

# BondWave Universal Prevailing Market Price (UPMP) Dashboards

Q2 2021

BondWave, a leading financial technology firm servicing the fixed income market, has calculated up to eight pricing benchmarks for every customer trade disseminated by FINRA and the MSRB for asset classes requiring mark-up disclosure dating back to 2018. This Universal PMP data set is part of [BondWave's Benchmark Data & Trading Indices \(BDTI\)](#).

Starting with Q4 2020, BondWave began producing dashboards for each of the four covered asset classes (corporate, municipal, agency, and 144A bonds) with plans to expand coverage to securitized products (MBS, ABS, CMO, etc.).

A new feature was added to the dashboards in Q2 2021 showing the weighted average number of levels of the waterfall for which we were able to produce a PMP calculation.

The dashboards will help market participants better understand trading trends in the fixed income markets.



**bondwave**

Imagine that

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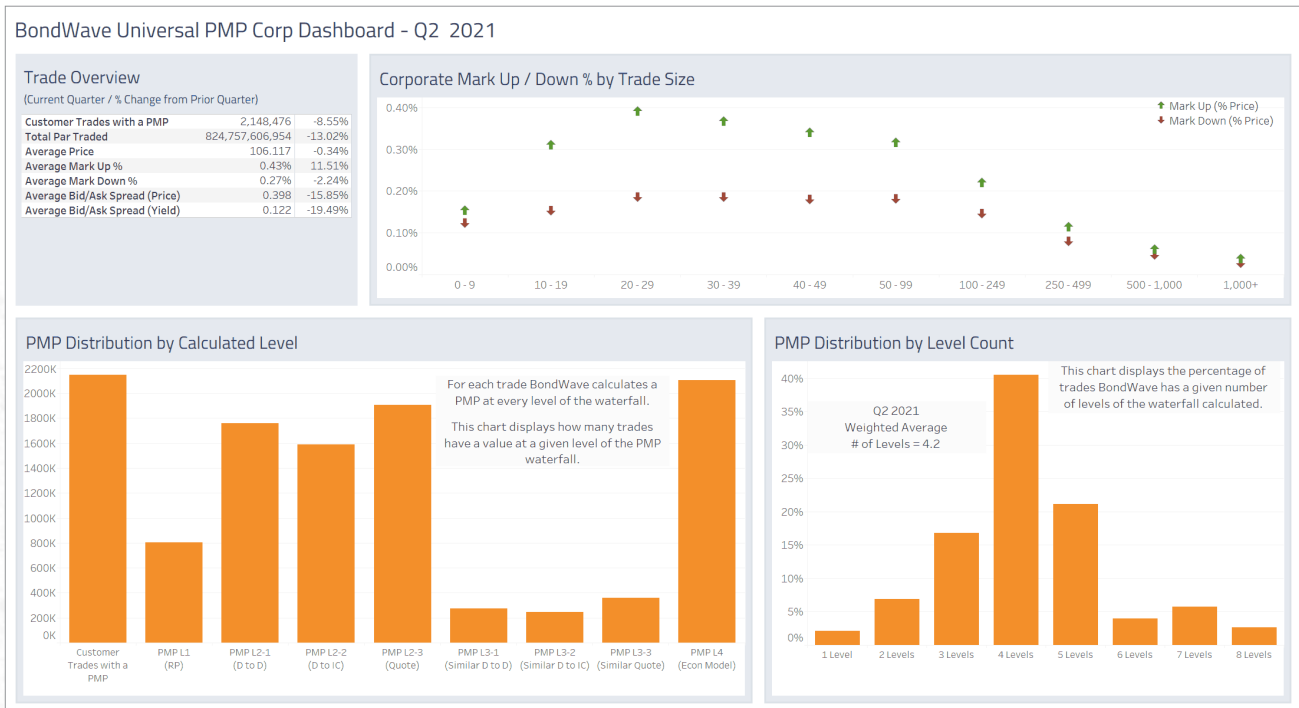
Q2 2021

## SECOND QUARTER 2021 DASHBOARDS

### Corporate

#### Observations:

- In the second quarter we produced an average of 4.2 (of 8 possible) PMP calculations per corporate trade.
- The second quarter saw a decline in both the number of customer trades (-8.55%) and the total par traded (-13.02%) relative to the first quarter.
- Meanwhile, mark ups recovered in the second quarter (+11.51%) while mark downs continued to ease (-2.24%).
- The average bid/ask spread also decreased by 15.85% to 39.8 basis points.



