



HOW IS MARKET VOLATILITY IMPACTING MONEY MARKET SECURITIES?

October 27, 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

The third week of October had higher total settlement amounts in 3 of 4 product types than the prior week. The monthly total settlements amount for both variable rate product types are already higher for October than all of September, with 1 week to go. The month-to-date total settlement amount for October is almost 71% of the prior 12-month average.

For the week of October 19 – 23:

- Fixed-rate CD settlements increased from \$29 billion the prior week to \$30 billion, which was below the prior 52-week average of \$39 billion.
- Variable-rate CD settlements increased from \$3 billion the prior week to \$5 billion. The amount was below the prior 52-week average of \$8.5 billion.
- Fixed-rate CP settlements increased from \$327 billion to \$386 billion, which was lower than the prior year weekly average of \$397 billion.
- Variable-rate CP settlements decreased from \$3.7 billion the prior week to \$3 billion. By comparison, the 52-week average is \$4.9 billion.

October month-to-date totals vs. prior 12-month averages:

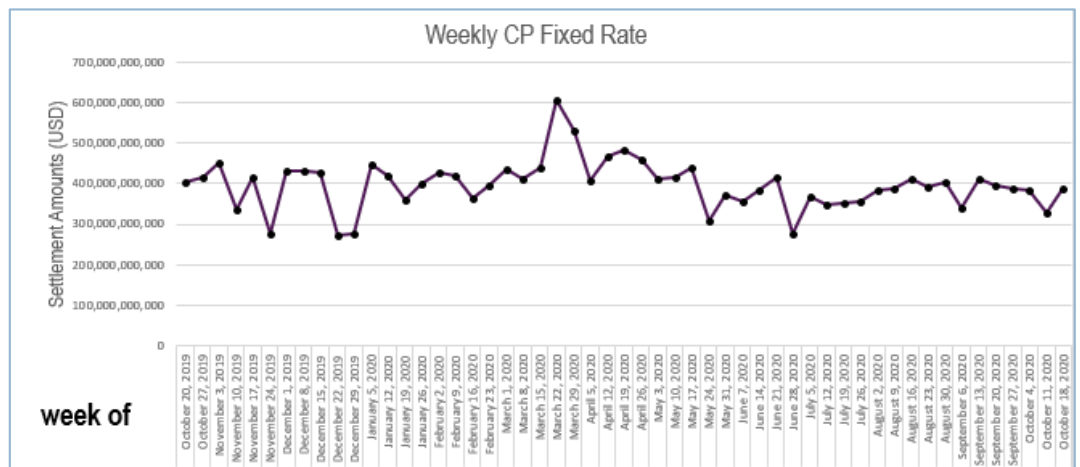
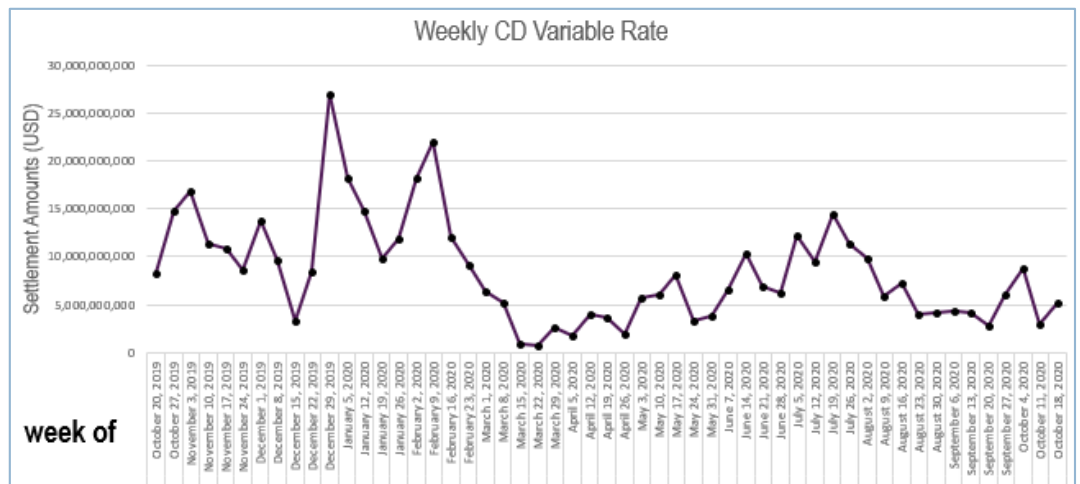
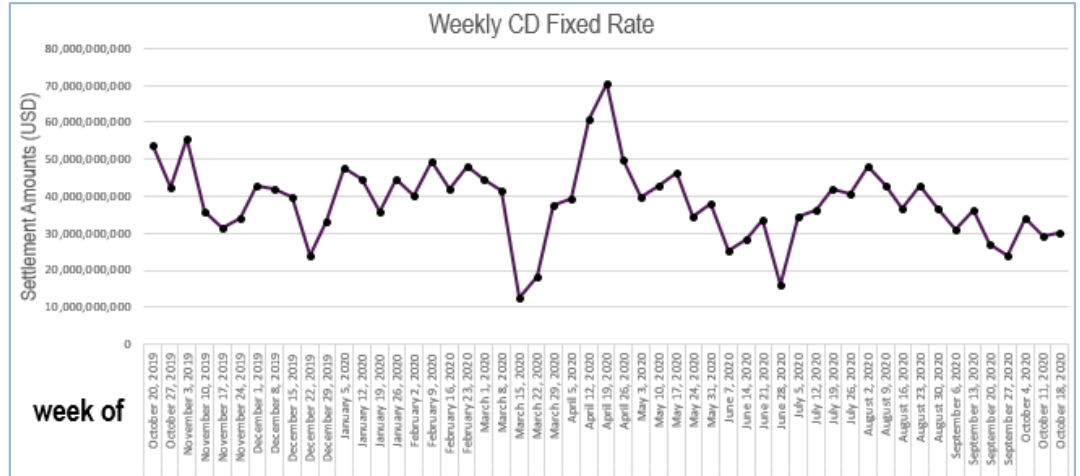
- Fixed-rate CD: \$104 Billion v. \$171 Billion
- Variable-rate CD: \$23 Billion v. \$42 Billion
- Fixed-rate CP: \$1.3 Trillion v. \$1.7 Trillion
- Variable-rate CP: \$12 Billion v. \$23 Billion*

