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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by. (Operator Instructions). As a reminder, this conference is being recorded Wednesday, October 27, 2010.

I would now like to turn your call over to Dave Cresci, Investor Relations Manager at MarketAxess. Please go ahead, sir.

Dave Cresci - *MarketAxess Holdings Inc. - IR*

Good morning and welcome to the MarketAxess third-quarter of 2010 conference call. For the call Richard McVey, Chairman and Chief Executive Officer, will review the highlights for the quarter. Kelley Millet, President, will provide an update on trends in our businesses. And then Tony DeLise, Chief Financial Officer, will review the financial results.

Before I turn the call over to Rick, let me remind you that today's call may include forward-looking statements. These statements represent the Company's beliefs regarding future events that by their nature are uncertain. The Company's actual results and financial condition may differ materially from what is indicated in those forward-looking statements.

For a discussion of some of the risks and factors that could affect the Company's future results, please see the description of risk factors in our Annual Report on Form 10-K for the year ended December 31, 2009.

I would also direct you to read the forward-looking disclaimers in our quarterly earnings release, which was issued earlier this morning and is now available on our website.

Now let me turn the call over to Rick.

Rick McVey - *MarketAxess Holdings Inc. - Chairman and CEO*

Good morning and thank you for joining us to discuss our third-quarter 2010 results. This morning we reported another set of strong quarterly results. Our record revenues and earnings reflect strong momentum in our core e-trading product areas, continued strength in investor order flow and disciplined expense management.

Operating margin improved to 36% during the third quarter, a significant increase from 28.5% one year ago. EPS of $0.22 was almost double year-ago levels.

Variable transaction fees were the largest contributor to revenue growth, and were up 29%, driven by a combination of volume and fee per million growth. Fee capture per million increased during the quarter, reflecting additional contributions from our regional dealer fee plan and stronger emerging market and high-yield bond volume.

Total trading volume of $100.5 billion was 25% above a year ago, and the highest since pre-credit crisis levels in the second quarter of 2007.

Investor order flow into the system was up 8% overall and 16% in US high-grade. Increased investor order flow and improved dealer hit rates combined to increase our estimated US high-grade marketshare to 8.3% versus 6.5% in the third quarter of 2009.

Slide four displays some details on our financial strength. For the third quarter, EBITDA grew to $15 million and our EBITDA margin reached 40%, up from 34% one year ago.

Free cash flow of more than $50 million in the last 12 months has provided the financial flexibility to comfortably execute our share repurchase program and meet our quarterly cash dividend.

During the quarter we repurchased 1.6 million shares of our common stock at a cost of $23 million. We expect the repurchase program to conclude in the fourth quarter, which will meet the objective to offset the increase in our diluted share count, which occurred from 2009 through mid-2010.

Our cash and securities balance at September month-end was $183 million, compared to $188 million at the end of June. During the third quarter we expended a total of $26 million on the share repurchase program and the quarterly dividend. We largely covered the entire capital management-related expenditures with cash flow generated during the current period. Our Board will continue to consider capital management opportunities for our shareholders on a regular basis.

Slide five provides an update on regulatory reform and our credit default swap platform. We are encouraged by the pace of activity in the rule writing process by both of the key regulators, the CFTC and the SEC. We believe the regulators are on track to finalize the new rules for OTC derivative markets by the target date next July.

Proposed rules on conflicts of interest have already been released, and we expect further clarification on swap execution facility principles within the next few months.

We believe that our transparent trading protocols and our independent governance model will meet the principles for a swap execution facility. We would expect the new rules for trading and clearing standardized swaps to be in effect 60 to 90 days after the rules are finalized.

We don't know yet how broad the universe of clearable swaps will be, but we continue to expect that around 80% of the CDS market will eventually be essentially cleared, which will trigger the requirement for execution on an exchange or swap execution facility.

Volume in the CDS market, while down from pre-crisis levels, is still substantially greater than volumes in the cash credit bond markets. A good portion of the CDS volume takes place in highly liquid indices, and we believe the client to dealer volume represents about 35% to 40% of the CDS total.

Key questions remain on whether the rules will provide exemptions from the execution requirements for block trades and the number of viable entities that could become SEFs. We are actively engaged in the process with both regulators and market participants, and we believe that our credit trading connectivity and trading technology create valuable competitive advantages.

Now let me turn the call over to Kelley for more detail regarding our third-quarter business results.

