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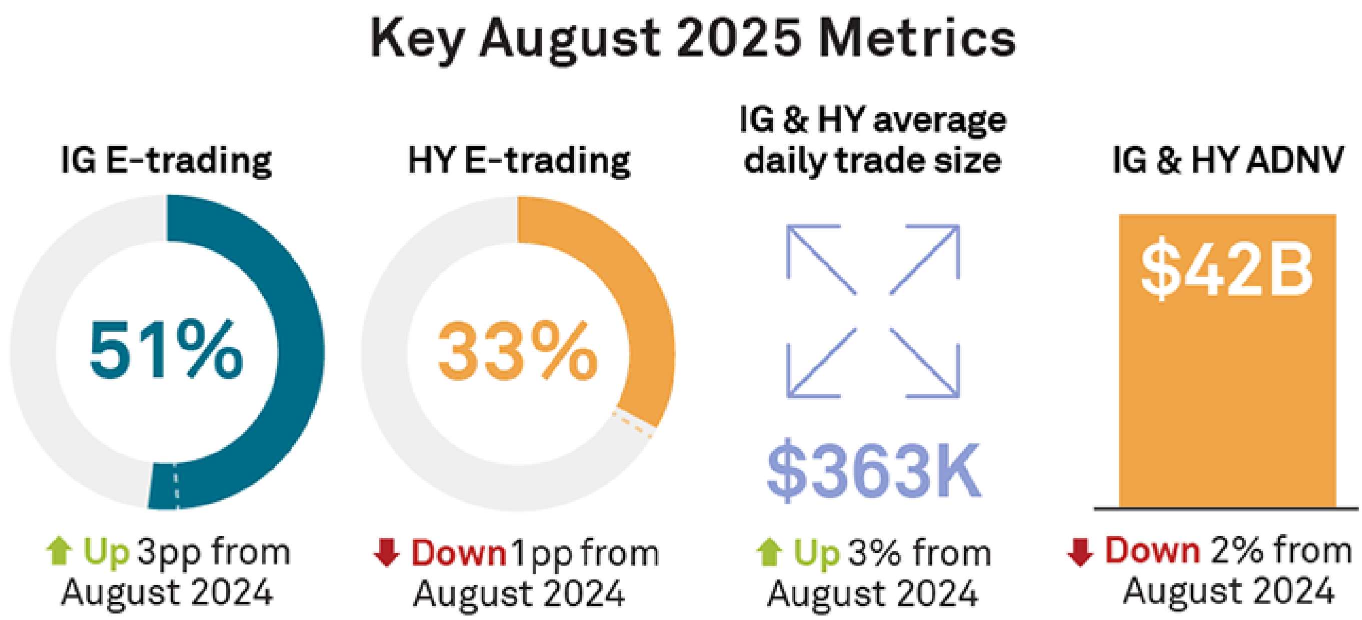
High yield is a bright spot for dealers and portfolio trading

September Data Spotlight: U.S. Credit Trading

September 15, 2025
Executive Summary:

Electronic trading of U.S. corporate bonds remained consistent in August, at 46% of notional volume traded on overall market volumes that were down 13% month over month and 2% year over year. August’s average daily notional volume (ADNV) was also the lowest so far in 2025, as were the average trade sizes for both investment-grade ($323k) and highyield ($605) bonds that have otherwise been growing since the fourth quarter of 2022.

September 2025



Source: Greenwich MarketView, MarketAxess

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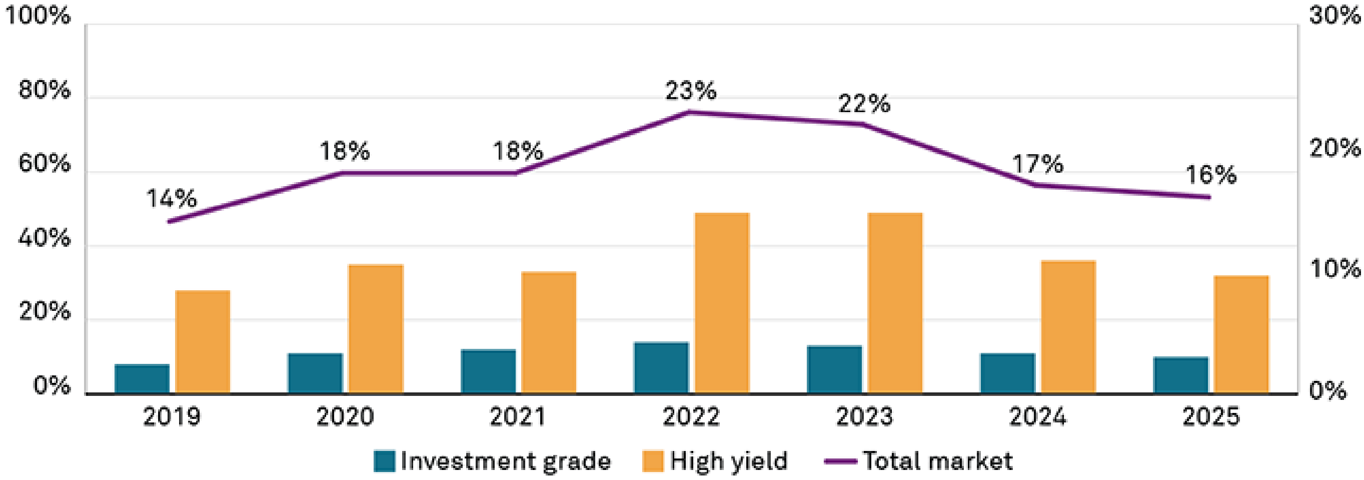
Credit ETFs

