



# HOW IS MARKET VOLATILITY IMPACTING MONEY MARKET SECURITIES?

June 30, 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

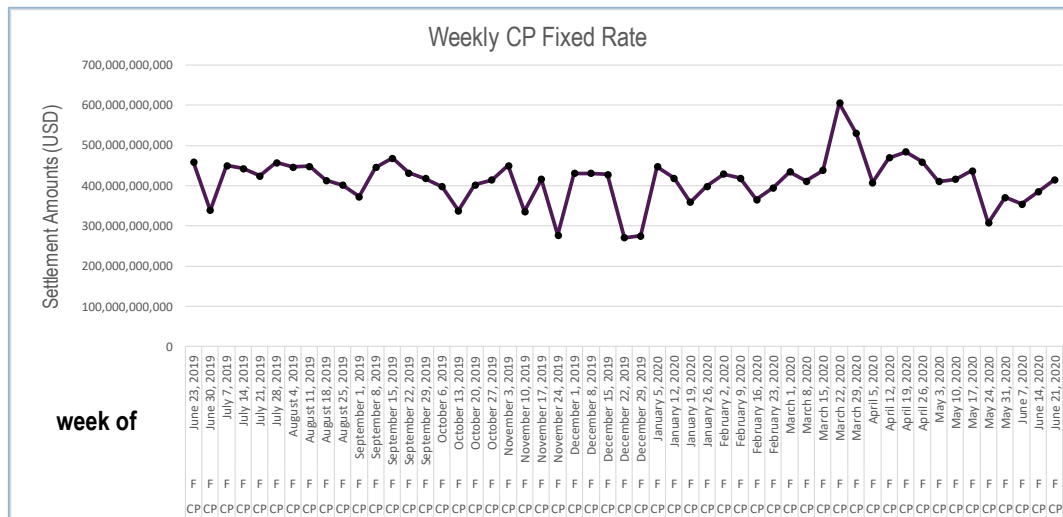
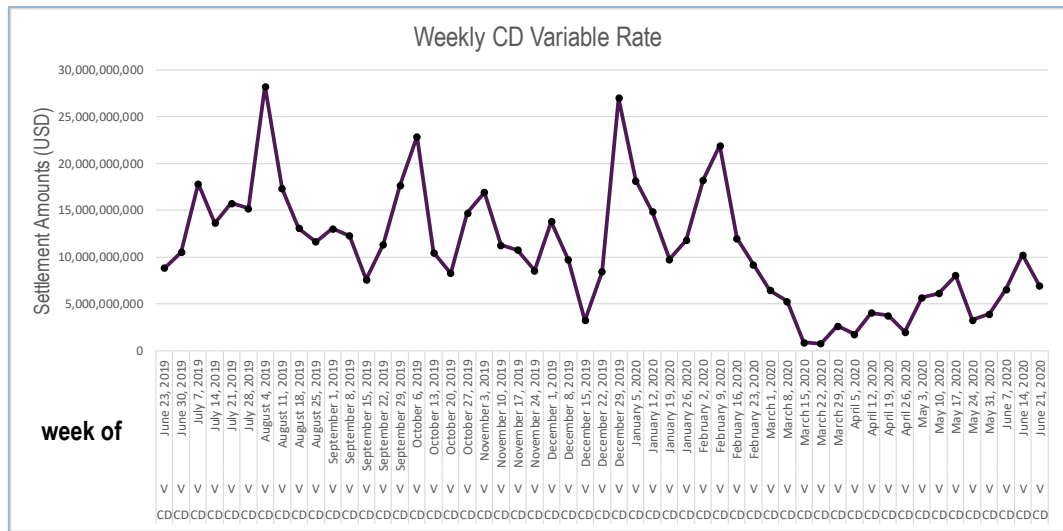
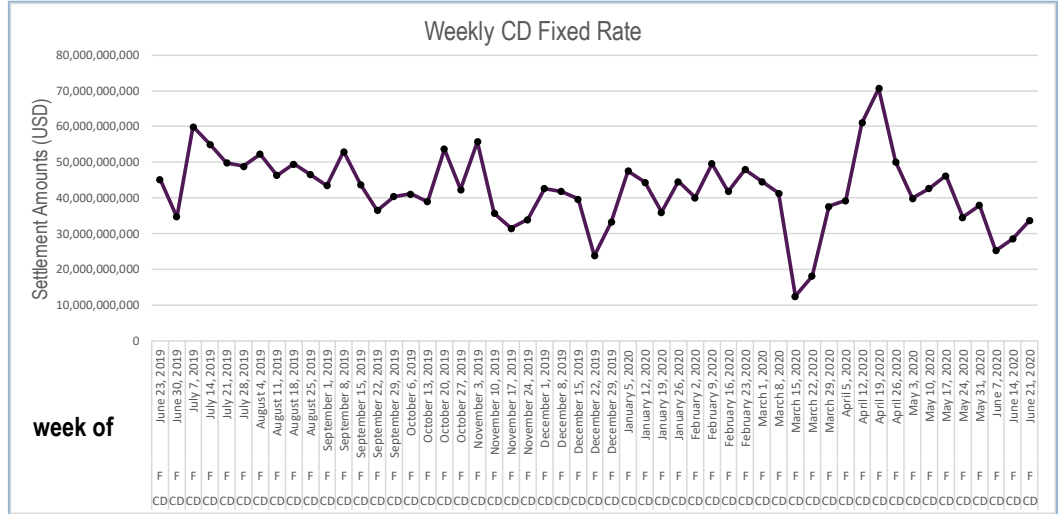
**For the last full week of June 2020, fixed-rate CD, and both fixed- and variable-rate CP settlement activity increased, while variable-rate CDs declined as compared to the prior week. Variable-rate CPs saw a second week over \$4 Billion in settlements since February at \$4.4 Billion. With 2 days of activity remaining in June, variable-rate CP has already reached the largest monthly total since February, although it's still far below the prior 12-month average.**

