



# HOW IS MARKET VOLATILITY IMPACTING MONEY MARKET SECURITIES?

June 23, 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

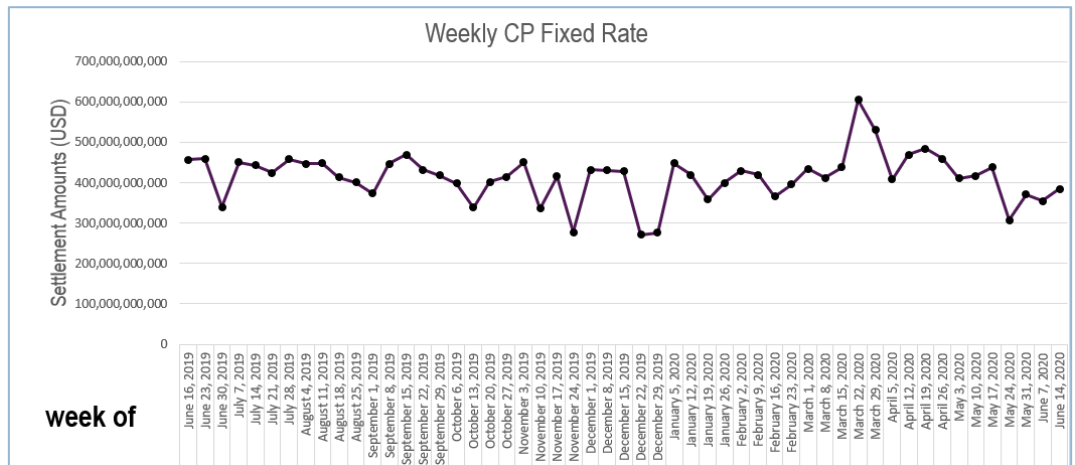
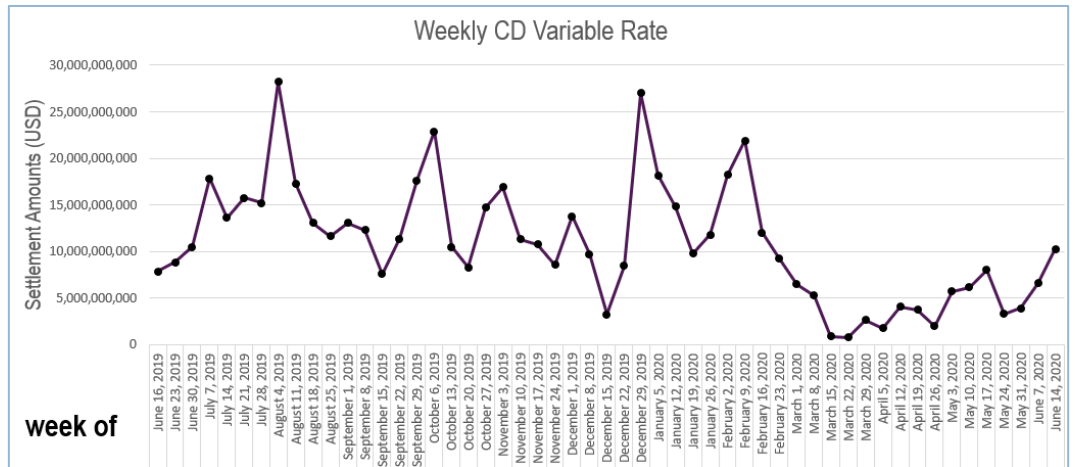
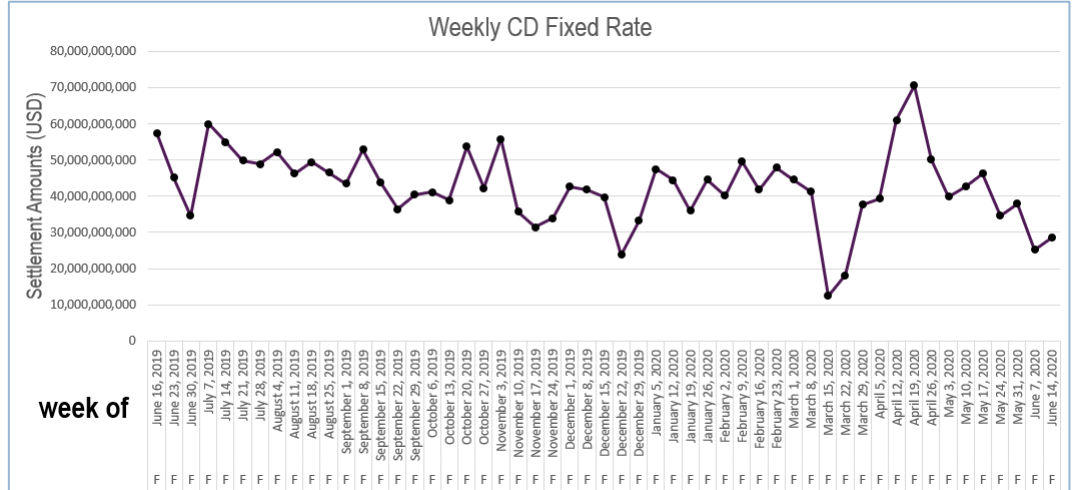
**For the third week of June 2020, variable-rate CP settlement activity declined, while all 3 other product types increased as compared to the prior week. Variable-rate CDs recorded the highest weekly settlement amount since February 2020. All 4 product types remain below their 52-week averages. Variable-rate CP settlements had the largest weekly amounts since February at \$4.8 Billion.**

