



HOW IS MARKET VOLATILITY IMPACTING MONEY MARKET SECURITIES?

May 18, 2020

In times of unprecedented market volatility, providing market transparency is critical. Our new DTCC Money Market Kinetics *Weekly Snapshot*, derived from the DTCC Money Market Kinetics product, offers insights into the 3.1 trillion dollar money markets.

DTCC is publishing weekly reports to provide insights into the volatility of the money markets. [The data comes from our DTCC Money Market Kinetics service.](#)

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MARKET HIGHLIGHTS

Current market volatility is impacting the short-term lending market.

- Liquidity in Corporate Commercial Paper (CP) and Institutional Certificates of Deposit (CD) has decreased precipitously since mid-March
- In March 2020, the Federal Reserve responded by creating a new funding facility to ensure liquidity and free up short-term lending.

DATA INSIGHTS

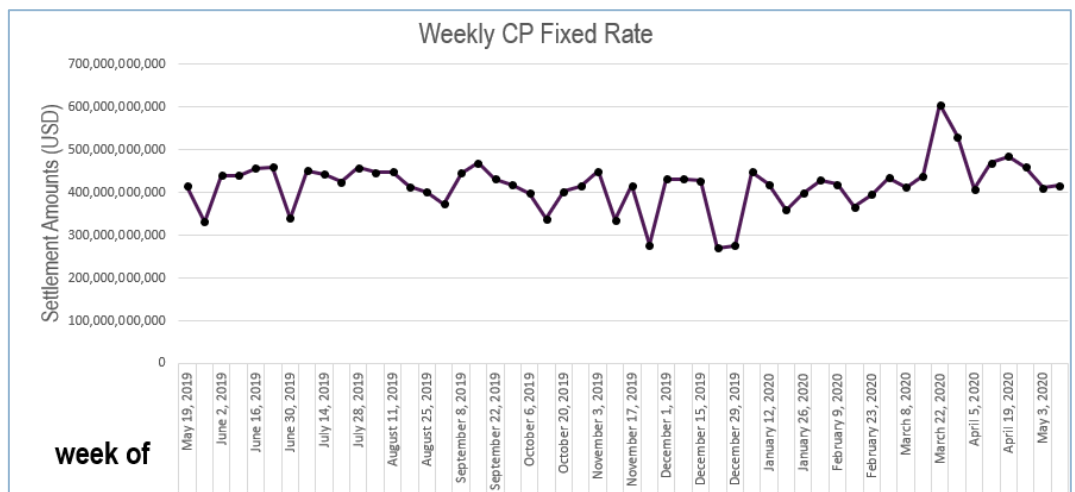
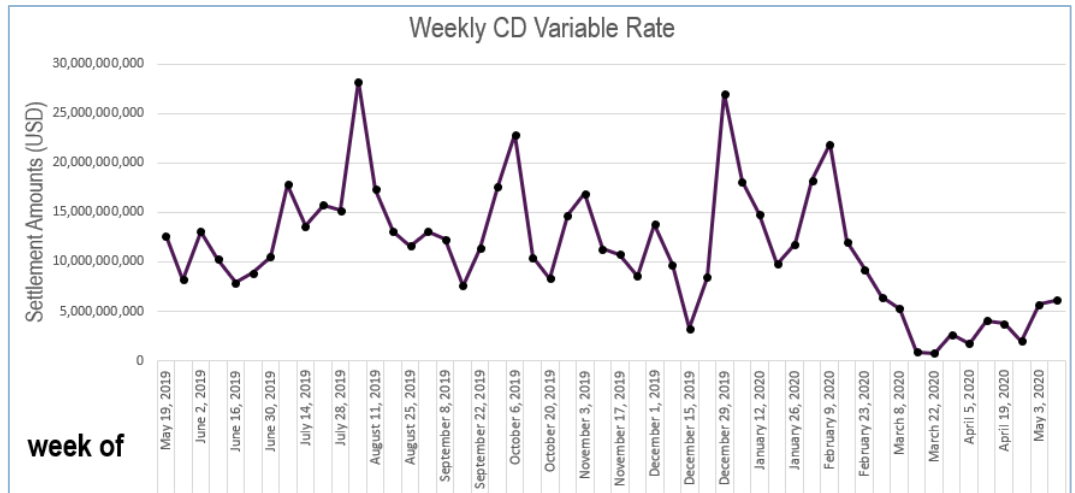
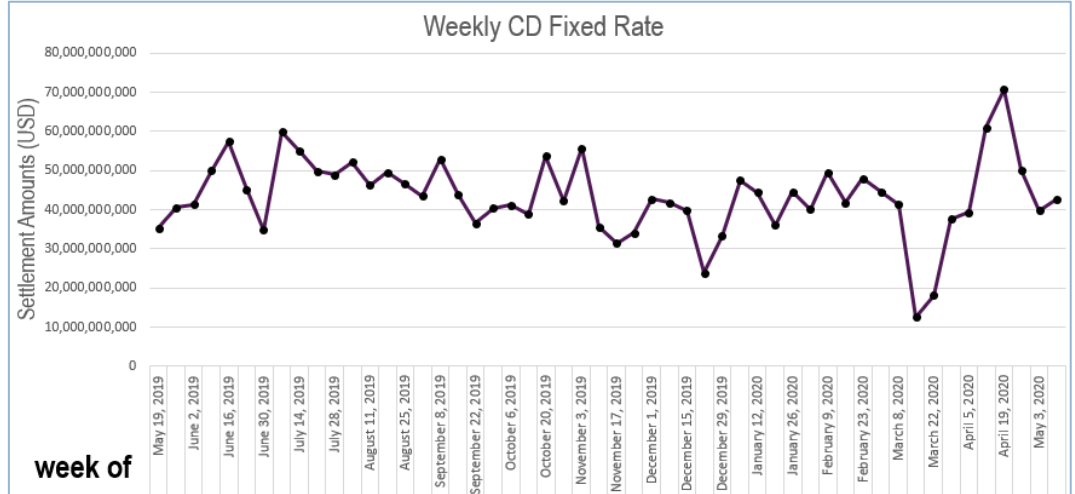
Settlement activity was higher than the prior week for fixed-rate CP and CDs, as well as variable-rate CDs, while variable-rate CP declined. Month-to-date, fixed-rate CP and CDs have settled close to 50% of the monthly average, while variable-rate CP and CDs have settled 24% and 20% respectively.