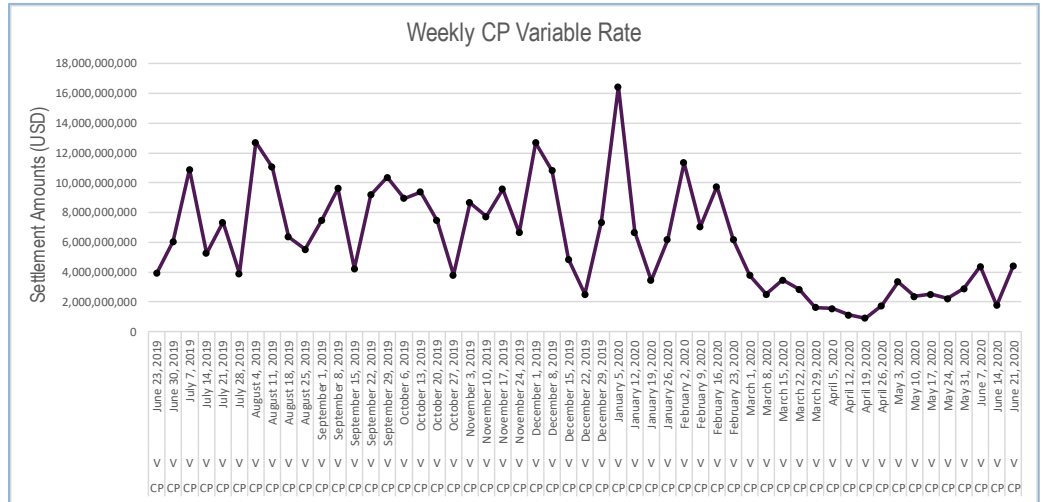
- For the week of June 22- 26:
  - Fixed-rate CD settlements increased from \$28 billion the prior week to \$33 billion, which is below the prior 52-week average of \$42 billion.
  - Variable-rate CD settlements decreased from \$10 billion the prior week to \$7 billion. The amount remains lower than the prior 52 weeks, which averaged \$11 billion per week.
  - Fixed-rate CP settlements increased from \$385 billion to \$415 billion, which was lower than the prior year weekly average of \$412 billion.
  - Variable-rate CP settlements increased from \$1.8 billion the prior week to \$4.4 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: \$125 Billion v. \$188 Billion
    - Variable-rate CD: \$28 Billion v. \$48 Billion
    - Fixed-rate CP: \$1.5 Trillion v. \$1.8 Trillion
    - Variable-rate CP: \$13 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.



