



HOW IS MARKET VOLATILITY IMPACTING MONEY MARKET SECURITIES?

October 7, 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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Editor's Note: DTCC Money Market Kinetics has been enhanced to provide faster access to critical data as the industry continues to turn to information to drive business decisions during a time of increased uncertainty and volatility. Please see the delivery section of the [DTCC Money Market Kinetics page](#) to learn more.

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

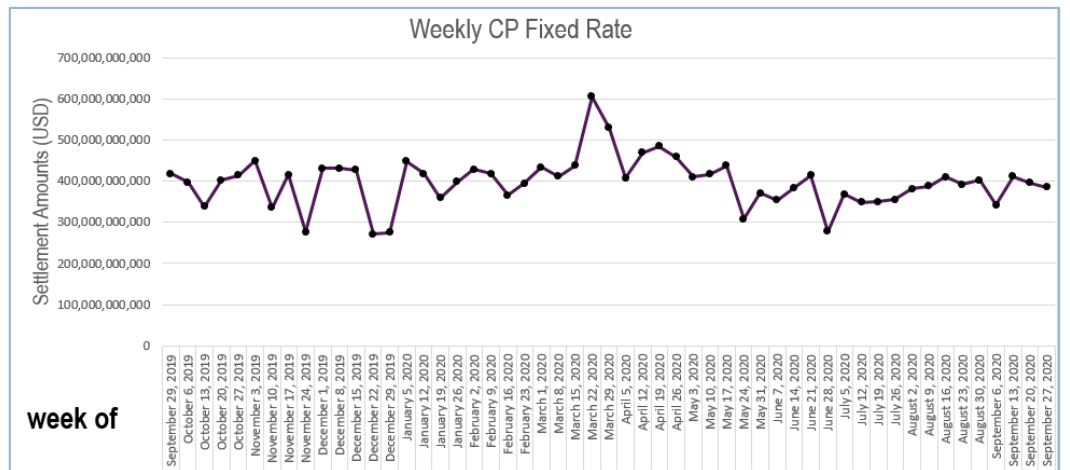
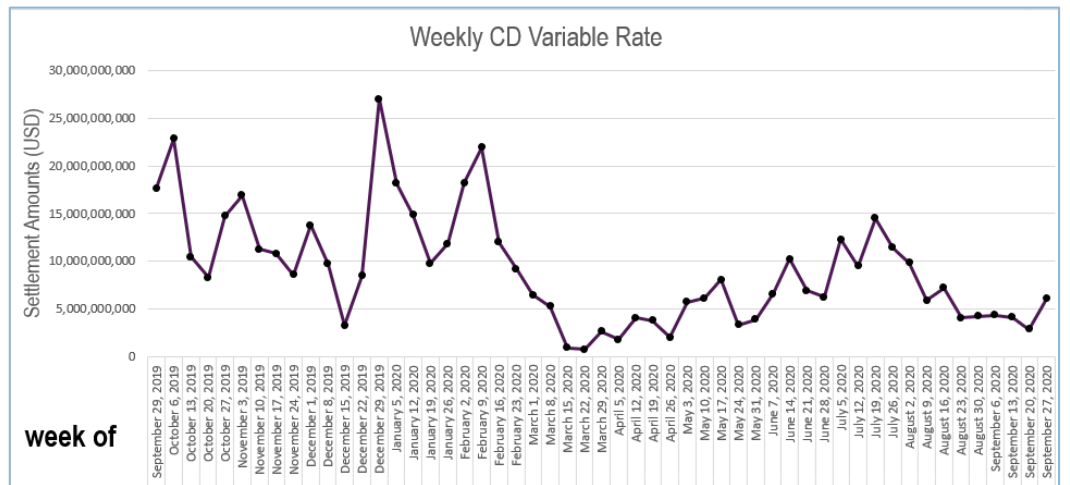
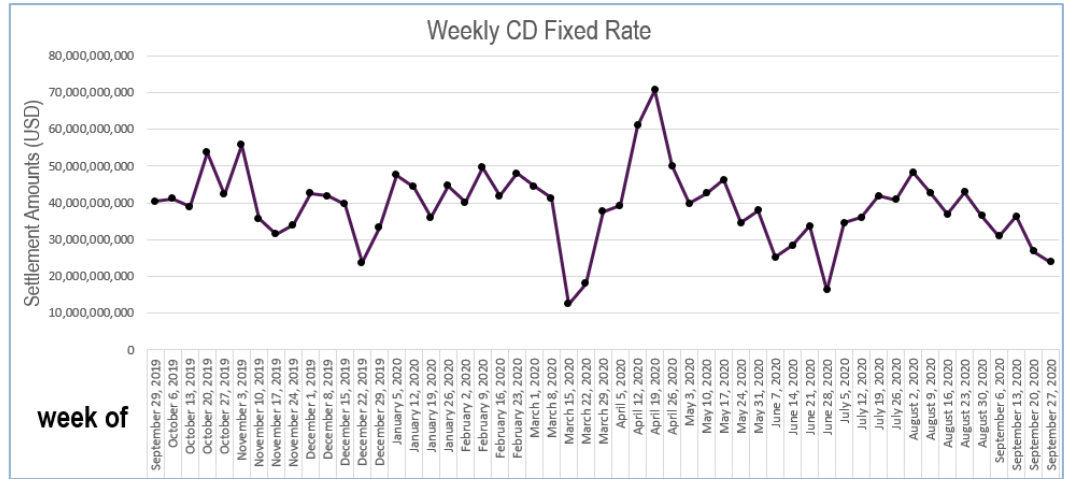
September finished with total settlements at \$1.859 trillion, which is almost 94% of the 12-month trailing average. During last week's partial September-October time period, settlements declined for both fixed-rate product types and increased for both variable-rate product types.