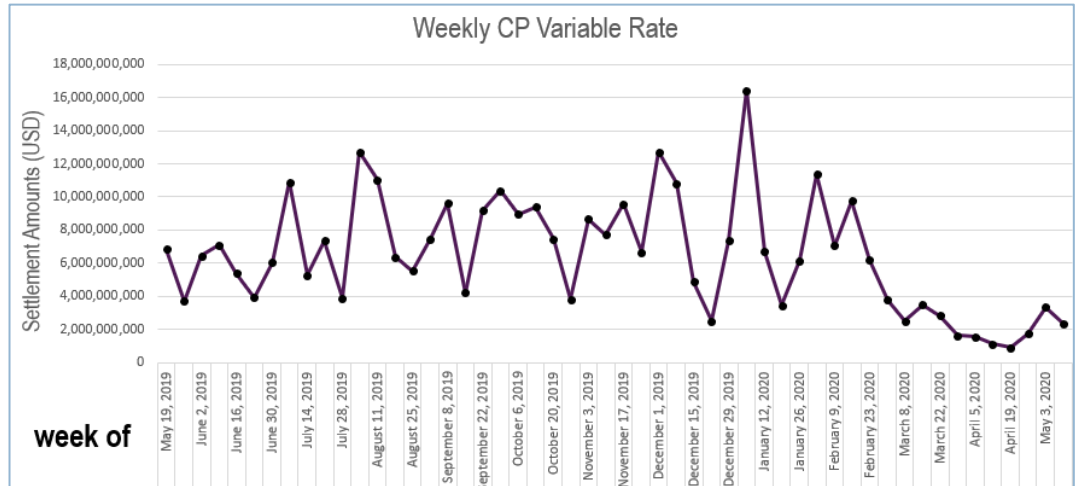
- For the week of May 11-May 15:
 - Fixed-rate CD settlements increased from \$39 billion the prior week to \$42 billion, which is below the prior 52-week average of \$43 billion.
 - Variable-rate CD settlements increased to \$6.1 billion from \$5.7 billion the prior week. The amount remains significantly lower than the prior 52 weeks, which averaged \$11.4 billion per week.
 - Fixed-rate CP settlements increased from \$410 billion to \$416 billion which was equal to the prior year weekly average.
 - Variable-rate CP settlements decreased to \$2.3 billion from \$3.3 billion the prior week. By comparison the 52-week average is \$6.5 billion.
- For the month of May 2020:
 - The 12-month averages have been updated to now reflect May 2019 – April 2020. Month to date for May of 2020 compared to the revised 12-month averages
 - Fixed-rate CD: \$90 Billion v. \$189 Billion
 - Variable-rate CD: \$12 Billion v. 51 Billion
 - Fixed-rate CP: \$910 Billion v. \$1.8 Trillion
 - Variable-rate CP: \$6 Billion v. \$29 Billion