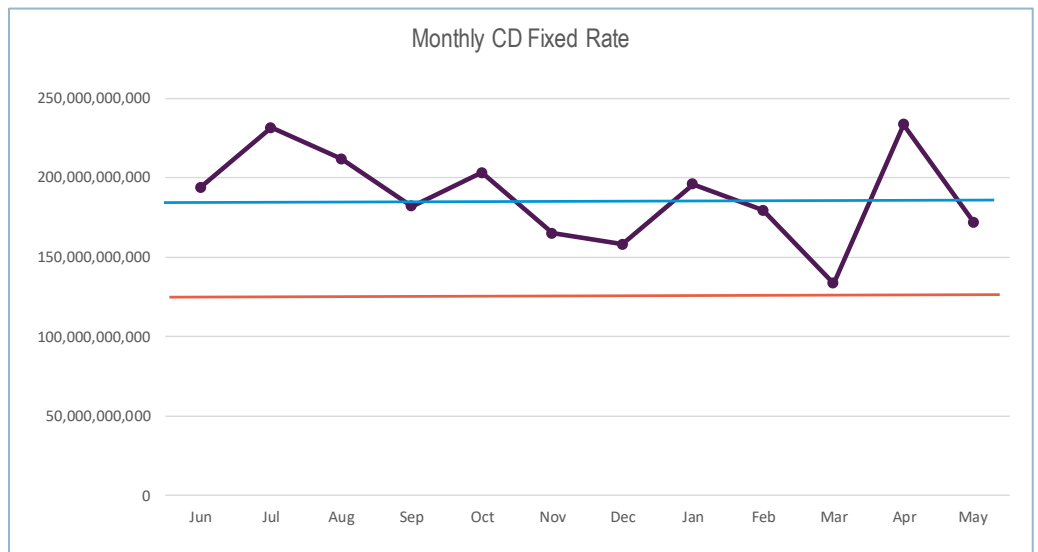


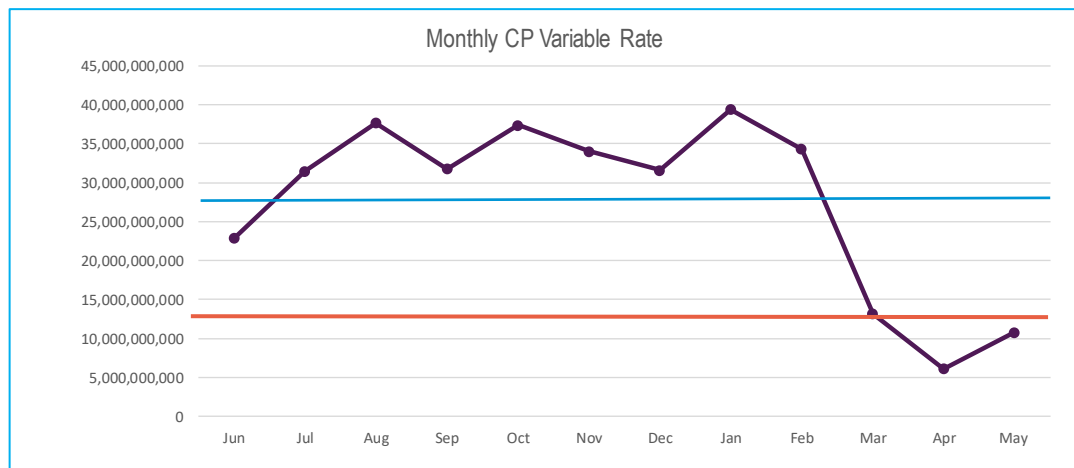
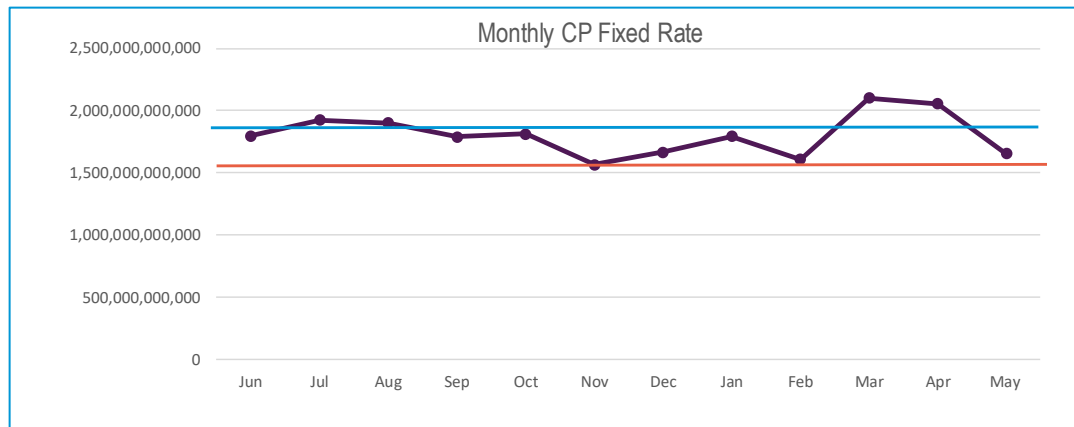
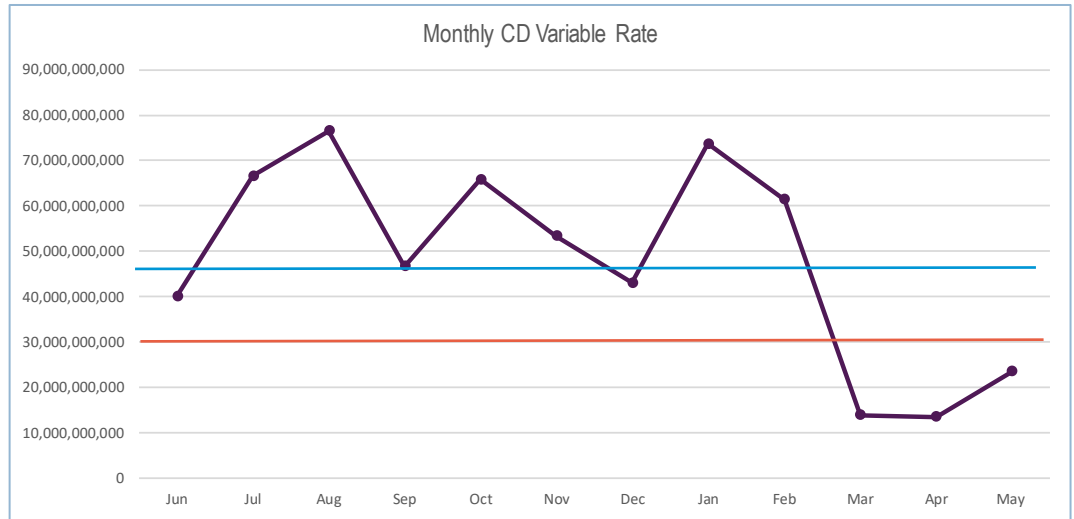
Note: Dates displayed in weekly charts represent the first day of the week summarized; the values displayed are for the entire week of activity.

## MONTHLY CHARTS

### Legend:

- Monthly Settlement Amounts
- 12 Month Average Settlement Amounts
- Month-to-Date through June 26





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