5%	18.8%
		>15yr	3.4%	2.3%	8.9%
All Other instruments			0.6%	0.8%	7.3%

¹⁸ https://eur-lex.europa.eu/eli/reg_del/2017/583/oj

Table 17 – EU ESMA

Category	Issuance size	Size	Transaction	Volume	Price deferral	Volume deferral
Na	Any	< 5 mn	79.0%	19.6%	Real Time	
1	≥ 1 bn	5-15 mn	15.2%	27.9%	15 mins	
2	< 1 bn	5-15 mn	0.0%	0.1%	End of day	
3	≥ 1 bn	15-50 mn	4.6%	29.8%	T+1	1 week
4	< 1 bn	15-50 mn	0.1%	0.4%	T+1	2 weeks
5	Any	≥ 50 mn	1.1%	22.1%	4 weeks	

Given our dataset, we observe that within the European jurisdiction, 94.2% of trades, accounting for 47.5% of total volumes would have a price and volume deferral of 15 minutes or less.

In the UK, 92.8% of transactions accounting for 57.7% of volumes would have a price deferral of 15 minutes or less. Of these, however, only 83.4% of trades and 35.3% of volumes would have sizes disclosed in real time. The remaining 9.4% of transactions which make up 22.4% of volumes would have sizes disclosed on a T+3 basis.

With regards to the very large transactions, that can benefit from a 4 week deferral (price and size), within the EU these account for only 1.1% of trades but 22.1% of volumes. In the UK these account for 7.2% of trades and 42.3% of volumes.

Annex 1: Public data sources used in this report

Venue of Publication	Trading Venue Name	Jurisdiction	Member State	Trading Venue Types
ARIA	Arian Trading Facility (AOTF)	UK	UNITED KINGDOM	OTF
BMTF	Bloomberg Multilateral Trading Facility	UK	UNITED KINGDOM	MTF
BTFE	Bloomberg Trading Facility B.V.	EU	NETHERLANDS	MTF
BAPA	Bloomberg Data Reporting Services Ltd	UK	UNITED KINGDOM	APA
BAPE	Bloomberg Data Reporting Services B.V.	EU	NETHERLANDS	APA
TBSP	BondSpot S.A.	EU	POLAND	MTF
BVUK	BONDVISION UK	UK	UNITED KINGDOM	MTF
SSOB	MTS S.P.A. - Bond Vision Europe	EU	ITALY	MTF
EBMX	EBM - MTF	EU	ITALY	MTF
FXFM	Financial & Risk Transaction Services Ireland Limited - Forwards Matching	EU	IRELAND	MTF
FXRQ	Financial & Risk Transaction Services Ireland Limited - FXall RFQ	EU	IRELAND	MTF
KBLM	Kyte Broking Limited	UK	UNITED KINGDOM	OTF
MUFP	Mariana UFP OTF	UK	UNITED KINGDOM	OTF
MKTF	MARKET SECURITIES (FRANCE) SA	EU	FRANCE	OTF
MAEL	MarketAxess Europe MTF	UK	UNITED KINGDOM	MTF
MANL	MarketAxess NL B.V.	EU	NETHERLANDS	MTF
BMTS	MTS Belgium	EU	BELGIUM	MTF
FMTS	MTS France SAS	EU	FRANCE	MTF
MCAD	MTS S.p.A. - MTS Cash Domestic MTF	EU	ITALY	MTF
MTSC	MTS S.P.A. - MTS Italia	EU	ITALY	RM
MTSD	MTS Denmark	EU	BELGIUM	MTF
MTSF	MTS Finland	EU	BELGIUM	MTF
SQUA	Square Global Markets	UK	UNITED KINGDOM	OTF
TRDX	Trad-X	UK	UNITED KINGDOM	MTF
TRXE	TSAF OTC	EU	FRANCE	MTF
TREU	Tradeweb Europe Limited MTF	UK	UNITED KINGDOM	MTF
TWEM	Tradeweb EU B.V.	EU	NETHERLANDS	MTF
TREO	Tradeweb OTF	UK	UNITED KINGDOM	OTF
TWEO	Tradeweb EU B.V.	EU	NETHERLANDS	OTF
TREA	Tradeweb Europe Limited	UK	UNITED KINGDOM	APA
TWEA	Tradeweb EU B.V.	EU	NETHERLANDS	APA
TSAF	TSAF OTC	EU	FRANCE	OTF
TCDS	Tradition OTF	UK	UNITED KINGDOM	OTF
TEUR	Tradition España OTF	EU	SPAIN	OTF
TRAX	Xtrakter Limited	UK	UNITED KINGDOM	APA
TRNL	MarketAxess Post-Trade B.V.	EU	NETHERLANDS	APA
FXOP	Tradition-NEX OTF	UK	UNITED KINGDOM	OTF

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