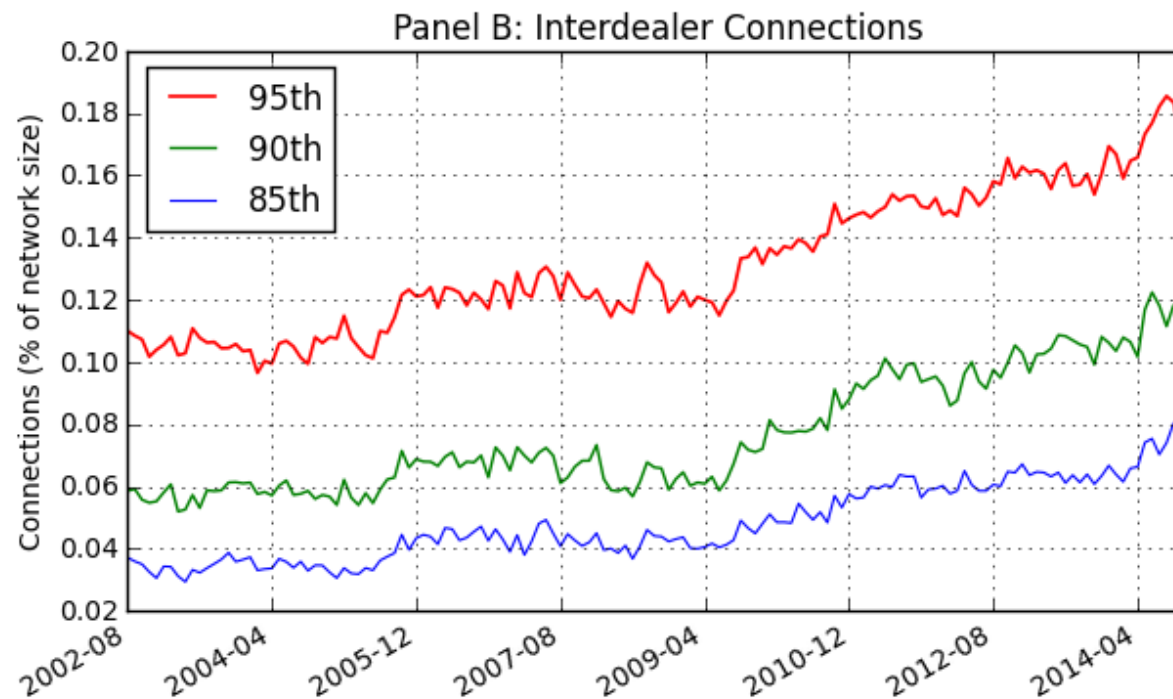
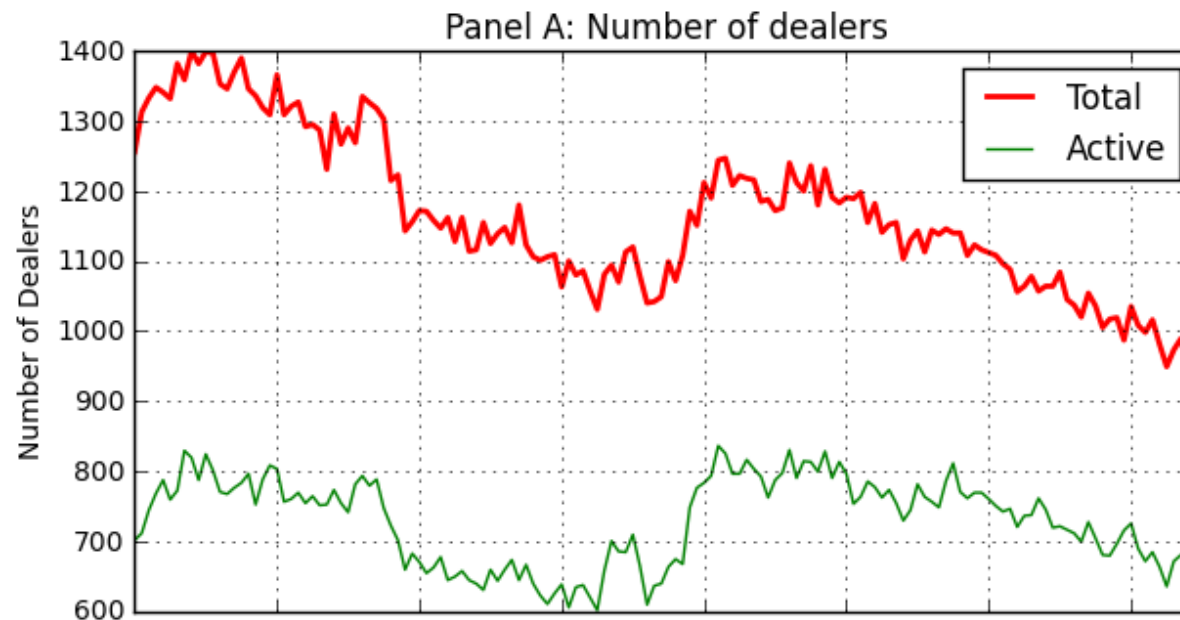


