



# HOW IS MARKET VOLATILITY IMPACTING MONEY MARKET SECURITIES?

July 7, 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

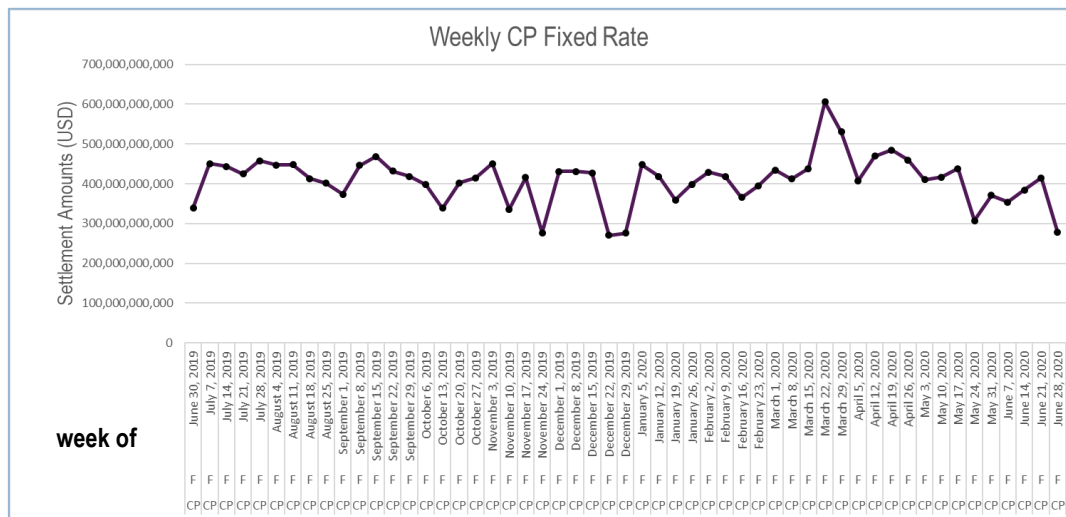
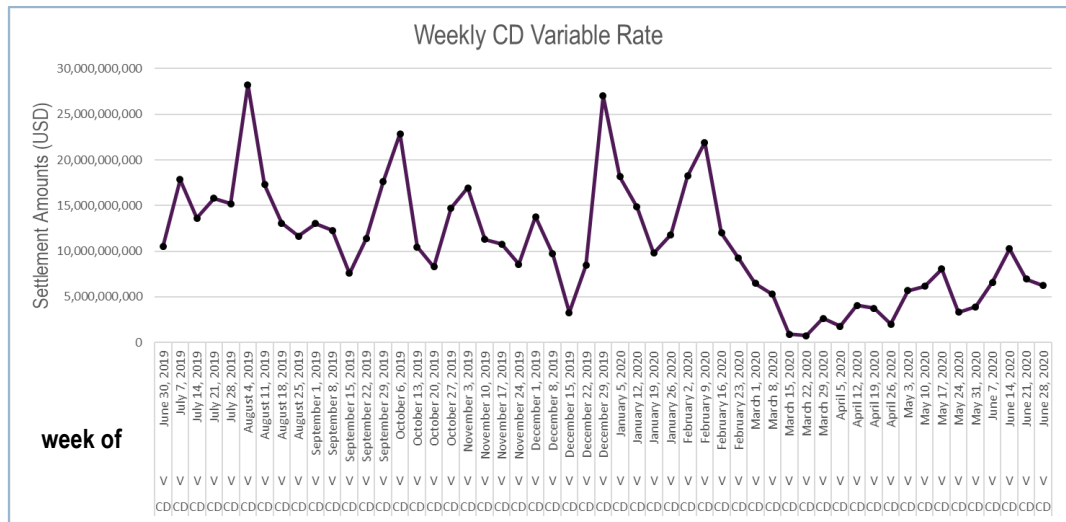
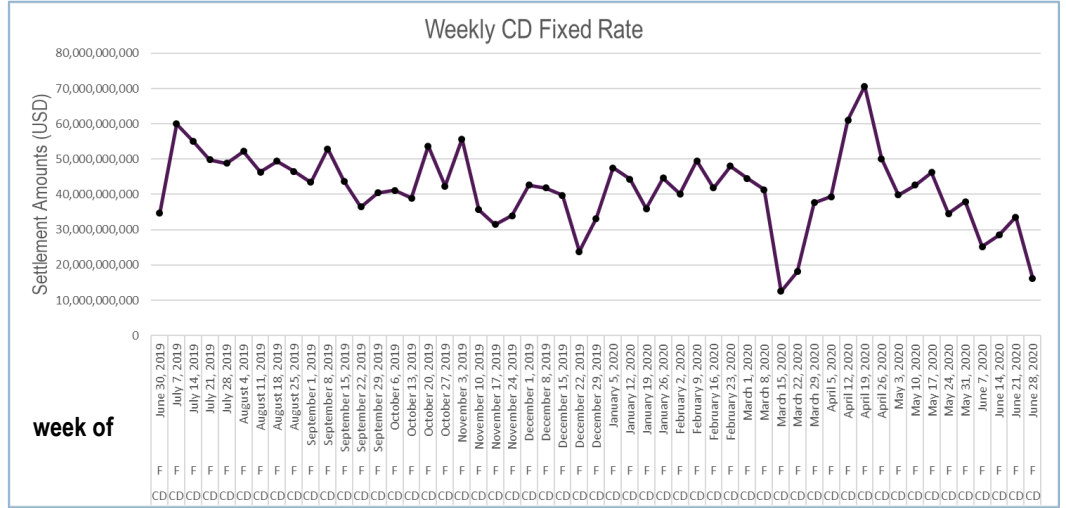
**For the holiday shortened week, fixed-rate CD, variable-rate CD, and fixed-rate CP settlement activity decreased, while variable-rate CPs increased as compared to the prior week. Variable-rate CPs reached a new post-February high, which has happened for 3 of last 4 weeks. For the month of June, both variable rate products increased, while both fixed rate product types decreased.**