Kelley Millet - *MarketAxess Holdings Inc. - President*

Thank you, Rick. Slide six provides an update on market conditions. During the third quarter credit market conditions remained healthy. High-grade credit spreads, as measured by the Credit Suisse LUCI Index, ended the quarter at 136 basis points over treasuries, a decrease from 158 basis points at the end of the second quarter. Credit spread volatility was 4.3% at the end of September, down from 6.5% at June month-end.

During the third quarter nongovernment guaranteed new issue volume increased to $208 billion, the highest it has been since the second quarter of 2008. The yield curve flattened relative to the second quarter, but remains steep on a historical basis.

Taxable bond funds and ETFs continue to see strong inflows, creating additional demand for corporate bonds and other credit assets.

Slide seven highlights our improved client and dealer participation. The decline in primary dealer corporate holdings from pre-crisis levels highlights the importance of the increasing participation of non-primary dealers. During the third quarter new dealers added to the platform since the second quarter of 2008 accounted for 15% of the volume and 23% of the trade count.

As a result of the increased participation of new dealers, and better performance from existing dealers, hit rates have shown a strong improvement. High-grade hit rates were 74% for the third quarter, compared to 66% in the third quarter of 2009, and 7% during the previous quarter.

The increase in US high-grade marketshare for the third quarter and year-to-date demonstrates the contribution of both improved investor inquiry flow and dealer hit rates. The continued sale focus on late adopters, transaction cost analysis, connectivity and technology enhancements can drive additional share gain.

Slide eight summarizes the trading volumes across our product categories. Overall global volume was up 25% year-over-year to $100.5 billion. The last time quarterly volume reached this level was in the second quarter of 2007 when 18% of total volume was attributable to floating-rate note trading. Record quarterly volumes were reached for US fixed-rate, emerging market and agency buys.

In US high-grades our estimated marketshare for the third quarter improved to 8.3%, as volumes rose to $60 billion, up 28% year-over-year, end up 4% from the second quarter. Eurobond volumes declined 35% from the third quarter of last year and 16% from the second quarter of 2010.

Europe continues to face a challenging market environment due principally to sovereign debt concerns. Our launch of the click-to-trade protocol gives us access to a larger addressable market. We are also increasing sales resources, aimed at addressing underperforming clients and regions, which can support future volume growth.

The other product category volumes increased to $29.4 billion, up 75% from the third quarter of 2009 and 7% from the second quarter of 2010. The increase was driven primarily by another quarter of strong growth in emerging-market volumes.

Slide nine highlights the revenue drivers of the business. US high-grade trades volumes remain strong, driven by a number of factors that I spoke to earlier. US high-grade trades volumes are on pace to reach the highest annual level since 2003.

Total variable fee per million of $188 increased $13 from the second quarter of 2010 and were up $6 from the third quarter a year ago. Dealers on the high-grade regional fee plan and higher emerging-market volumes were the main contributors to the higher fee capture.

Total variable transaction fees of $18.9 million accounted for 60% of the total commissions. A portion of the variable transaction fee growth is attributable to the incremental execution fees generated by the regional plan dealers. Given the continued success of the dealers on the regional fee plan, we do expect several of them to migrate to the major dealer fee plan.

So with that, let me turn the call over to Tony for more detail regarding our third-quarter financial results.

Tony DeLise - *MarketAxess Holdings Inc. - CFO*

Thank you, Kelley. Please turn to slide 10 for our earnings performance. Our record revenue of $37.4 million increased 25% from a year ago, primarily driven by commission revenue growth and continued positive contributions from our technology products and services group.

Third-quarter revenues also included a one-time gain of approximately $400,000 on the sale of a treasury note. Total expenses were $23.9 million, up 2% sequentially and 11% in the third quarter of 2009. The revenue growth and expense management led to record pretax income of $13.5 million, up 58% from last year.

Incremental margin year-over-year was 64%. Our effective tax rate for the third quarter was 36.3%, and reflect favorable adjustments principally resulting from the filing of our 2009 tax returns during the period. We expect our full-year tax rate to be toward the lower end of the guidance range of 39% to 41%.

The share repurchase plan activity reduced third-quarter diluted share count by approximately 900,000 shares. As Rick mentioned, we expect to complete repurchases under the $30 million plan in the fourth quarter, at which time we will have brought back a projected total of approximately 1.9 million shares.

Assuming an average share price around last night's close of $18.31, we would expect our diluted share count for the fourth quarter to be in the range of 38.2 million to 38.6 million shares.

