

Tradeweb European Credit Update

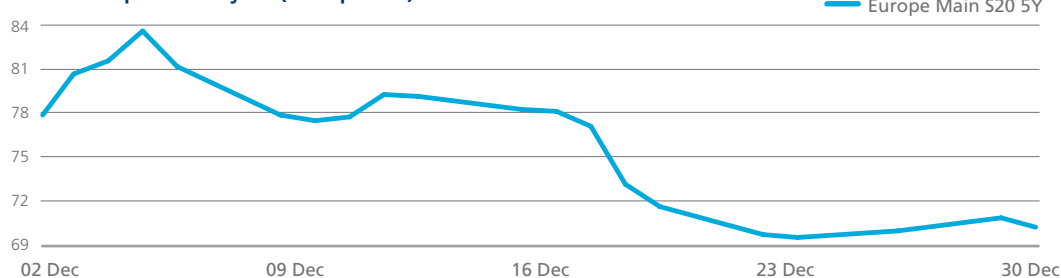
The U.S. Federal Reserve confirmed on December 18 it will begin winding down its asset purchase program from \$85 billion to \$75 billion a month, after stronger than expected housing and employment data. Markets rallied following the announcement, which ended months of speculation about the potential timing and extent of QE tapering.

Two other key developments took place on the same day. In a historic move, EU finance ministers agreed to create a common bank resolution regime and fund, taking another step towards a European banking union.

Meanwhile, the Office for National Statistics announced that the UK unemployment rate dropped unexpectedly to 7.4% in October, its lowest level in four and a half years. This raises the question whether the Bank of England should revise its forward guidance, since the jobless threshold at which it would contemplate increasing interest rates is currently 7%.

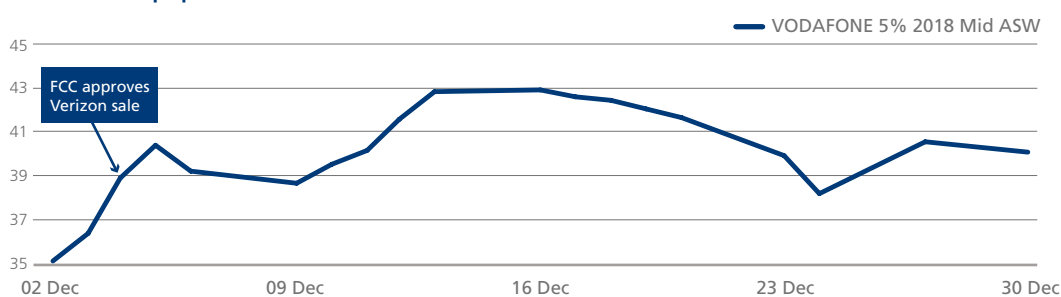
CDS: In December's lower volatility environment, spreads continued tightening while breaking through multi-year support levels. The Crossover index traded below 300 basis points for the first time since summer 2007, hitting a low of 280 basis points. Similarly, the Main index traded at its lowest level for three years, testing the key 70 basis points level. Financial indices traded in line with a further 11 basis points of Sen-Sub compression, closing the month at 39.75 basis points.

iTraxx Europe Main 5 year (mid spreads)



Cash: Vodafone's sale of its 45 per cent stake in Verizon Wireless to Verizon was approved by the U.S. Federal Communications Commission on December 4. The \$130 billion deal ends a partnership which started in 2000, and marks the British telecom giant's exit from the U.S. mobile phone market.

Mid asset swap spreads



DECEMBER 2013

ABOUT DATA POINTS

Data Points is a report prepared by Tradeweb. Information for Data Points is aggregated across Tradeweb's database of real-time fixed income and derivatives trading activity from the world's largest dealers.

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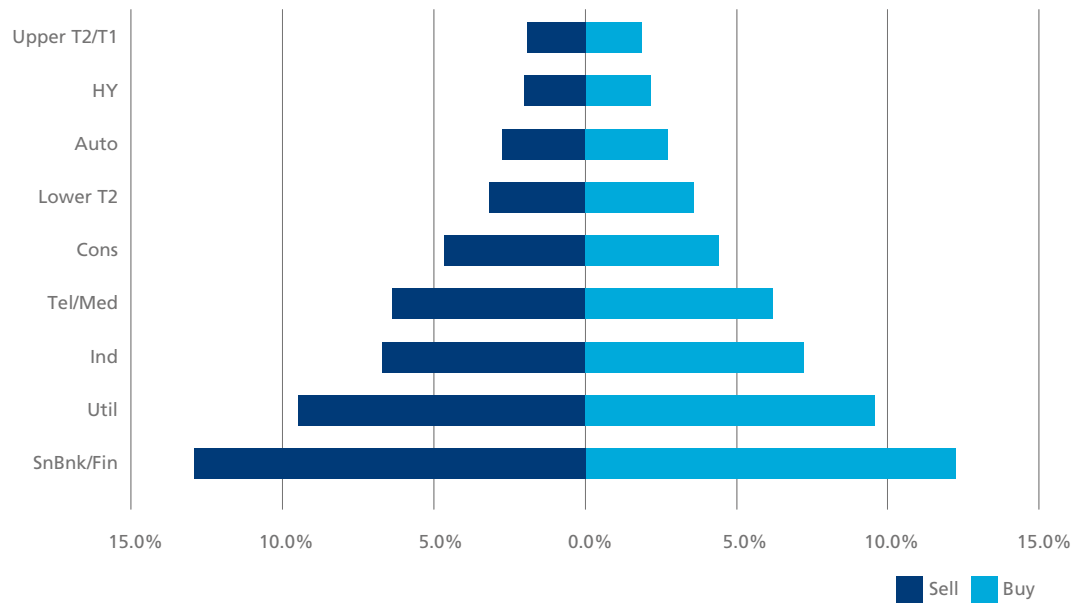
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“Buys” and “Sells” in December almost mirrored each other, in contrast to November’s strong selling trend.

Buy/sell percentage in cash credit as a proportion of overall volume



Source for all data: Tradeweb Markets LLC, 31 December 2013