Trading volume of corporate bond ETFs held up better than the cash market in August, with the ETF-to-cash ratio rising to 19%—its highest level since August of last year. IG ETF notional volume equated to 13% of bond market trading (also its highest level since last August), and HY ETF notional volume was 37%.

Corporate bond ETFs to cash ratio



Source: Greenwich MarketView, Activ Financial

Expected rate cuts drove institutions and retail investors to reposition ahead of time, locking in today's yields before they're gone. This can be seen in the spike in credit ETF activity on August 22 following Fed Chair Powell's speech in Jackson Hole, when credit ETF volume in notional terms was 43% higher than the full month average.

That said, the data suggests that the influence of credit ETFs on corporate bond trading, while still ominpresent, has steadily declined since its peak in 2022. In fact, the ETF-to-cash ratio in 2025 (through August) of 16% is lower than it was in 2020 and 2021 (although higher than pre-pandemic 2019's 14%). Improved liquidity in the bond market, the launch of new "exposure" products like credit futures, and a retail retreat from 2022's "bonds are back" period all play a role.

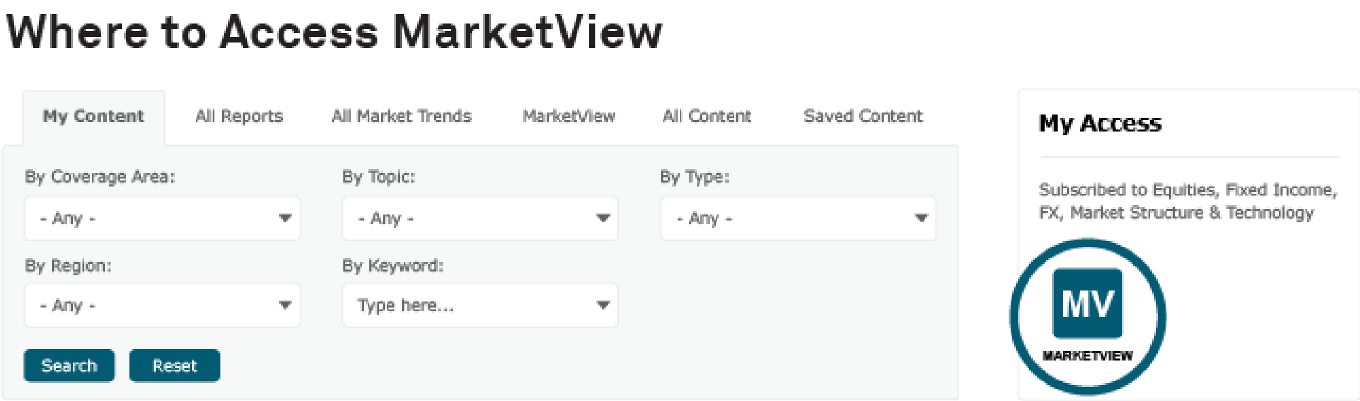
High yield

The HY market is proving to be a positive story for 2025. Trading volume through August is up 23% compared to the same period in 2024 after virtually no growth since 2020. Portfolio trading is playing a role in the volume increase. Twelve percent of HY bond trading in August was via PT, up from only 8% in 2024. That puts PT's HY market share ahead of its share of the IG market (10%) for the month, a first.

The growth in HY activity as been good for bond dealers. Crisil Coalition Greenwich data shows that dealer HY U.S. corporate bond trading revenues in the first half of 2025 were up 10% from H1 2024. This is in stark contrast to the lagging U.S. IG market where revenues declined 38%. There is considerable cyclicality at play here, with trading following economic expectations. But the growth in HY PT suggests structural change that is likely here to stay.

Market Structure & Technology Head of Research [Kevin McPartland](#) and Neha Jain are co-authors of this report.

The data underlying this analysis, which includes but is not limited to e-trading levels, platform market share and total market volumes, is available to subscribers of Greenwich MarketView. MarketView provides continuous access to these metrics, updated at least monthly, based on the frequency of the source data.



Methodology:

Crisil Coalition Greenwich continuously gathers data and insights from credit market participants, including market makers, primary dealers and trading platforms. The data, once aggregated, normalized and enhanced, is analyzed by our market structure research team who identify the key trends of trading in the credit markets, with a focus on corporate bond electronic trading and trading platform market share.

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