On slide 11 we have laid out our commission revenue, trading volumes and fees per million. Distribution fees of $12.3 million were up $1.6 million from the third quarter of 2009, due principally to the addition of several major dealers over the past year. We project that distribution fees will increase by approximately $800,000 in the fourth quarter. The US represents the majority of this increase, as several dealers participating in the regional plan migrate to the major plan.

At third-quarter volume duration and average trade size levels, the migration is revenue neutral. All else equal, the increase in distribution fees would be offset by a corresponding decline in variable transaction fees, resulting in a reduction in US high-grade transaction fee per million of approximately $13 to $15.

The Eurobond fee capture reflects the fee plan change made late in the second quarter of 2010. The other product category fee capture increased to $189 per million for the third quarter, compared to $166 for the second quarter. Fee capture in the other product category is driven principally by the mix of volume in high-yield emerging-markets and agency bonds. Compared to the second-quarter emerging market bonds represented a higher percentage of volume in this category.

Slide 12 provides you with the expense detail. Total expenses for the third quarter were up 2% in the second quarter and in line with the first half of the year run rate.

Employee headcount was little changed during the quarter. We do expect to add additional sales and technology resources in the fourth quarter, and believe that we are tracking toward the higher end of the full-year 2010 expense guidance range of $94 million to $96 million.

We anticipate that there will be incremental expenses beginning in 2011 associated with running a swap execution facility. The incremental expenses mainly personnel-related would ramp up in the second half of the year. We currently expect that SEF-related headcount could result in a 3% to 5% increase in total headcount by year-end 2011. Consistent with our past practice, we will provide full-year 2011 expense guidance in conjunction with our year-end earnings call.

On slide 13 we provide balance sheet information. Cash, cash equivalents and securities as of September 30 were $183 million, or $4.72 per diluted share, compared to $174 million at year-end 2009 and $162 million one year ago.

Free cash flow for the trailing 12 months was $51 million, including a deferred income tax benefit of $16 million. With the recent earnings performance we are quickly utilizing our US federal tax loss carry forwards. At the current level of earnings we will have some tax loss and carry forwards available for use next year, but we expect to be in a federal tax paying position during 2011.

Total stockholders equity, including the Series B preferred stock, was $256 million as of September 30, representing book value on a diluted basis of $6.61 per share. We continue to have no bank debt.

Now let me turn the call back to Rick for some closing comments.

Rick McVey - *MarketAxess Holdings Inc. - Chairman and CEO*

Thank you, Tony. Our strategy to expand our trading network and our product capabilities is paying off with record revenues, earnings and cash flow. Consistent revenue growth is driving earnings momentum and improved margins.

In addition to the significant growth potential in existing products, we are excited about the new opportunities emerging in the OTC derivative space. We are actively investing to benefit from the regulatory changes.

We believe the addressable market opportunity for electronic trading in fixed income markets is getting larger, while at the same time our competitive position is getting stronger. I would now like to open the call to your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). Hugh Miller, Sidoti & Company.

Hugh Miller - *Sidoti & Company - Analyst*

You guys had mentioned a little bit about some of the swap execution facility costs you will expect to incur in the second half of '11. I was just wondering should we be thinking about the possibility of some revenue enhancement from that trading to offset a portion of the cost or is that an unlikely scenario?

Rick McVey - *MarketAxess Holdings Inc. - Chairman and CEO*

I think that we would anticipate that the additional costs for operating a SEF would hit in the second half of the year at the same time that the new trading requirements would also kick in. So, yes, we would expect expenses and revenues both to start emerging during the second half of next year.

Hugh Miller - *Sidoti & Company - Analyst*

Okay, and so is that likely to be more of a wash, would you say at this point? Obviously, no one has a crystal ball, but -- or one kind of outweighing the other?

Rick McVey - *MarketAxess Holdings Inc. - Chairman and CEO*

It is really difficult to say right now.

Hugh Miller - *Sidoti & Company - Analyst*

How are you seeing the competitive landscape shaping up for the number of client to dealer SEFs, and how you expect competition to emerge from that category?

Rick McVey - *MarketAxess Holdings Inc. - Chairman and CEO*

Depending on the speaker we have heard estimates of anywhere from 30 SEFs to as high as 80 to 100. So nobody really knows, but remember that is across all asset classes and across all client segments. As you are aware, there are very few networks that are in a position to easily accommodate swap execution in the institutional customer to multi-dealer space.

We were pleased with the developments that we saw during the quarter. The conflict of interest rules clearly favor independent governance structures. We think we are in great shape here. There has been commentary that it is unlikely that single dealer systems would qualify as SEFs. So we think the viable entities active in the institutional customer and the multi-dealer space for CDS are fairly limited.