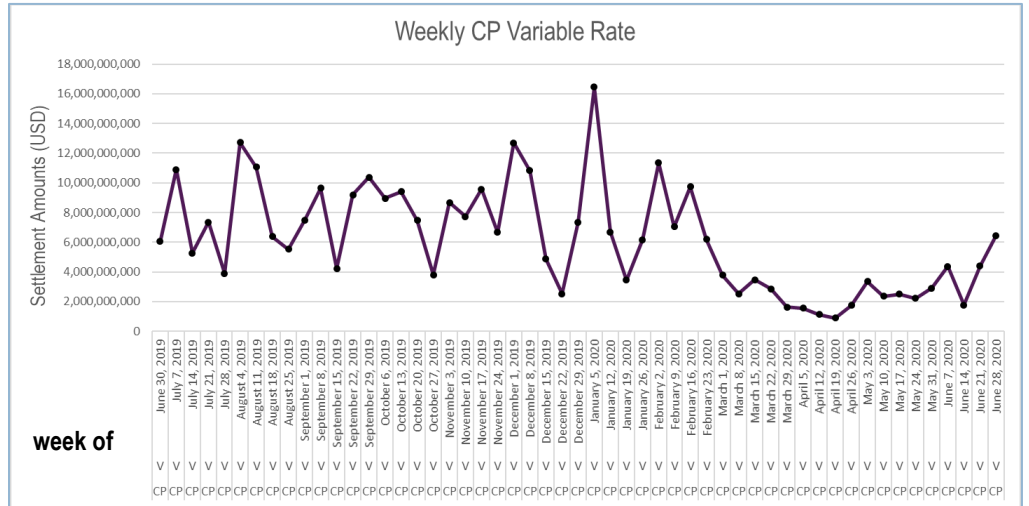
- For the week of June 29 - July 3:
  - Fixed-rate CD settlements decreased from \$33 billion the prior week to \$16 billion, which is below the prior 52-week average of \$42 billion.
  - Variable-rate CD settlements decreased from \$7 billion the prior week to \$6 billion. The amount remains lower than the prior 52 weeks, which averaged \$11 billion per week.
  - Fixed-rate CP settlements decreased from \$415 billion to \$277 billion which was lower than the prior year weekly average of \$412 billion.
  - Variable-rate CP settlements increased from \$4.2 billion the prior week to \$6.1 billion. By comparison the 52-week average is \$6.2 billion.
- For the month of June 2020
  - June month-end amounts vs. prior 12-month averages:
    - Fixed-rate CD: \$130 Billion v. \$188 Billion
    - Variable-rate CD: \$29 Billion v \$48 Billion
    - Fixed-rate CP: \$1.6 Trillion v. \$1.8 Trillion
    - Variable-rate CP: \$17 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.



