



# HOW IS MARKET VOLATILITY IMPACTING MONEY MARKET SECURITIES?

August 4, 2020

In times of unprecedented market volatility, providing market transparency is critical. Our 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 the start of the Covid-19 pandemic.
- In March of 2020, the Federal Reserve responded by creating a new funding facility to ensure liquidity and free up short-term lending.

## DATA INSIGHTS

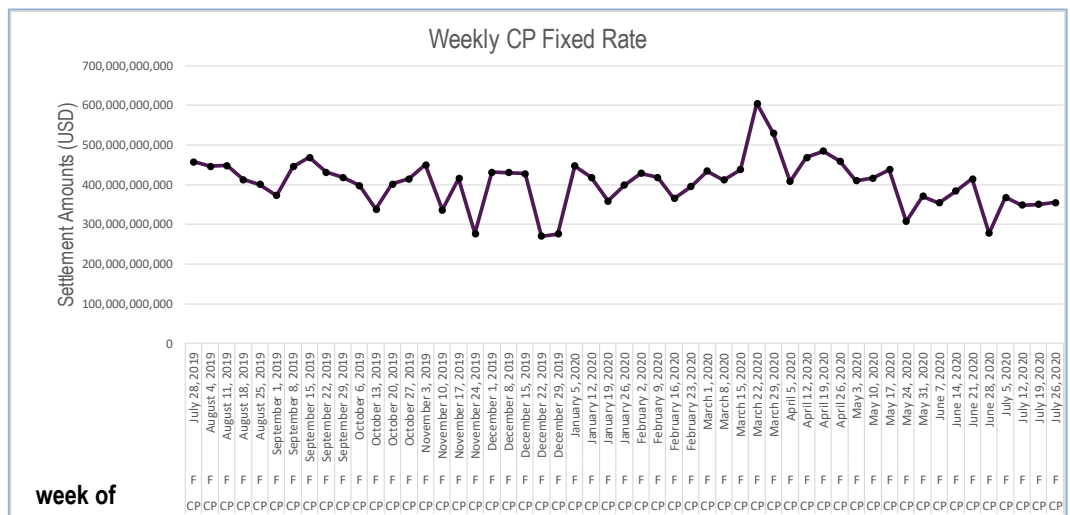
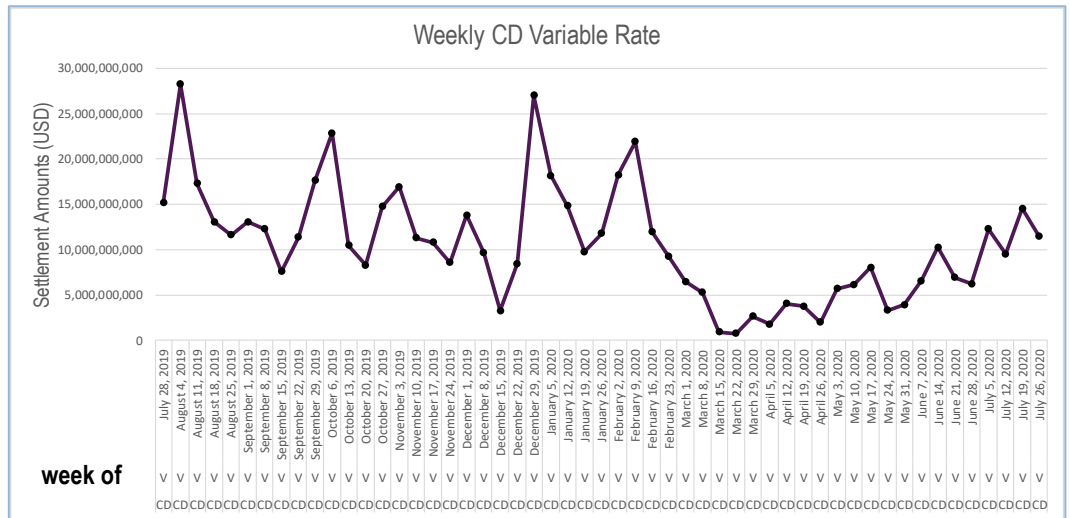
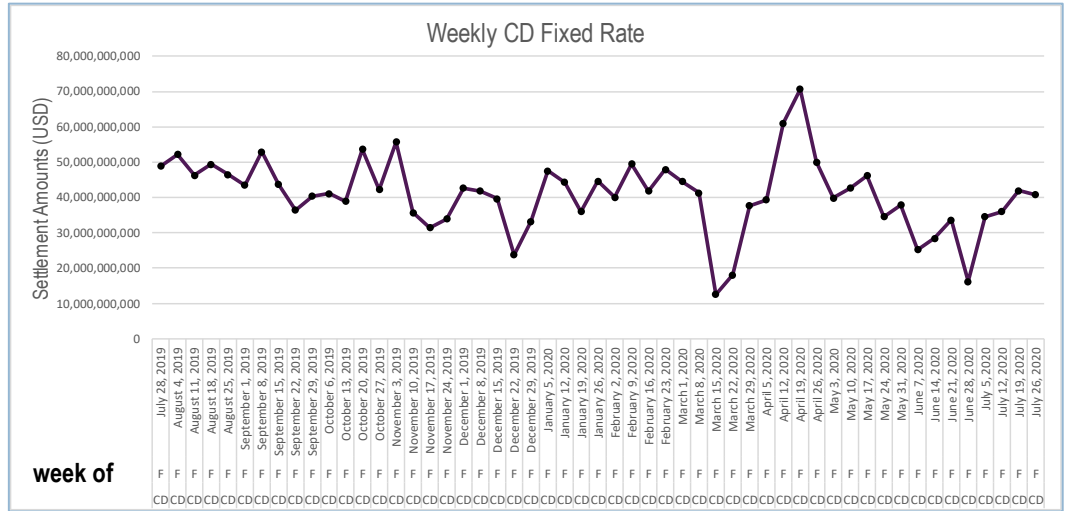
**Both CP product types rose from the prior week, while both CD product types declined. July was the most active month since the pandemic began, with 3 of 4 product types rising compared to June, and both variable-rate categories had their highest settlement amounts since February. For the first time since this publication, a product type's single-month amount topped the prior 12-month average, which was CD variable-rate settlement amounts.**