Hugh Miller - *Sidoti & Company - Analyst*

Okay. And do you have a sense, or any sense I guess, of where you would anticipate variable fee per million pricing would work out for index and single name, or is that something that you don't have a great handle on just to share at this time?

Rick McVey - *MarketAxess Holdings Inc. - Chairman and CEO*

We really don't have a great handle on it to share at this time. I think we have said consistently that a little over half of the CDS volume is taking place in highly liquid indices, with very tight bid\offer spreads. You would expect the transaction fees for those indices to be significantly lower than higher bid/offer markets like corporate bonds.

So the indices fees we would expect to be consistent with liquid product fees. And I think single name fees depend on the liquidity of the name, that we would currently expect them to fall somewhere between the index fee and the corporate bond fee.

Hugh Miller - *Sidoti & Company - Analyst*

Got you. You mentioned in the slides about the split between dealer to dealer and client to dealer, and obviously the client to dealer would be more in line with what you currently do. Is there the possibility that you guys could be able to pick up business in dealer to dealer or is that really not an addressable market for you.

Rick McVey - *MarketAxess Holdings Inc. - Chairman and CEO*

I think we have those capabilities, and we will continue to consider all opportunities in e-trading in a variety of different client segments. Our strength is clearly in the client to multi-dealer segment, and that is our primary focus to start out. We really don't know how the trading models will evolve either, but it is quite possible that liquid markets like indices will start to evolve into a more open trading protocol.

Hugh Miller - *Sidoti & Company - Analyst*

Okay. And a question just with regard to -- obviously, we have seen an improvement in the hit rate reaching towards 74%, a nice pickup from the last quarter. Is it realistic to think that the hit rate could trend up over 75%, or are there kind of -- I know from a historical standpoint I don't think it has done that. But what are the trends you are seeing there? How strong could be hit rate potentially get to in your opinion?

Kelley Millet - *MarketAxess Holdings Inc. - President*

It is Kelley. I think on a historical basis, and again drilling down to the high-grade business, I think our high-tech in terms of hit rates were more in the sort of high 70%s to 80%s.

I think a couple of variables will affect our ability to continue to improve on that. Obviously, [it is] the continued growth and importance of our regional dealers -- and that is both regional dealers that migrate, as Tony says, up to the major plan as well as backfilling new regional dealers into that group. And the continued focus and work with our quote existing major dealers.

A lot of that is day-to-day work around routing and keeping current with our dealer customers. But there is also a lot of work going on associated with automating their capability to interact, whether it is delivering inventory via API on a more regular, more high-quality basis, whether that is instituting trading APIs so that they can interact, not necessarily just with our GUI, but within their own system. As well as working with a number of them to provide software and tools that they can aggregate prices across markets and execute either more efficiently, or in fact, on an auto execute basis in the smaller ticket sizes.

So I think there are, subject to the caveat of market conditions, volatility risk appetite, I do think there is upside based on the initiatives that I laid out there.

Hugh Miller - *Sidoti & Company - Analyst*

Okay, great color there. And just the last question with regards to marketshare trends for US high-grade that you could potentially share with us with regards to what you are seeing so far in October?

Kelley Millet - *MarketAxess Holdings Inc. - President*

It is interesting. Rick and I spoke a lot about that the last couple of days. Marketshare can vary, as you know, day to day, week to week and even month-to-month. And it is impacted by a number of factors, including risk appetite. It is impacted by the overall level of new issue activity. And can even be a function of which clients are busy in a given day, week or month.

What I try to do, with Rick's leadership and with the team, is trying to focus on a sustainable improvement in share. I try to look at that on a quarterly basis. If you look at our quarterly share gains in high-grade go from 7.9% to 8.1% and now to 8.3% in the last quarter, that is sort of my mantra, if you see what I am saying. That is sort of my drive.

So we feel comfortable that we can continue to drive share higher on that sort of measurement basis quarter to quarter. There can be month to month fluctuations that to some degree, quite frankly, are out of our control.

Operator

Howard Chen, Credit Suisse.

Howard Chen - *Credit Suisse - Analyst*

Tony, just another spin on that previous question. I guess on the core US high-grade business what do you think we should be looking at to gauge the firm's ability to just make further marketshare gains to that 8.3%? Is it hit rate, inquiry volume? What should we be looking at that is out there to see that expand into the double digits and beyond?