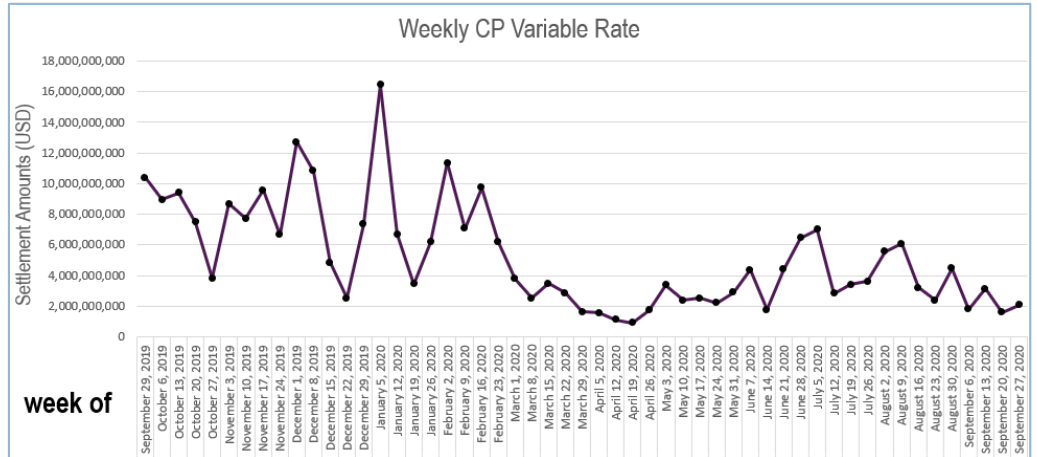
- For the week of September 28 – October 2:
 - Fixed-rate CD settlements decreased from \$27 billion the prior week to \$24 billion, which was below the prior 52-week average of \$39 billion.
 - Variable-rate CD settlements increased from \$2.8 billion the prior week to \$6 billion. The amount was below the prior 52-week average of \$9.1 billion.
 - Fixed-rate CP settlements decreased from \$397 billion to \$386 billion, which was lower than the prior year weekly average of \$398 billion.
 - Variable-rate CP settlements increased from \$1.6 billion the prior week to \$2 billion. By comparison, the 52-week average is \$5.4 billion.
- October month-to-date Totals vs. prior 12-month averages:
 - Fixed-rate CD: \$11 Billion v. \$171 Billion
 - Variable-rate CD: \$5 Billion v. \$42 Billion
 - Fixed-rate CP: \$173 Billion v. \$1.7 Trillion
 - Variable-rate CP: \$1.4 Billion v. \$24 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.