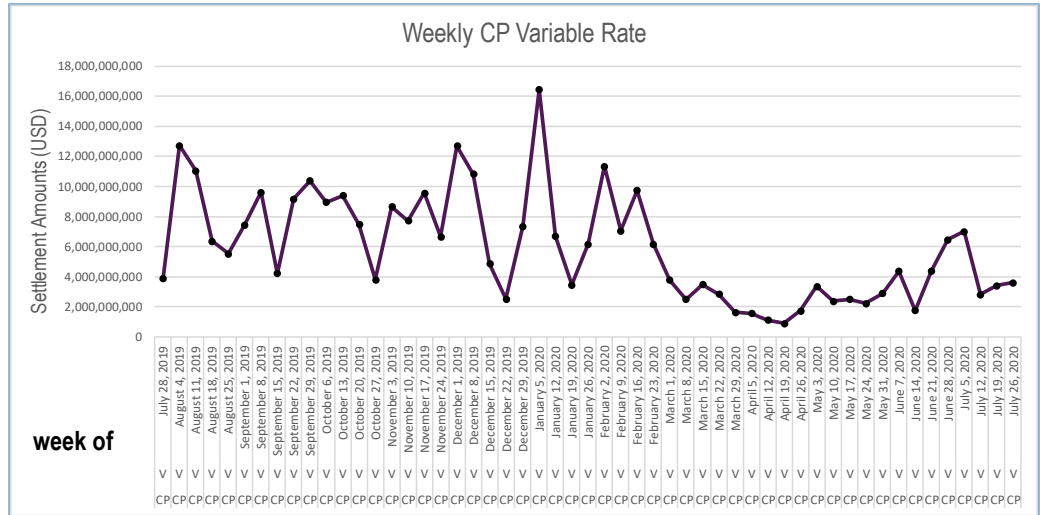
- For the week of July 27 - 31:
  - Fixed-rate CD settlements decreased from \$42 billion the prior week to \$41 billion, which is in line with the prior 52-week average of \$41 billion.
  - Variable-rate CD settlements decreased from \$15 billion the prior week to \$11 billion. The amount was in line with the prior 52 weeks' average of \$11 billion per week.
  - Fixed-rate CP settlements increased from \$350 billion to \$355 billion, which was lower than the prior year weekly average of \$406 billion.
  - Variable-rate CP settlements increased from \$3.4 billion the prior week to \$3.6 billion. By comparison, the 52-week average is \$6 billion.
- Month to date:
  - July month-end vs. prior 12-month averages:
    - Fixed-rate CD: \$165 Billion v. \$183 Billion
    - Variable-rate CD: \$53 Billion v. \$47 Billion
    - Fixed-rate CP: \$1.576 Billion v. \$1.8 Trillion
    - Variable-rate CP: \$19 Billion v. \$27 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.