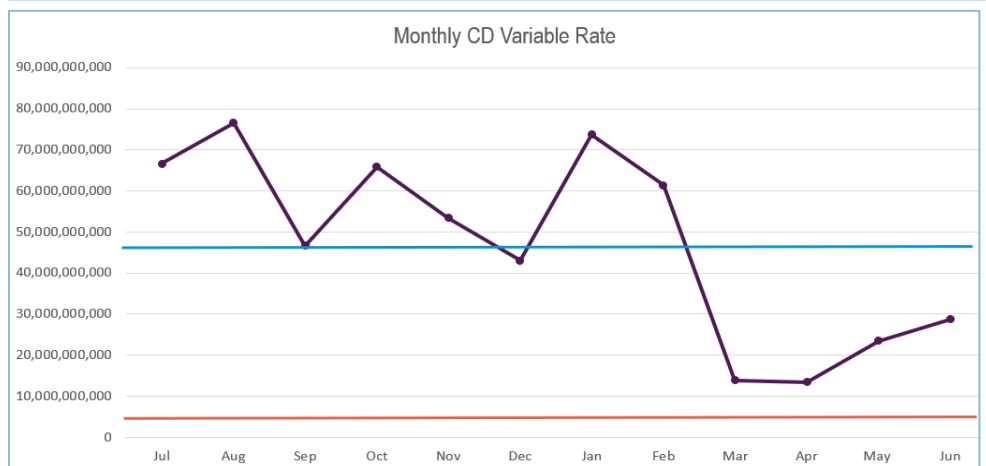
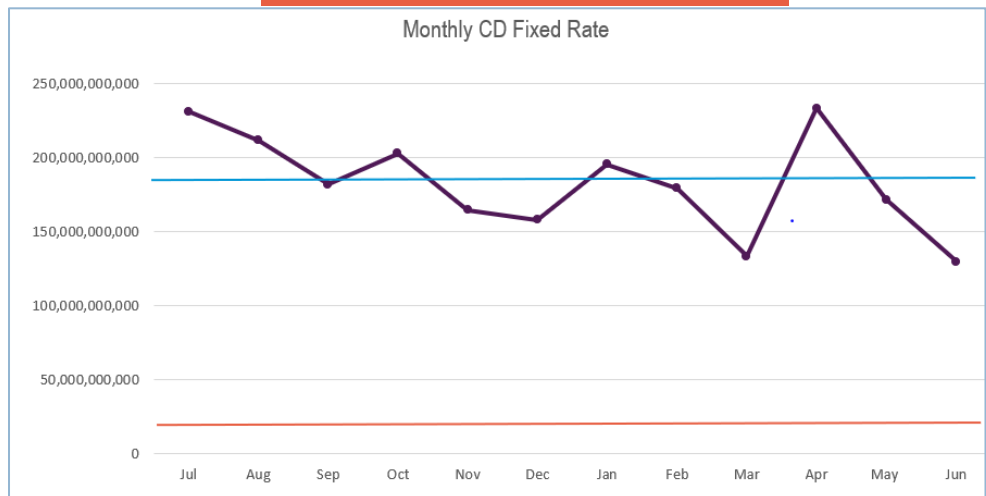