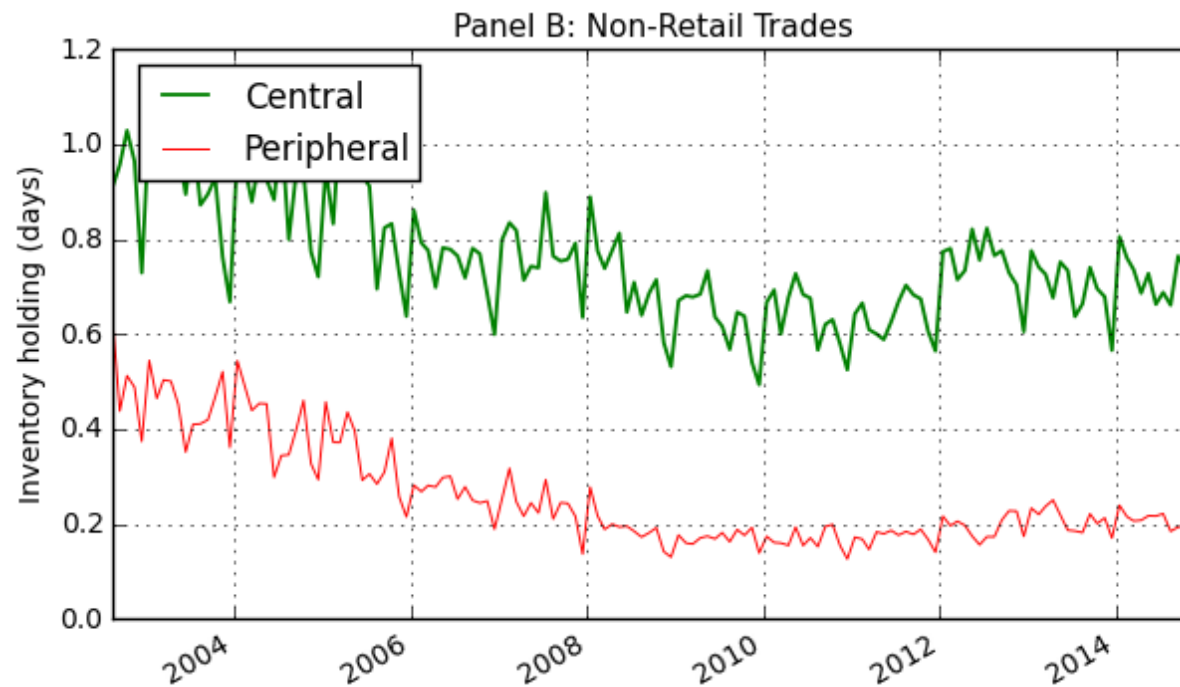
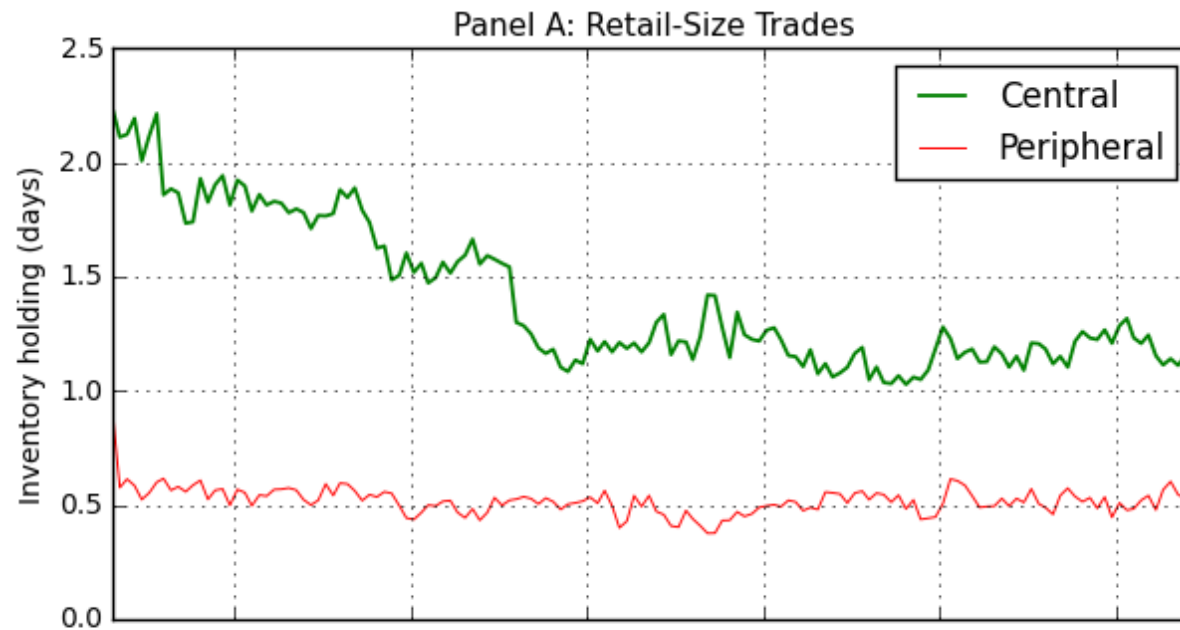
**FINRA-Columbia Conference on Corporate Debt,
Market Structure, Liquidity and Volatility**