WEEKLY CHARTS

Note: Dates displayed in weekly charts represent the first day of the week summarized; the values displayed are for the entire week of activity.



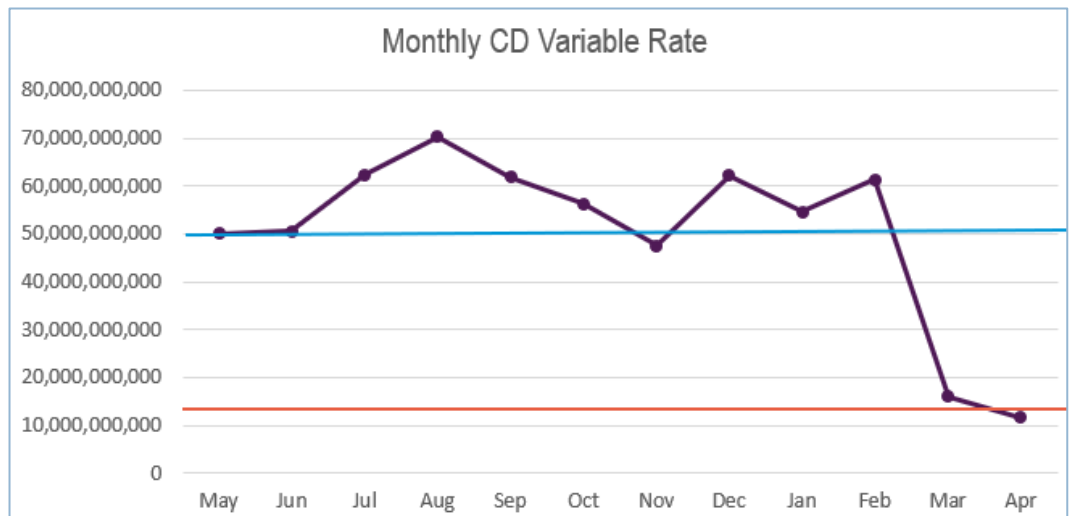
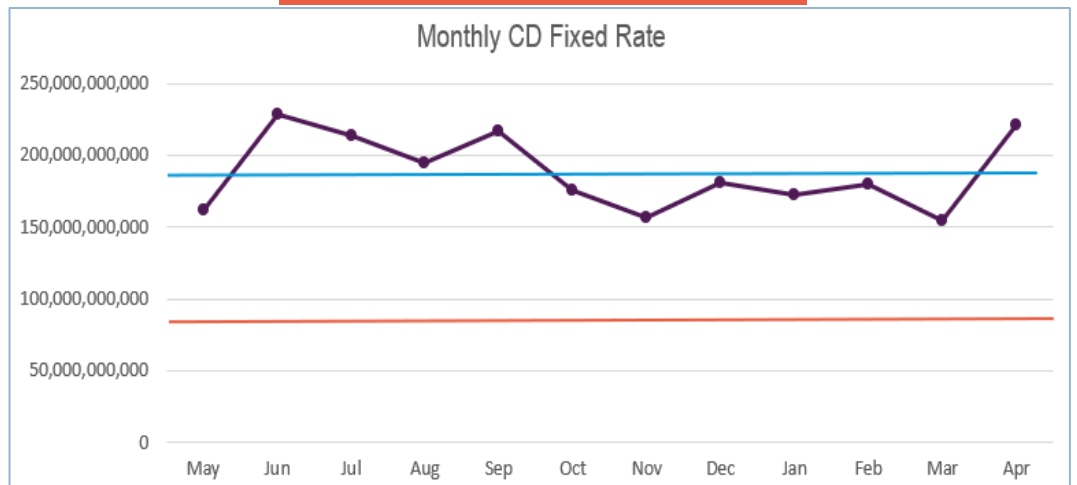