Source: BondWave BDTI data.

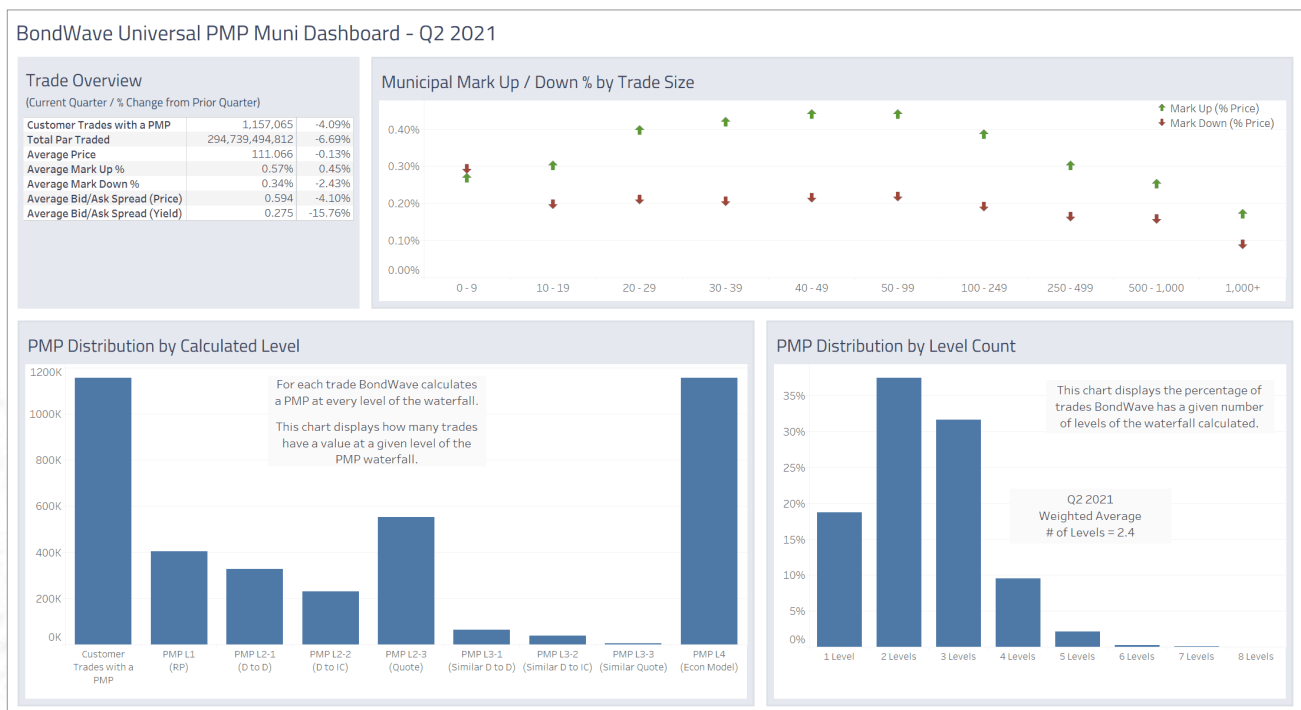
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## Municipal

### Observations:

- In the second quarter we produced an average of 2.4 (of 8 possible) PMP calculations per municipal trade.
- The second quarter saw a decline in both the number of customer trades (-4.09%) and the total par traded (-6.69%) relative to the first quarter.
- Meanwhile, mark ups recovered modestly in the second quarter (+0.45%) while mark downs continued to ease (-2.43%).
- The average bid/ask spread also decreased by 4.10% to 59.4 basis points.