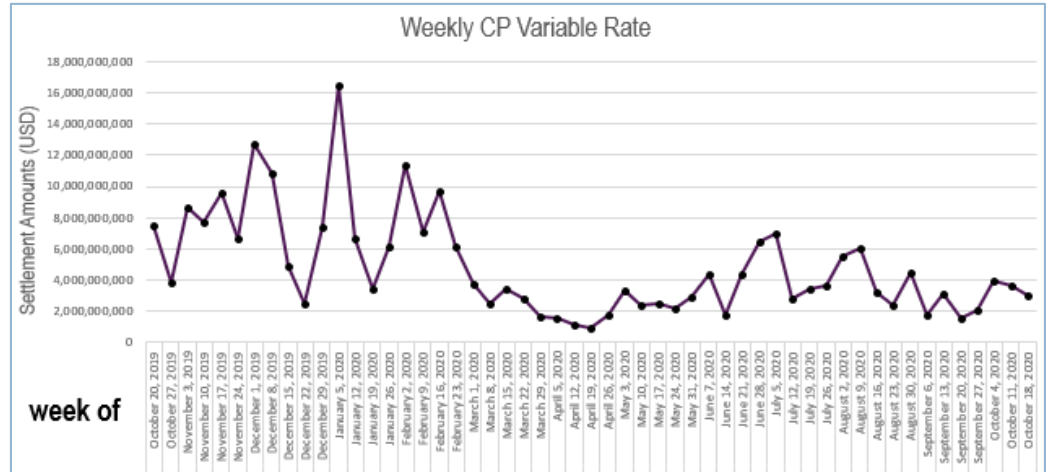
**Please note: The 12-month average appearing in the first 2 weeks of October of this publication for variable-rate CP had not been refreshed for the month-end of September 2020 and appeared as \$24 billion. It should have appeared as \$23 billion.*



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.



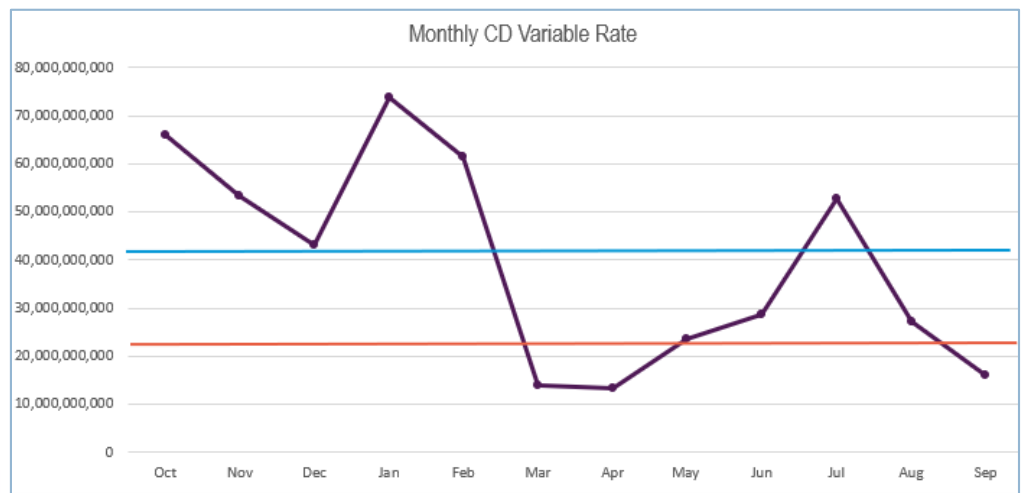
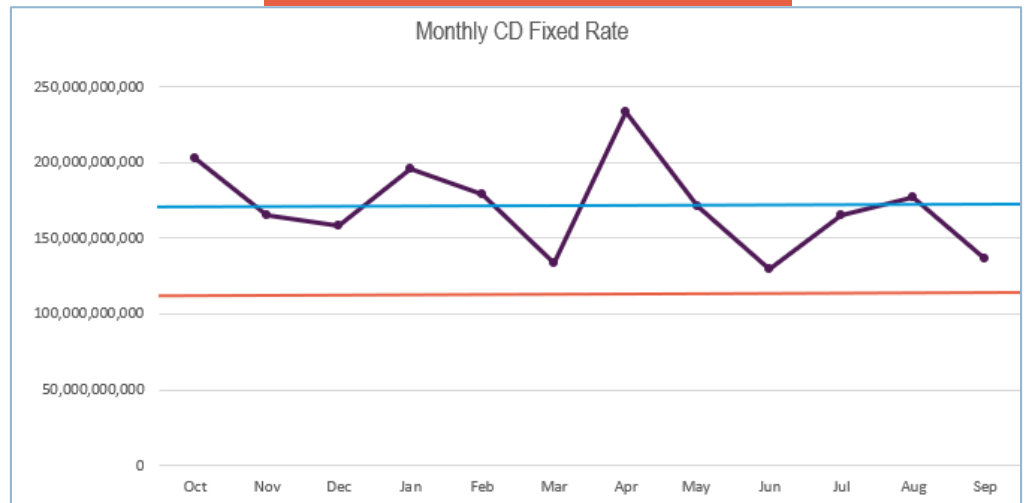