Kelley Millet - *MarketAxess Holdings Inc. - President*

If you looked at slide seven, the lower quadrant, the lower-right quadrant, it really was a contribution from both elements of the process. It was a function of improving inquiry as well as improving hit rates.

So on the increase side we work in two ways. We attack the late adopters, those that we think are in a sense punching below their weight and should be doing more business over the platform. We do that with new and more senior salespeople. We do that in delivering transaction cost analysis, test execution analysis, which is a very compelling argument in the US marketplace.

That, as I said, on the dealer side, in addition to gathering more dealers or pushing dealers up to the major plan, it is working with their traders from a technology standpoint from very fundamental issues of routing and how they filter their pop-ups to their ability to more automatically and efficiently respond to inquiry.

There is gradations of whether they are just either contributing or receiving levels via API all the way to their ability to scrape from various sources and auto populate and auto execute inquiries.

So there are a lot of efforts going on on both the buy side and the sell side on a consistent basis. It really is that combination of the two that we think on a quarterly basis can push us to grind that share higher. Again, the caveat is it also at times can be subject to market conditions, as you know, volatility as well as risk appetite.

So there really are two sort of parallel tracks that we take with both the buy side and the sell side on an aggressive basis.

Howard Chen - *Credit Suisse - Analyst*

Great, thanks Kelley. Shifting gears to the regional dealers moving fee schedules, just post the $800,000 revenue neutral shift that we see in the fourth quarter that Tony spoke to, where are we after that and how much is there left to go?

Tony DeLise - *MarketAxess Holdings Inc. - CFO*

It is Tony. So on the regional dealers, we had a slide in there on slide nine. We actually broke out the variable transaction fees to give you a sense of the execution fees, the additional fees generated by the regional plan. So if you looked at slide you would have seen healthy growth, 100% growth year-over-year in the execution fees.

It is at about the $3 million level in Q3. While a chunk of that will shift over to fixed distribution fees, I think the positive thing we are seeing is that there is another group of regional dealers who, if you looked at their performance month over month and quarter over quarter, are increasing their participation.

So I think the guidance we gave assume that there is no further improvement in contributions from the regional dealers. I think the reality with history has shown that those regional dealers are participating, representing a bigger portion of trade count and trade volume.

So I think we have given some guidance there on a revenue neutral, volume neutral basis, but again, there are some up-and-coming regionals that are increasing their participation.

Rick McVey - *MarketAxess Holdings Inc. - Chairman and CEO*

Another way to think about that is, as you look at the chart around corporate holdings amongst the quote primary dealers, although that has stabilized that is nowhere near back, as you're aware, to pre-crisis levels.

So we generally continue to believe there is an opportunity, not only to migrate successful regional dealers to the major fee plan, which gives us that distribution fee, gives us a greater degree of certainty around that revenue flow, but we have actually been pleasantly surprised that we have been continuing to add dealers in a sense into the regional dealer pipeline. And these are not necessarily all small firms, but rather firms who are either international or have recommitted to the cash markets.

So Tony's numbers are on an apples-to-apples all-else equal basis being revenue neutral. My job, my team's job, is to ensure that we continue to in a sense grow that regional pie and continue to have that growth in their participation.

I point out that the most relevant nature of that participation is just the amount of tickets that, in fact, that group are doing. We think that is very, very important, because we continue to think there is a large portion of that addressable market and that sort of odd lot $3 million bucket size that these guys truly can help us capture.

So I think it is the right statement to make financially. But the job at hand is to continue in a sense to replenish that regional group so that we don't, in a sense, see that complete degradation in fees per million that Tony referenced.

Howard Chen - *Credit Suisse - Analyst*

Great, thanks. Then just to complete that thought. Kelley, just so how many regional dealers do you have now? What do you see as the universe and how many are switching over to the major plan? I don't know how much of that you have disclosed.

Kelley Millet - *MarketAxess Holdings Inc. - President*

We don't give a tremendous amount of details on that, but just in rough terms right now, participating on the major plan we have around 25 dealers. And participating in the regional plan there is around 25 dealers also, around 50 in total.

We will have -- and with the numbers I gave you there is definitely two regionals that will move up to the major plan. One did in the third quarter, one in the fourth quarter. We probably have two or three other regionals over the course of the next three or four or five months have a very good chance of moving up.

In terms of bringing new dealers on, there is some fluid movement in some of the smaller regionals that we bring on. I think the thought is we bring the regionals on, they can go one of three ways. They can outperform or move up to the major plan. They can stick with the regional plan and pay the execution fee. And in some cases, quite frankly, they don't perform and they fall off of the platform.