Source: BondWave BDTI data.

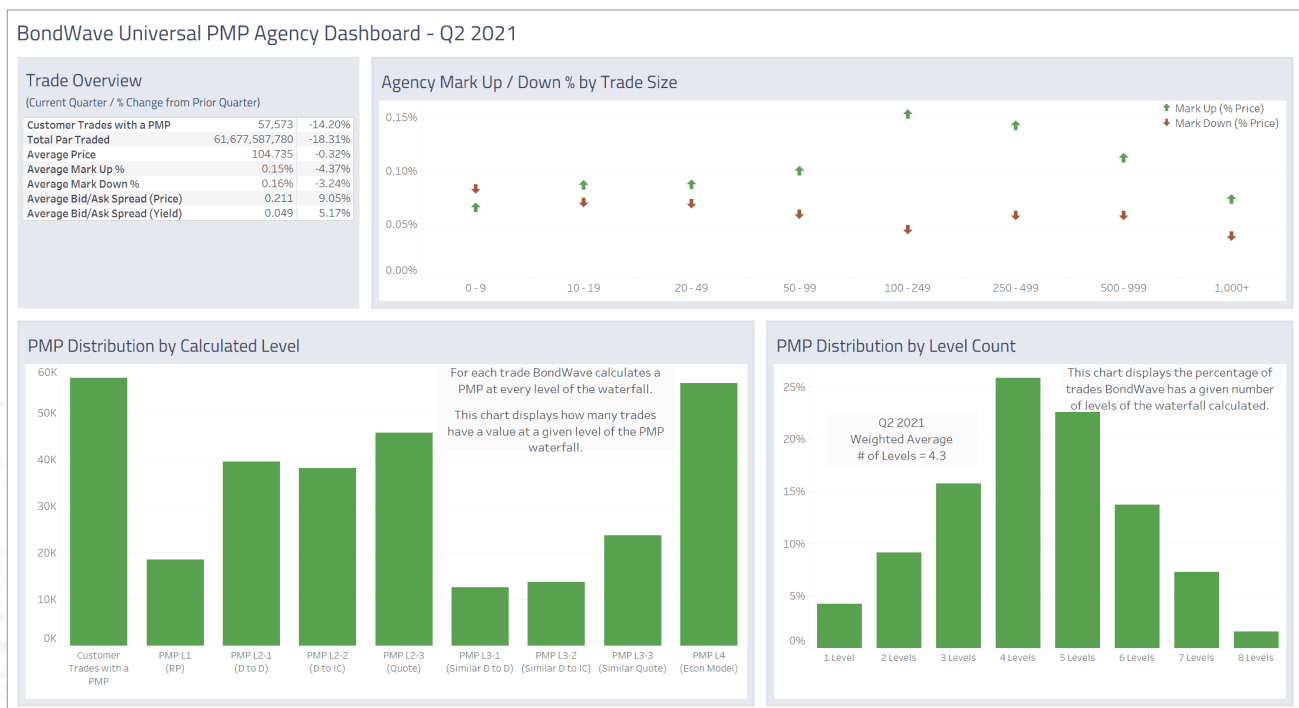
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## Agency

### Observations:

- In the second quarter we produced an average of 4.3 (of 8 possible) PMP calculations per agency trade.
- The second quarter saw a decline in both the number of customer trades (-14.20%) and the total par traded (-18.31%) relative to the first quarter.
- Mark ups (-4.37%) and mark downs (-3.24%) followed a similar trajectory.
- Meanwhile the average bid/ask spread increased by 9.05% to 21.1 basis points.



Source: BondWave BDTI data.

