Exhibit 1: Treasury Bid-Ask Spreads

Source: FRBNY staff calculations, based on data from BrokerTec.
Notes: The exhibit plots 21-day moving averages of average daily bid-ask spreads for on-the-run notes. Spreads are measured in 256ths of a point, where a point equals one percent of par.
Exhibit 2: Treasury Depth

Source: FRBNY staff calculations, based on data from BrokerTec.
Notes: The exhibit plots 21-day moving averages of average daily depth for on-the-run notes. Depth is defined as the sum of all bid and ask orders at the first level (lowest ask, highest bid) of the order book.
Exhibit 3: Treasury Price Impact

256ths per 100 Million USD

Source: FRBNY staff calculations, based on data from BrokerTec.

Notes: The exhibit plots four-week moving averages of price impact coefficients for on-the-run notes. The coefficients are estimated from weekly regressions of five-minute price changes on five-minute signed trading volume.
Source: FRBNY staff calculations, based on data from BrokerTec.
Note: The exhibit plots 21-day moving averages of average daily trade size for on-the-run notes.
Exhibit 5: Treasury Yield Curve Fitting Errors

Source: FRBNY staff calculations, based on data from the Federal Reserve Board.
Notes: The exhibit plots the 21-day moving average of absolute yield curve fitting errors for two- to ten-year coupon securities from the Nelson-Siegel-Svensson model of Gurkaynak, Sack, and Wright (described in "The U.S. Treasury Yield Curve: 1961 to Present," Journal of Monetary Economics 54, [2007]).
Exhibit 6: Corporate Trade Size

Source: FRBNY staff calculations, based on data from FINRA.
Notes: Trade size is calculated at a daily frequency, averaged over bonds underlying the investment grade 5-year CDX index, and averaged over the month. Number of trades is the daily sum of all trades for bonds underlying the investment grade 5-year CDX index, averaged over the month.
Exhibit 7: Corporate Effective Bid-Ask Spreads

Source: FRBNY staff calculations, based on data from FINRA.
Notes: Effective bid-ask spreads are calculated at the daily frequency and averaged over bonds underlying the investment grade 5-year CDX index. Spreads are expressed as a percent of par. Five-day moving averages are plotted.
Exhibit 8: Corporate Price Impact

Source: FRBNY staff calculations, based on data from FINRA.
Notes: Price impact is calculated at the daily frequency and averaged over bonds underlying the investment grade 5-year CDX index. Price impact is defined as the absolute percent return divided by dollar volume. Five-day moving averages are plotted.
Source: FRBNY staff calculations, based on data from BrokerTec and FINRA.
Notes: Liquidity risk is defined as the number of jumps in a liquidity index in a trailing 18-month window. The liquidity index is the first principal component of several liquidity metrics. Jumps are calculated relative to a local estimate of continuous variation.