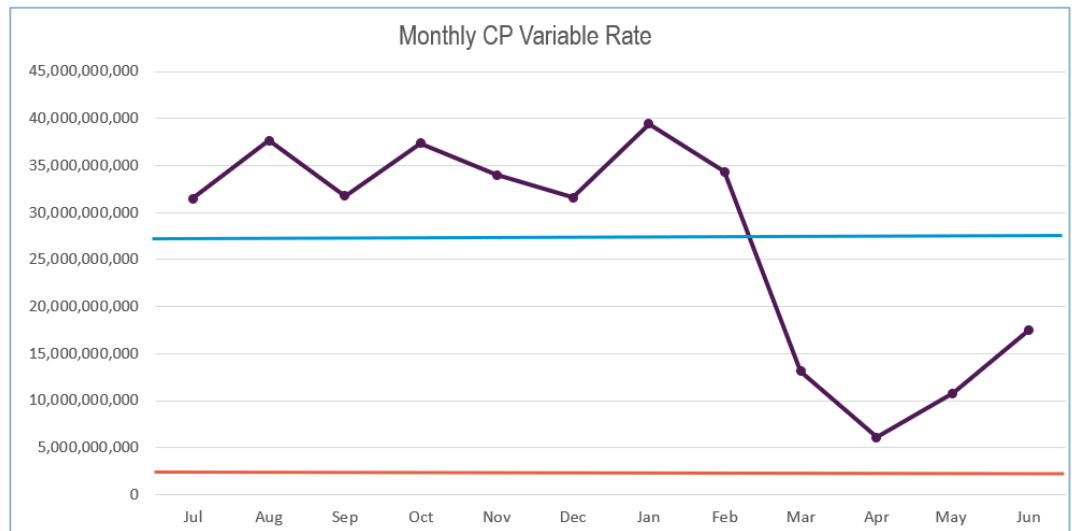
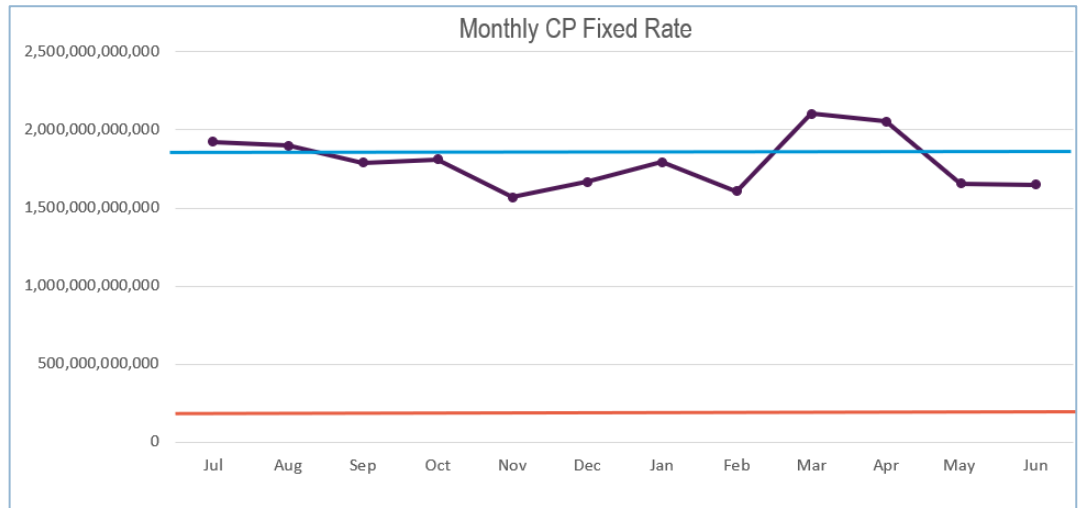
Note: Dates displayed in weekly charts represent the first day of the week summarized; the values displayed are for the entire week of activity.

## MONTHLY CHARTS

### Legend:

- Monthly Settlement Amounts
- 12 Month Average Settlement Amounts
- Month-to-Date through July 3





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