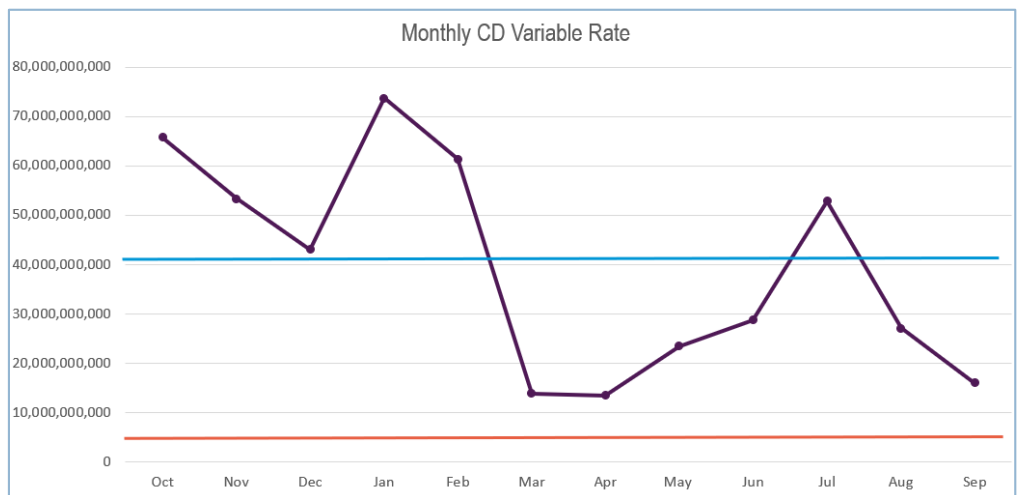
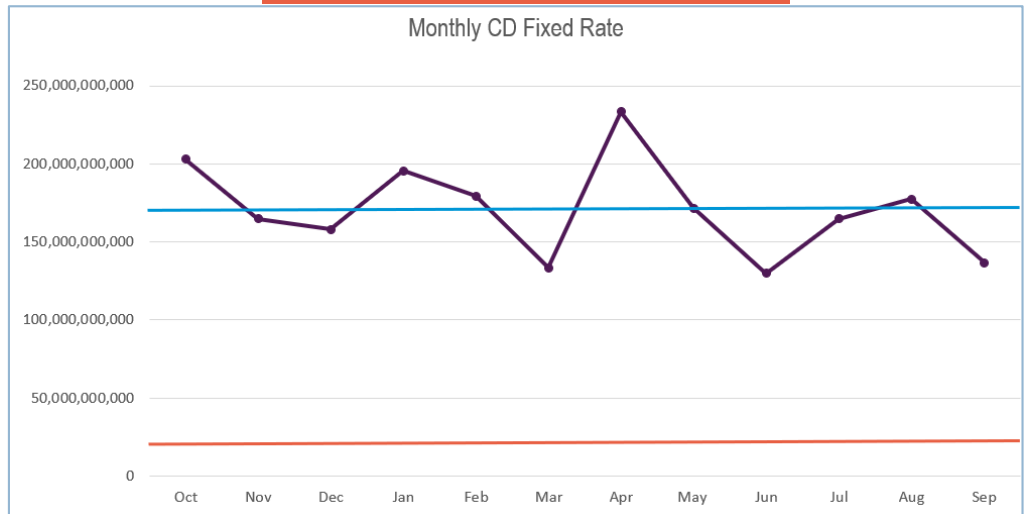