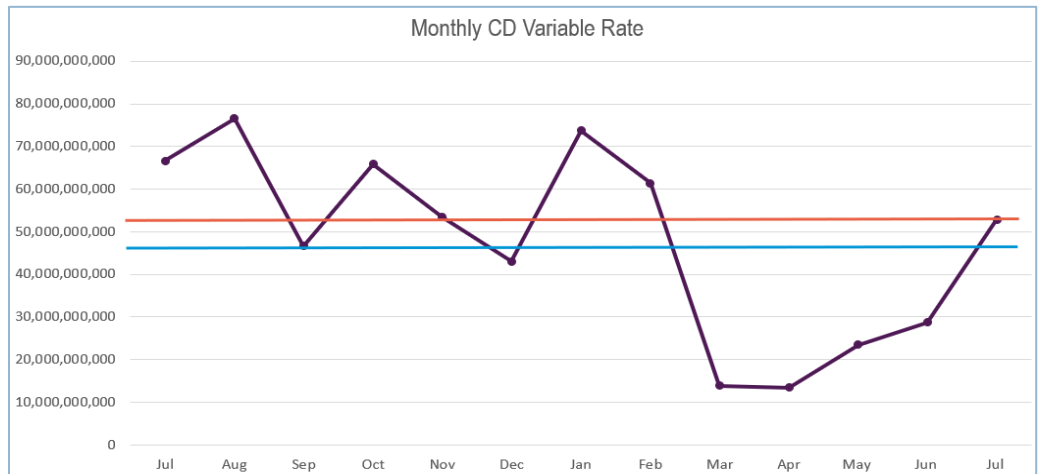
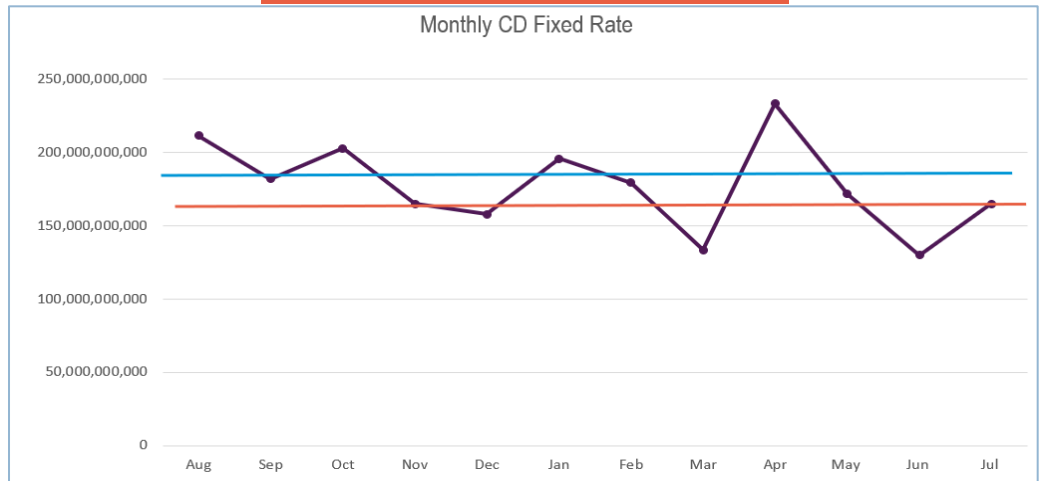