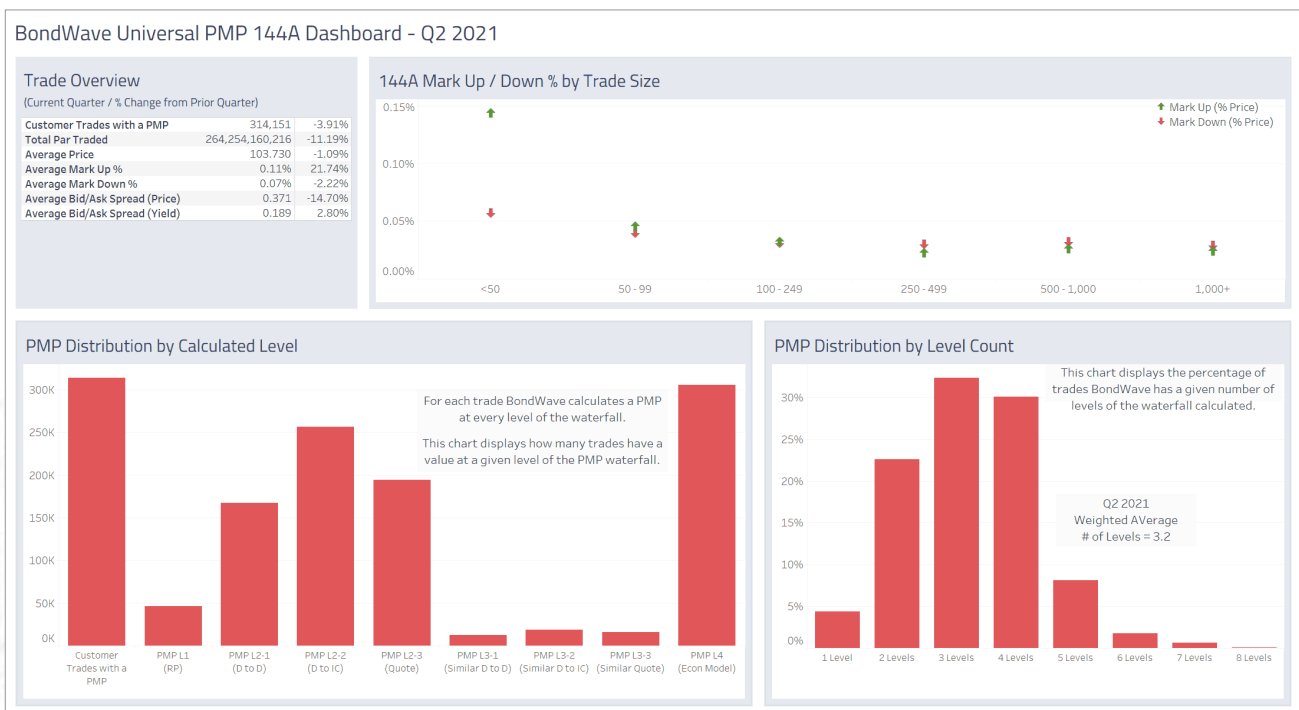
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## Q2 2021

### 144A

#### Observations:

- In the second quarter we produced an average of 3.2 (of 8 possible) PMP calculations per 144A trade.
- The second quarter saw a decline in both the number of customer trades (-3.91%) and the total par traded (-11.19%) relative to the first quarter.
- Meanwhile, mark ups recovered in the second quarter (+21.74%) while mark downs continued to ease (-2.22%).
- The average bid/ask spread also decreased by 14.70% to 37.1 basis points.



Source: BondWave BDTI data.

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## **ABOUT BONDWAVE LLC**

Founded in 2001, BondWave, an affiliate of First Trust Portfolios, is a financial technology firm specializing in fixed income solutions. We serve a wide range of users including traders, compliance professionals, and RIAs from the smallest to the largest firms in the industry who use our tools to provide a superior fixed income experience to their clients while supporting critical regulatory mandates.

Effi®, our Engine for Fixed Income, is the single platform through which we deliver all our solutions providing intuitive dashboards and insights into every fixed income position and transaction. Capabilities include portfolio analytics and reporting, custom alerts, and proposal generation, as well as tools that support best execution, fair pricing, and mark-up monitoring and disclosure on both a pre- and post-trade basis. BondWave leverages advanced technologies and data science to develop proprietary data sets that fuel our innovative solutions.