So there is still a handful that will come on this quarter. In all likelihood, there is probably a handful that are going to fall off as well.

Howard Chen - *Credit Suisse - Analyst*

Okay, thanks for all that detail. Then just a quick one on the numbers. Investment income and other revenues stepped up nicely from the second quarter. Could you just help to lay out any drivers there or unique items?

Tony DeLise - *MarketAxess Holdings Inc. - CFO*

Sure. This is Tony again. There is really just -- to be honest, there is one number that sticks out in that other. I did reference we had a sale of the treasury note in the third quarter. We simply extended the maturity on a portion of our treasury note investments. Because the rates have gone down and prices had gone up, we were sitting on a unrealized gain at that point in time. Think of it as a one-time event. It is not something we are doing in the normal course. And that really drove the increase in that other revenue category.

Howard Chen - *Credit Suisse - Analyst*

Okay, thanks so much.

Operator

Patrick O'Shaughnessy, Raymond James.

Patrick O'Shaughnessy - *Raymond James - Analyst*

Can you provide a low bit more color on the traction that you've got with the click-to-trade platform over in Europe? Certainly I think you guys guided towards fee capture over there falling to about $100. It has held at $93 for the quarter. So it was a little bit more than what you expected. Is that because maybe you got more pickup in terms of trading volumes than what you were thinking or what accounts for the variance there?

Then just overall, what sort of client reaction are you getting to the product?

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Unidentified Company Representative

Just a moment on the fee capture. When we introduced the click-to-trade protocol, and in its beta phase, we also recognized we had to understand what fee model we would put in place across both the RFQ business and the click-to-trade.

So we moved for all products, except for government products, to a fee of $100 per million. So any variance around that $100 a million will be a function of what the participation of -- or contribution of government bond trading is in the total amount. So that is really the fee plan discussion.

In terms of where we stand, we have approximately a dozen dealers who are now contributing live markets into this click-to-trade protocol. We don't give a lot of specific details, but we are very pleased with the gross number of line items, as well as the gross number of line items where we are seeing a minimum of four prices.

We purposely launched this on a beta phase to a fairly narrow select group of customers in order to garner feedback on look, feel, functionality and the rest. We will be launching it out of its beta phase in approximately the middle of November, opening up to all of our European buy side customers.

So we feel now with critical mass on the dealers -- and that work is ongoing, coupled with now opening up the product to the full universe of European customers, I think we will really begin to get a good handle on, in a sense, a mark-to-market about the competitive success of that alternative protocol.

We do feel it has been very well received. The feedback from the typical traders that use the RFQ love it because it provides instantaneous price discovery and points to who the dealers that they should choose within the RFQ inquiry.

So still a lot of work to do, but should have a lot more detail and fact to discuss at the end of the fourth quarter.

Patrick O'Shaughnessy - *Raymond James - Analyst*

Understood. Okay, great. Thank you for that. Then on a similar vein, but over here in the US and current default swaps, certainly I think in Washington there has been a lot of discussion around whether the RFQ protocol is appropriate for credit default swaps or whether it should be more of a live streaming quote type system. What is your latest take on that, and how do you think these guys are positioned, if it does go to a click-to-trade type protocol?

Rick McVey - *MarketAxess Holdings Inc. - Chairman and CEO*

It is a great question, and I think the regulatory objective is to ensure that the ODC derivative market has both pretrade and post-trade transparency. I think that the appropriate questions are being asked about whether the RFQ model offers the appropriate level of pretrade transparency.

We have had many meetings with the regulators, many discussions. We have been part of the round table panels that they have had in Washington. Our current read is that they are getting increasingly comfortable with the pre- and post-trade transparency of our RFQ model.

So it is possible, I think, that there were be required -- we would be required to make a few tweaks to what we do today, but we think they are pretty straightforward in terms of the technology work. And quite frankly, with the number of trading protocols that we already have built in the system we think we are ready today for virtually any outcome.

Patrick O'Shaughnessy - *Raymond James - Analyst*

Great. Well, thank you guys very much.

Operator

As there are no further questions, I would now like to turn the call back over to Rick McVey for closing remarks.

Rick McVey - *MarketAxess Holdings Inc. - Chairman and CEO*

Thank you very much for joining us this morning, and we look forward to talking to you next quarter.

Operator

Ladies and gentlemen, that concludes today's presentation. Thank you for your participation and you may now disconnect. Have a great day.
