TRACE Data Update*
November 2017

*Treasury’s TRACE data analysis is preliminary
High Level View of the Treasury Market Structure

- Dealer to Customer (DtC) or Affiliate (DtA) (including RFQ platforms)
- Dealer to Dealer (DtD) - (including dealer platforms)
- Interdealer (IDB) Platforms
- Principal Trading Firm (PTF)

Source: Treasury
Daily Volumes by Venue

Source: Treasury, FINRA TRACE Data
Daily Volumes by Product Type

Total Average: $519 bn
TIPS Average: $12 bn
Bills Average: $72 bn
Coupon Average: $431 bn

Source: Treasury, FINRA TRACE Data
Daily Volumes by Coupon Tenor

Source: Treasury, FINRA TRACE Data

Notional ($ bn)

- **Coupons < 2.5yr**
- **Coupons 2.5-5.5yr**
- **Coupons 5.5-10.5yr**
- **Coupons > 10.5yr**
Percent of Daily Volume On-the-run by Venue

- **Non-IDB Off-the-run Average:** 23%
- **IDB Off-the-run Average:** 7%
- **Non-IDB On-the-run Average:** 30%
- **IDB On-the-run Average:** 40%

Source: Treasury, FINRA TRACE Data
First vs Deeper Off-the-run Coupon Daily Volumes

Source: Treasury, FINRA TRACE Data

1st Off-the-run Average: $27 bn
2nd Off-the-run Average: $56 bn
3+ Off-the-run Average: $90 bn
## History of TRACE for Corporate Bonds 2002-2006

<table>
<thead>
<tr>
<th>Date</th>
<th>Reporting Timing</th>
<th>Disseminated Securities (size capped at $5M for IG and $1M for HY)</th>
<th>Dissemination Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2002</td>
<td>75 min</td>
<td>Investment grade (&gt;=BBB) &amp; issue size &gt;=$1B; 50 HY bonds (continuity w/ FIPS)</td>
<td>Immediately</td>
</tr>
<tr>
<td>March 2003</td>
<td>75 min</td>
<td>All bonds rated &gt;=A &amp; issue size &gt;=$100M</td>
<td>Immediately</td>
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<tr>
<td>April 2003</td>
<td>75 min</td>
<td>120 selected BBB bonds</td>
<td>Immediately</td>
</tr>
<tr>
<td>Oct. 2003</td>
<td>45 min</td>
<td>All bonds above (change in trade reporting timeframe)</td>
<td>Immediately</td>
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<tr>
<td>Oct. 2004</td>
<td>30 min</td>
<td>All remaining bonds not eligible for delayed dissemination as defined below (change in reporting timeframe)</td>
<td>Immediately</td>
</tr>
<tr>
<td>Feb. 2005</td>
<td>30 min</td>
<td>Delayed dissemination of eligible bonds (&lt;=BB bonds which trade &lt;1x/day)</td>
<td>Immediately</td>
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<tr>
<td>July 2005</td>
<td>15 min</td>
<td>All bonds above (change in reporting timeframe)</td>
<td>Same as above</td>
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<tr>
<td>Jan. 2006</td>
<td>15 min</td>
<td>Bonds previously eligible for delayed dissemination</td>
<td>Immediately</td>
</tr>
</tbody>
</table>
Treasury TRACE Data Principles and Next Steps

Treasury TRACE Data Principles
- Do no harm
- Fund the deficit at the least cost
- Do not unduly favor one group
- Improve market structure and technological evolution
- Foster cross-agency understanding

Next Steps
- Launch of comprehensive Treasury outreach to market participants to gather views on transparency