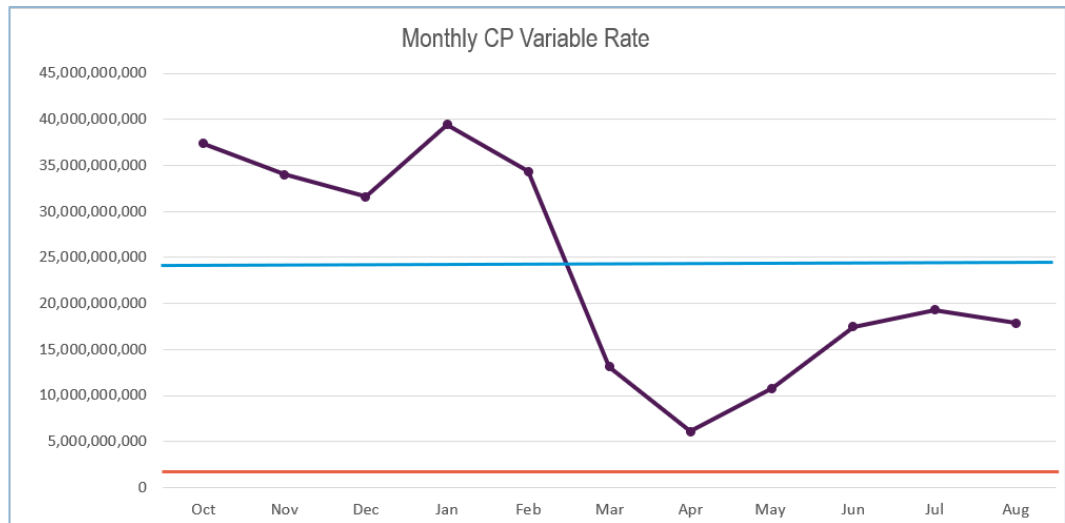
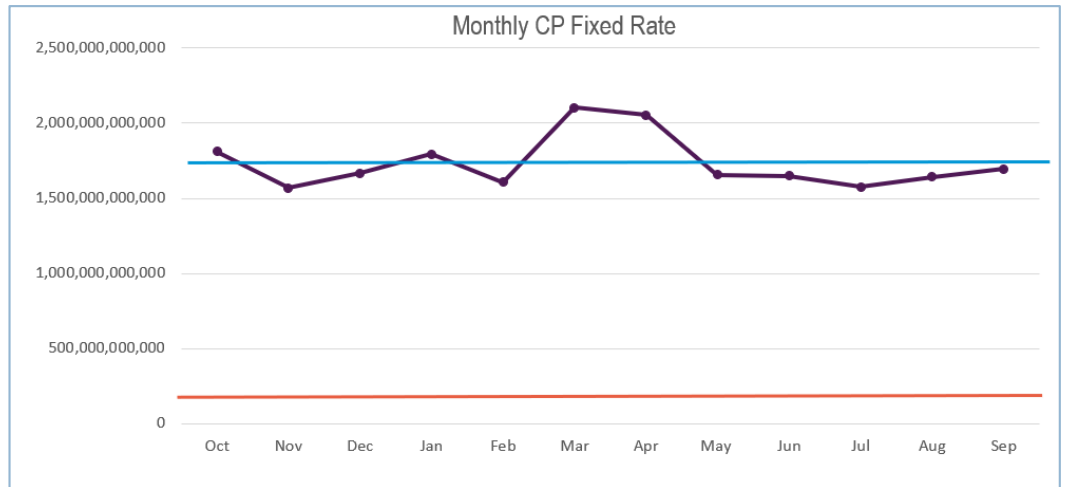
Note: Dates displayed in weekly charts represent the first day of the week summarized; the values displayed are for the entire week of activity.

MONTHLY CHARTS

Legend:

- Monthly Settlement Amounts
- 12 Month Average Settlement Amounts
- Month-to-Date through October 2





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