

S&P Capital IQ Improves Price Transparency In Fixed Income Markets

Odd-Lot Valuations Bring Indicative Price Benchmarks to Corporate and Municipal Bonds

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NEW YORK, May 7, 2014 /[PRNewswire](#)/ -- In an effort to improve pre- and post-trade transparency in the \$1.1 trillion U.S. corporate bond and \$300 billion U.S. municipal bond markets, S&P Capital IQ, a business line of McGraw Hill Financial (NYSE: MHFI), and Tradeweb Direct have introduced an Odd-Lot Valuations service that provides indicative price benchmarks for fixed income market professionals. Odd-lots are corporate and municipal bond trades of less than \$1 million, which account for close to 90 percent of all fixed income trades in the U.S. The Odd-Lot Valuations offering from S&P Capital IQ and Tradeweb Direct is the first of its kind to deliver benchmark pricing data based on odd-lot trades.

The odd-lot prices in this new service are derived using S&P Capital IQ's Securities Valuation, Pricing and Data group's proprietary methodologies and market data including inputs provided by the BondDesk alternative trading system (ATS). BondDesk is a part of Tradeweb Direct, the largest odd-lot fixed income trading venue in the U.S. By pairing Tradeweb Direct's market data with S&P Capital IQ's valuation models, the new Odd-Lot Valuations service is able to provide evaluated pricing data on over 1.5 million securities.

"Improving pre- and post-trade price transparency for corporate and municipal bonds has been a major challenge for regulators and market participants for decades. A great deal of the opacity in these asset classes was driven by the inability to provide market-wide pricing benchmarks based on actual trading data," said Frank Ciccotto, senior vice president at S&P Capital IQ. "New rules such as MSRB-G43 have underscored the importance of efforts to obtain prices that are fair and reasonable in fixed income trading. By teaming with Tradeweb Direct, we're able to provide the first comprehensive solution to help address that challenge."

The new Odd-Lot Valuations service includes "bid" and "ask" prices, as well as ranges around those prices that indicate opinions of where retail trades may occur. Depending on client preferences, data can be delivered through end-of-day pricing files, API data feeds, or through a flexible suite of tools that incorporate Odd-Lot Valuations into Tradeweb's trading and wealth management platform. This service supports fixed income marketplace participants, including retail and institutional broker/dealers, interdealer brokers, buy-side institutions, and other data providers in several important ways. The Odd-Lot Valuations service provides a point of reference to help address compliance concerns regarding best execution processes, and providing investment professionals with retail clients a price indicative of an odd-lot position.

"By combining S&P Capital IQ's deep experience in evaluated pricing with unique market data from Tradeweb Direct, we are able to provide market professionals with a content set that both supports and provides greater efficiencies in accessing critical information as well as assists in meeting new transparency requirements," said Rui Carvalho Managing Director, Product & Content at S&P Capital IQ. "Our prices and the availability of a corresponding market range will bring higher levels of certainty to the odd-lot market, from both trading and position marking perspectives."

About S&P Capital IQ

S&P Capital IQ, a part of McGraw Hill Financial (NYSE: MHFI), is a leading provider of multi-asset class and real time data, research and analytics to institutional investors, investment and commercial banks, investment advisors and wealth managers, corporations and universities around the world. Evaluated pricing is prepared by Standard & Poor's Securities Evaluations, Inc., a part of S&P Capital IQ and a registered investment adviser with the U.S. Securities & Exchange Commission. S&P Capital IQ provides a broad suite of capabilities designed to help track performance, generate alpha, and identify new trading and investment ideas, and perform risk analysis and mitigation strategies. Through leading desktop solutions such as the S&P Capital IQ, Global Credit Portal and MarketScope Advisor desktops; enterprise solutions such as S&P Capital IQ Valuations; and research offerings, including Leveraged Commentary & Data, Global Markets Intelligence, and company and funds

research, S&P Capital IQ sharpens financial intelligence into the wisdom today's investors need. For more information visit: www.spcapitaliq.com and follow @SPCapitalIQ on Twitter.

About Tradeweb Direct

Tradeweb Direct is the retail fixed income division of Tradeweb Markets, a premier source for the fixed income security needs for the institutional buy-side, broker dealers, financial advisors, traders and middle market investors. Customers rely on Tradeweb Direct to drive the evolution of fixed income through flexible trading architecture and more efficient, transparent markets. Tradeweb Direct delivers access to real-time inventory, accurate and competitive pricing, and leading operational infrastructures that streamline post-trade processing. The platform offers comprehensive integration with internal and third-party systems to provide clients with seamless front-to-back connectivity, order validation and post-trade execution. The Tradeweb Direct offering of enhanced portfolio management solutions delivers in-depth analysis and customized reports to maximize efficiency, manage risk and optimize performance.

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