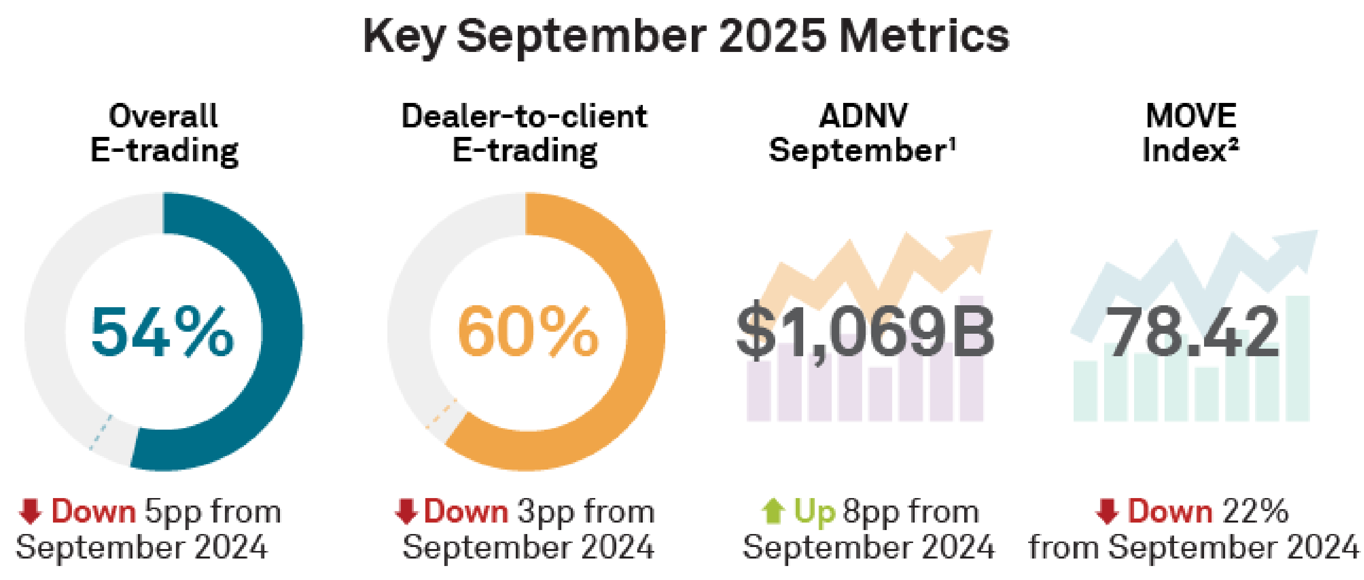
RFQ drives U.S. Treasury e-trading as volatility declines

October Data Spotlight: U.S. Rates trading

October 20, 2025
Executive Summary:

The U.S. Treasury market capped off its summer with the lowest average monthly volatility reading since December 2021 and a decline of 27% from last August—a sign that the previous cycle is truly coming to an end. Volume remained relatively steady compared to August 2024, as well as the previous three months, with roughly $1 trillion traded per day.

October 2025



Note: [1]Volumes include coupons and bills, exclude TIPS. [2]The ICE BofAML MOVE Index tracks U.S. Treasury market yield volatility.
Source: FINRA

U.S. Treasury trading volume continued its upward trend in September, growing 8% year over year, supported by the first of what is expected to be several rate cuts (and despite a lack of government data, which tends to drive trading activity). Rates volatility also remained below recent averages, with the MOVE Index 22% lower than September 2024.

Trading of on-the-run 10-year Treasuries between dealers and market makers grew 18% ($14 billion/day) compared to the previous 3-month average and was the biggest volume growth contributor. Dealer-to-client trading of T-bills and on-the-run 10-years weren't far behind, with the former up 9% ($11.1 billion/day) and the latter up 25% ($10.8 billion/day).

Electronic trading

Electronic trading also grew from its recent low in August and was in line with the full-year average of 54% of total volume traded. This is still below longer-term averages, however, with 59% of volume executed electronically in both 2023 and 2024.

The decline in volatility has seen trading retreat from central limit order book (CLOB) platforms, which accounted for 16% of volume in September compared to 20% in September 2024. RFQ’s share of the market has recovered since its Liberation Day decline, capturing 24% of market volume compared to 25% in September 2024 (although handling more notional volume in 2025, given higher total market volumes).

Bloomberg, FMX and Tradeweb/Dealerweb are the biggest market-share gainers year over year in Q3. Measured as a percentage of total electronically traded volume, the Tradeweb/Dealerweb combination accounted for 41.2% of volume in Q3 2025, up from 40% last year in the same period. Bloomberg grew from 22.3% to 23.7%, while FMX grew its share to 11.1% from 9.5%.

In the months ahead, e-trading growth broadly, and market share growth more specifically, is likely to come from increased adoption of auto-execution solutions, bringing voice-executed packaged trades onto the screen and a continued focus on electronifying the dealer-to-dealer market.