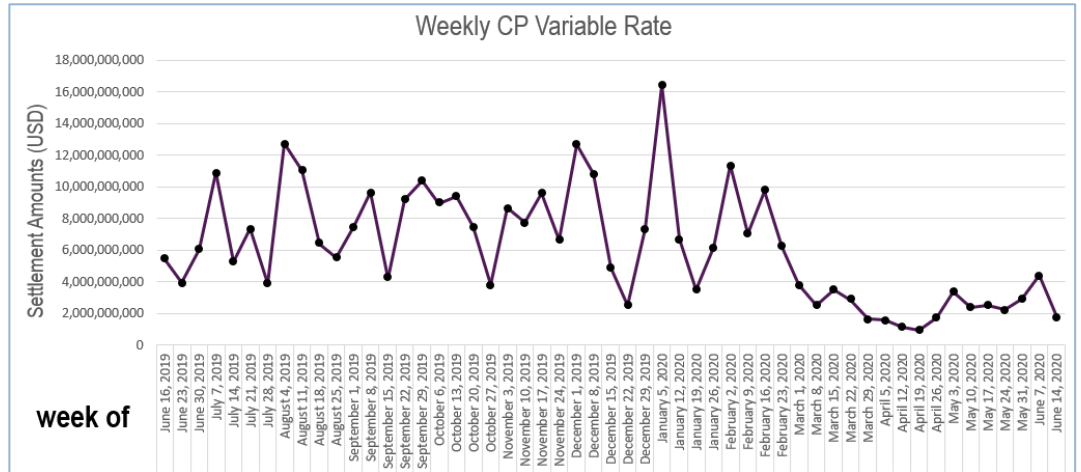
- For the week of June 15- 19:
  - Fixed-rate CD settlements increased from \$25 billion the prior week to \$28 billion, which is below the prior 52-week average of \$43 billion.
  - Variable-rate CD settlements increased from \$6 billion the prior week to \$10 billion. The amount remains lower than the prior 52 weeks, which averaged \$11 billion per week.
  - Fixed-rate CP settlements increased from \$354 billion to \$385 billion which was lower than the prior year weekly average of \$414 billion.
  - Variable-rate CP settlements decreased from \$4.4 billion the prior week to \$1.8 billion. By comparison the 52-week average is \$6.2 billion.
- For the Month of June 2020
  - Month-to-date amounts vs. prior 12-month averages:
    - Fixed-rate CD: \$92 Billion v. \$188 Billion
    - Variable-rate CD: \$21 Billion v. \$48 Billion
    - Fixed-rate CP: \$1.1 Trillion v. \$1.8 Trillion
    - Variable-rate CP: \$9 Billion v. \$28 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.