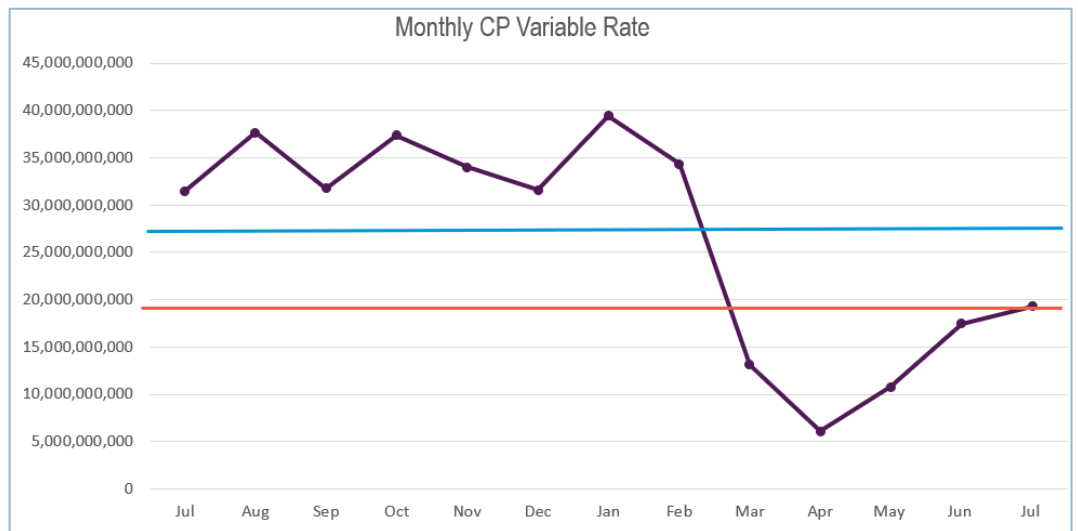
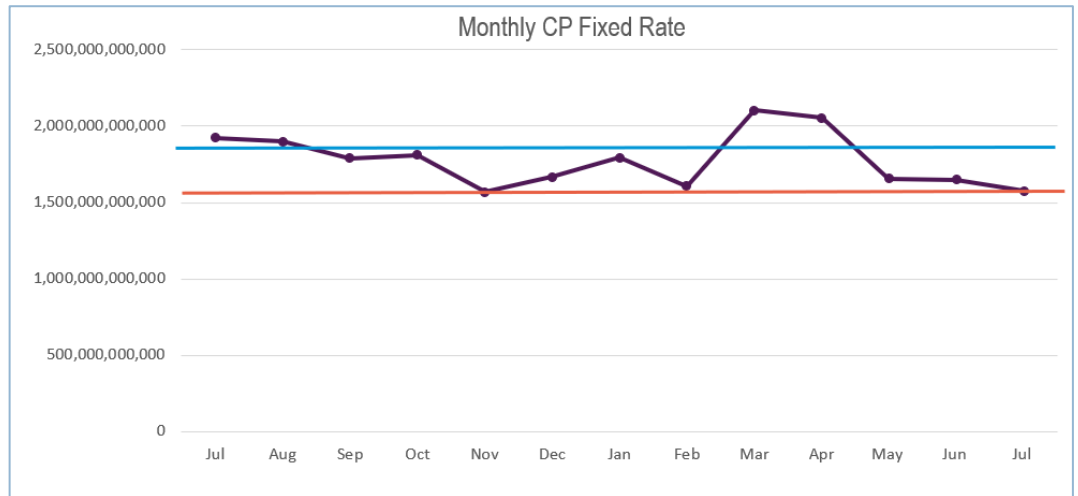
Note: Dates displayed in weekly charts represent the first day of the week summarized; the values displayed are for the entire week of activity.

## MONTHLY CHARTS

### Legend:

- Monthly Settlement Amounts
- 12 Month Average Settlement Amounts
- Month-to-Date through July 31





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