Chicago

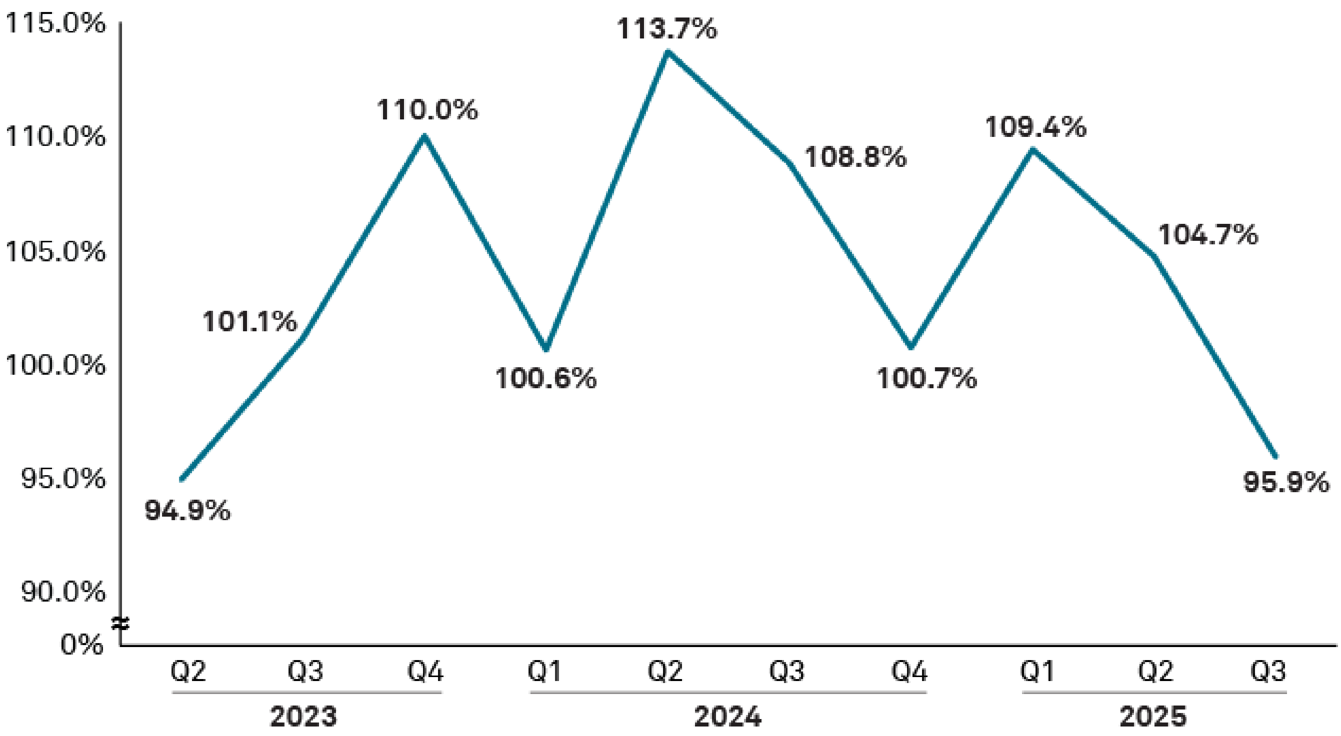
On that note, CME BrokerTec launched its Chicago market in October, with the matching engine sitting in close proximity to the Globex servers where U.S. Treasury futures are currently traded. This allows basis traders and others trading both cash U.S. Treasuries and futures to execute their multi-legged trades without the ~8 millisecond latency required for data to make the roundtrip from New York to Chicago and back. CME has made it clear this market is not replacing New York, but supplementing it for traders who value the new latency reduction feature.

It will be months before we and the market knows what impact this new market center will have on BrokerTec’s market share and the U.S. Treasury market structure in general. But this move feels like the next logical step in CME’s integration of BrokerTec, following its acquisition of NEX in 2018 and transition of BrokerTec onto Globex in 2021.

Futures

Speaking of futures, the average daily notional volume (ADNV) of U.S. Treasury futures traded in Q3 was lower than for the corresponding bonds (and below 100%) for the first time since Q2 2023, equating to 95.9% of cash volume. The quarterly view shown here is helpful as it smooths out the spike always seen during futures roll months. The chart also makes it clear that ebbs and flows are nothing new for the futures-to-cash ratio, although it does not paint a clear picture of what is next. The relative decline in volume didn’t hurt futures open interest, however, which grew to a record 17.8m contract average in Q3. Hedging and speculation related to the Fed’s next move show no sign of slowing.

Futures-to-cash ratio
Proportion

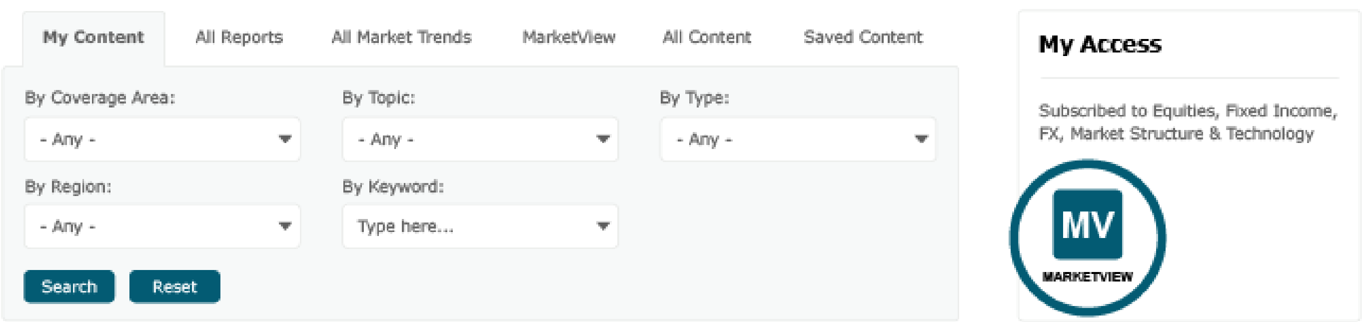


Source: Greenwich MarketView

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.

Where to Access MarketView



Methodology:

Crisil Coalition Greenwich continuously gathers data and insights from U.S. Treasury market participants, including asset managers, hedge funds, primary dealers, market makers, and trading platforms. The data, once aggregated, normalized and enhanced, is analyzed by our market structure research team who identify key areas of change and the likely direction of volume, holdings, market share, and other trends in the coming months.

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