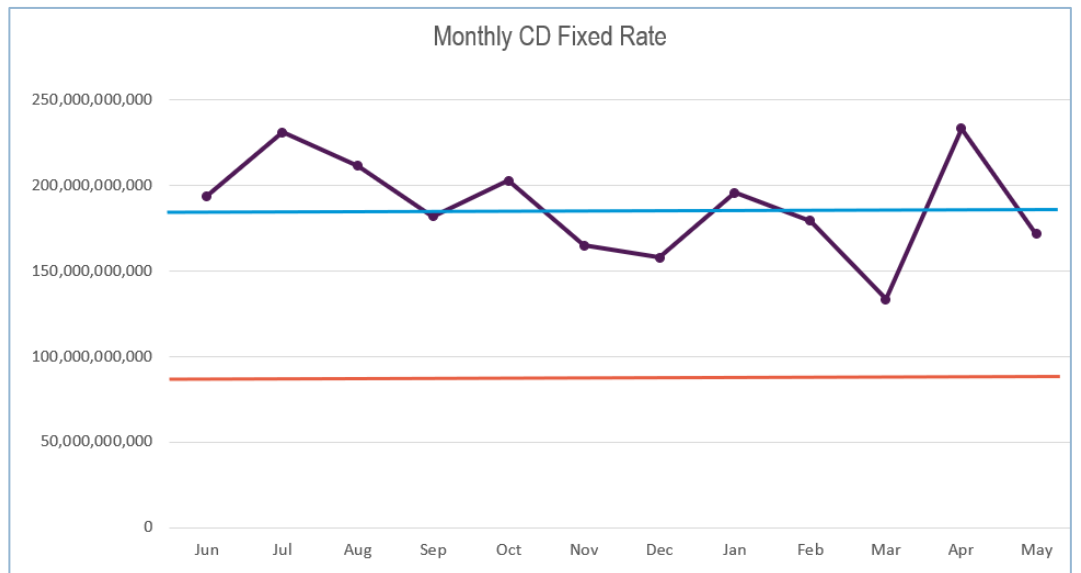


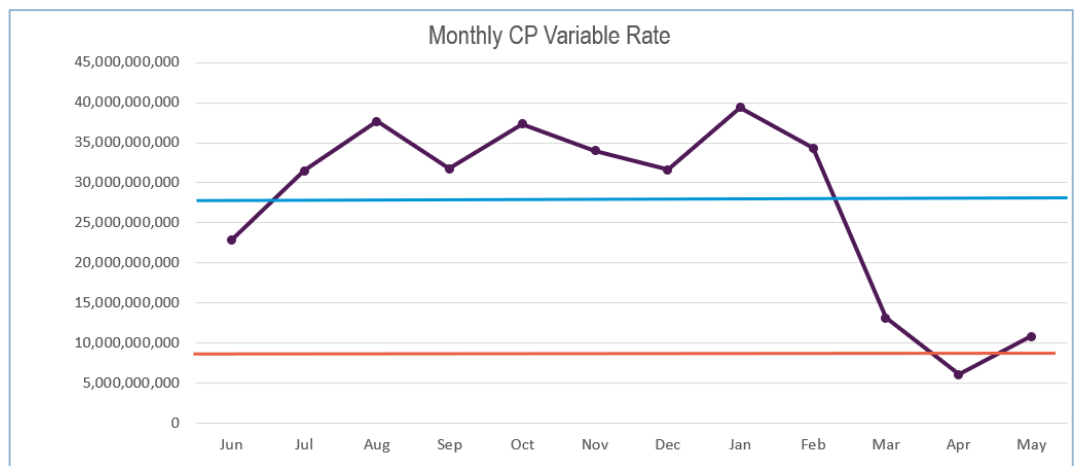
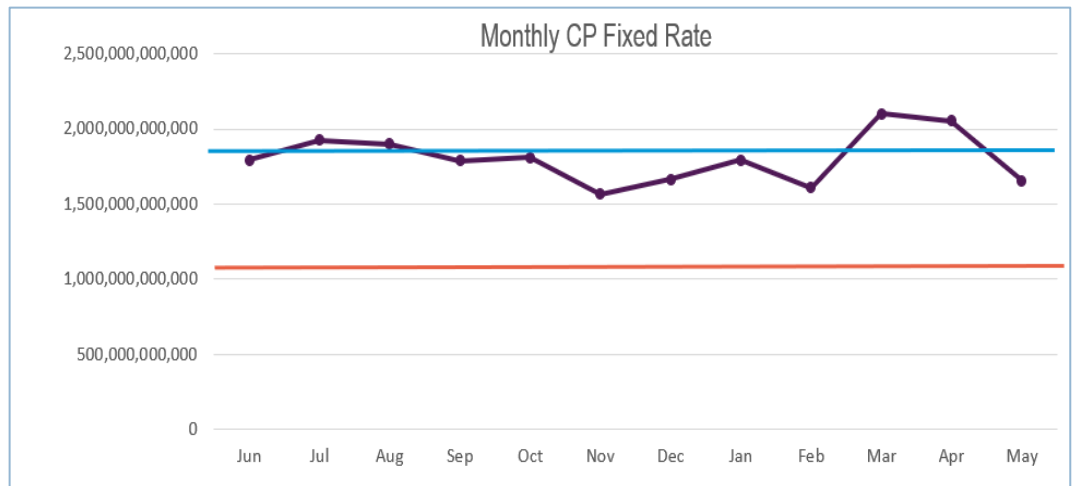
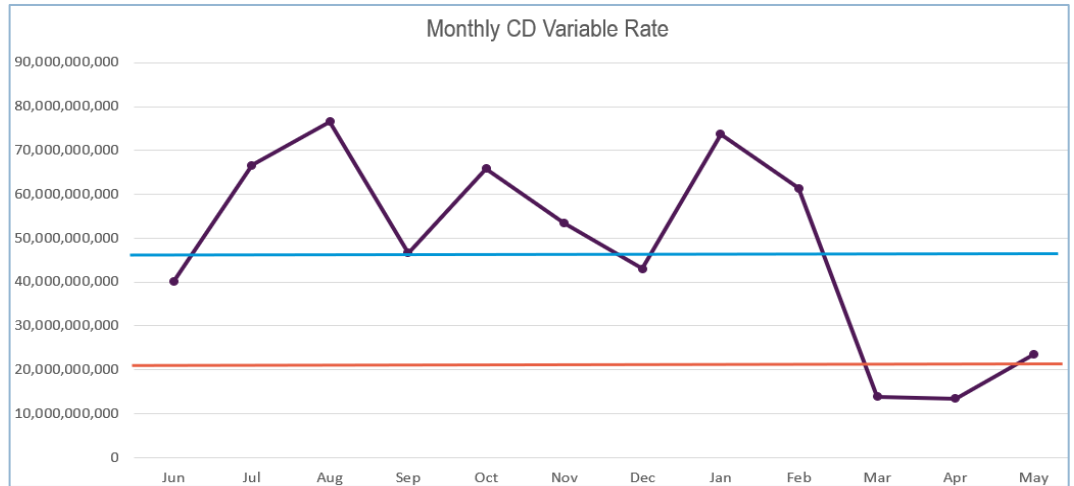
Note: Dates displayed in weekly charts represent the first day of the week summarized; the values displayed are for the entire week of activity.

## MONTHLY CHARTS

Legend:

- Monthly Settlement Amounts
- 12 Month Average Settlement Amounts
- Month-to-Date through June 19





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