**Panel Discussion: The Current State of Debt
Securities Markets**

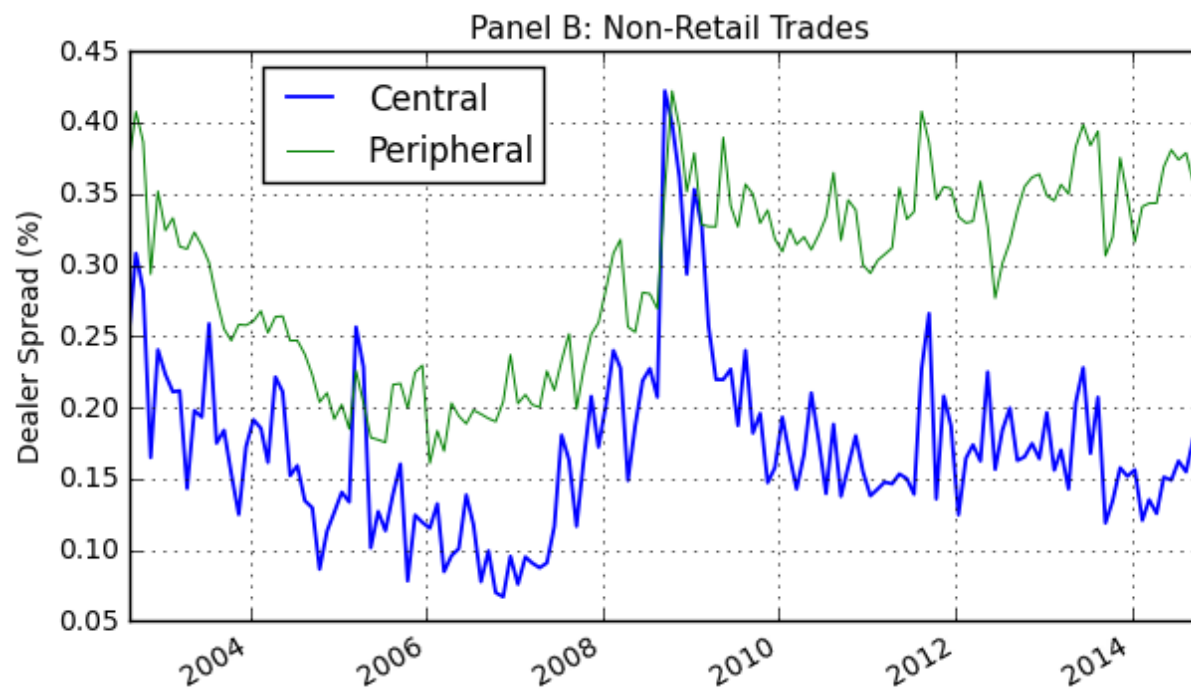
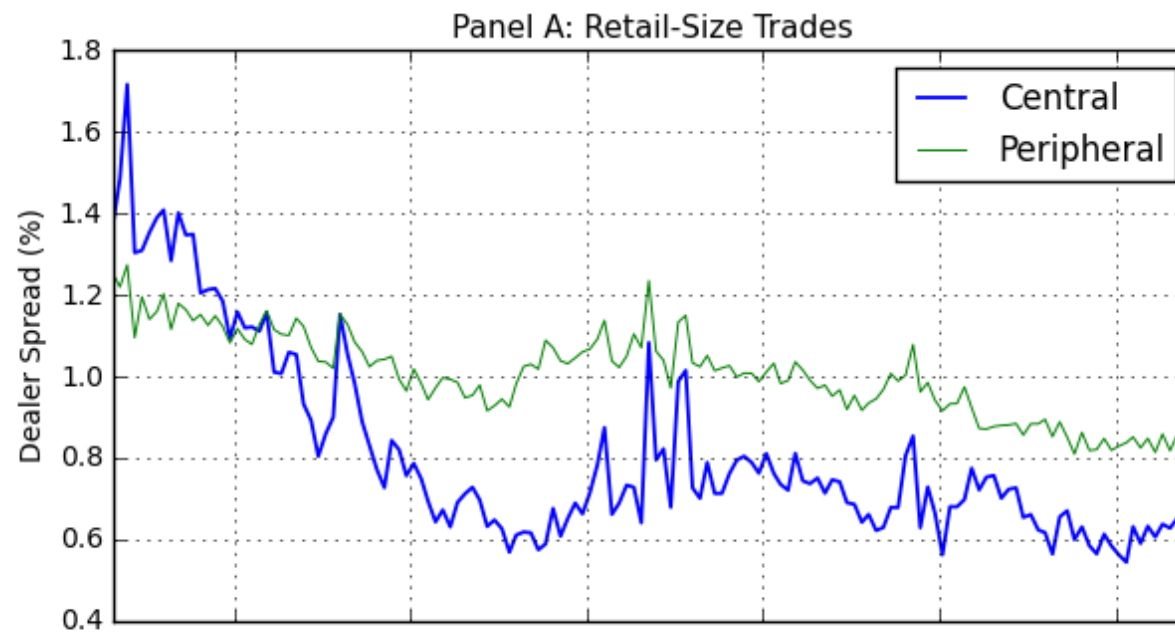
Chester Spatt
Carnegie Mellon University
November 6, 2015



Source: “Bid-Ask Spreads, Trading Networks and the Pricing of Corporate Bonds: 144a vs. Registered Corporate Bonds” by Hollifield, Neklyudov and Spatt (2015)



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Regression Evidence: Centrality Discount Stronger for Disseminated Trades Compared to Non-Disseminated Trades

| Bid-Ask Spread Regression | Years | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2002 | 2003 | 2004 | 2005 ... | 2008 | 2013 | 2014 |
| Disseminated trade | -0.209 (0.007) | -0.165 (0.004) | -0.215 (0.003) | 0.082 (0.011) | | | |
| Centrality for non-disseminated trades | 0.627 (0.039) | 0.547 (0.021) | -0.670 (0.022) | -0.059 (0.086) | | | |
| Centrality for disseminated trades | 0.037 (0.048) | -0.912 (0.020) | -1.791 (0.017) | -1.296 (0.013) | -0.443 (0.010) | -0.475 (0.005) | -0.406 (0.005) |
| Inventory holding in days | 0.097 (0.001) | 0.086 (0.001) | 0.092 (0.001) | 0.101 (0.001) | 0.107 (0.001) | 0.054 (0.000) | 0.059 (0.000) |

Includes controls for Trade Volume, Retail-Size, Investment Grade, Fixed Coupon.

Source: “Bid-Ask Spreads, Trading Networks and the Pricing of Corporate Bonds: 144a vs. Registered Corporate Bonds” by Hollifield, Neklyudov and Spatt (2015)