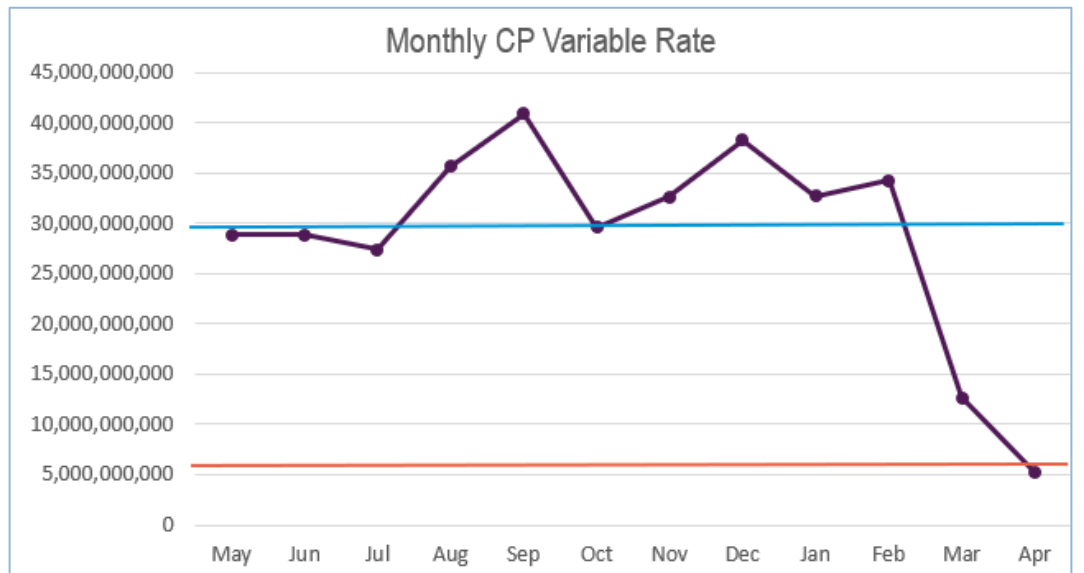
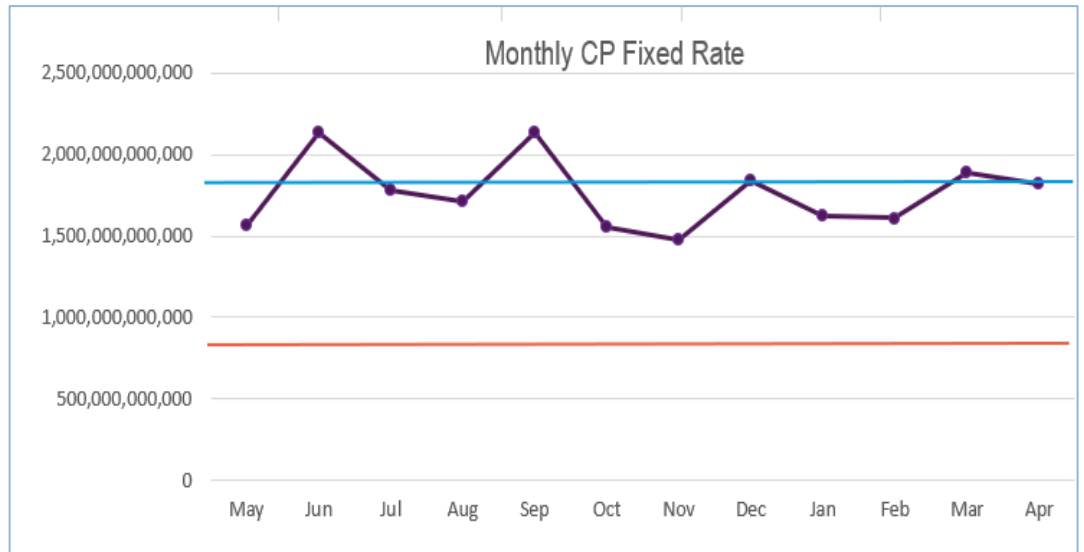
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MONTHLY CHARTS

Legend:

- Monthly Settlement Amounts
- 12 Month Average Settlement Amounts
- Month-to-Date through May 15





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