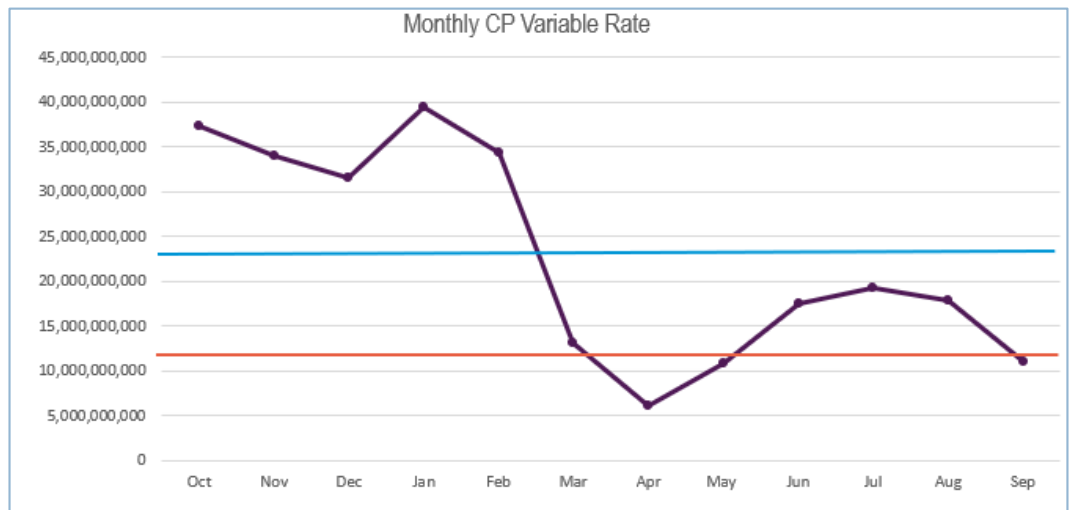
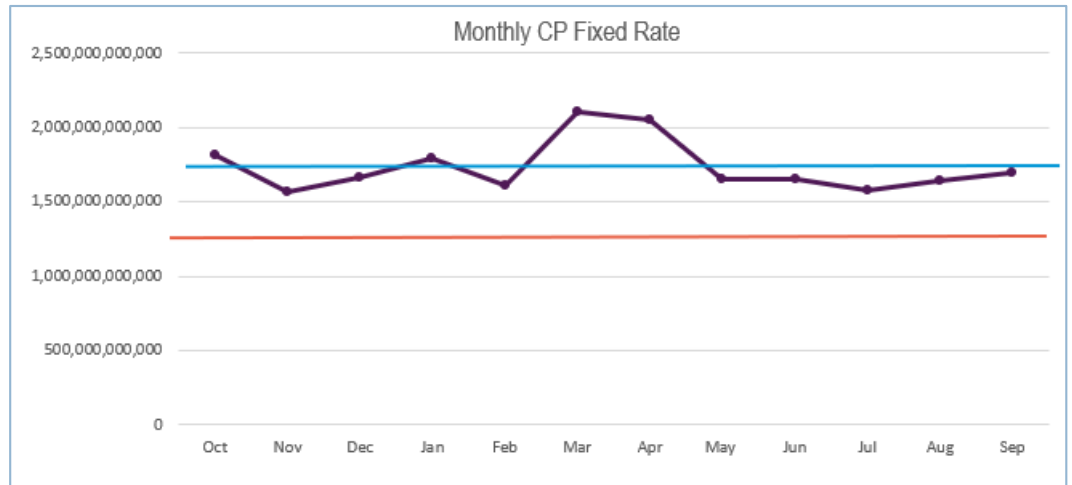
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MONTHLY CHARTS

Legend:

- Monthly Settlement Amounts
- 12 Month Average Settlement Amounts
- Month-to-Date through October 23





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