



# HOW IS MARKET VOLATILITY IMPACTING MONEY MARKET SECURITIES?

November 10, 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

**November started as a mixed week. The total settlement amounts for fixed rate product types decreased from the prior week, while variable rate product types increased. For the month, all products are just above 20% of the prior 12-month average settlement amounts.**

For the week of November 2 – 6:

- Fixed-rate CD settlements decreased from \$36 billion the prior week to \$33 billion, which was below the prior 52-week average of \$38 billion.
- Variable-rate CD settlements increased from \$1.6 billion the prior week to \$5 billion. The amount was below the prior 52-week average of \$8.2 billion.
- Fixed-rate CP settlements decreased from \$387 billion to \$358 billion, which was lower than the prior year weekly average of \$396 billion.
- Variable-rate CP settlements increased from \$1.8 billion the prior week to \$3 billion. By comparison, the 52-week average is \$4.8 billion.

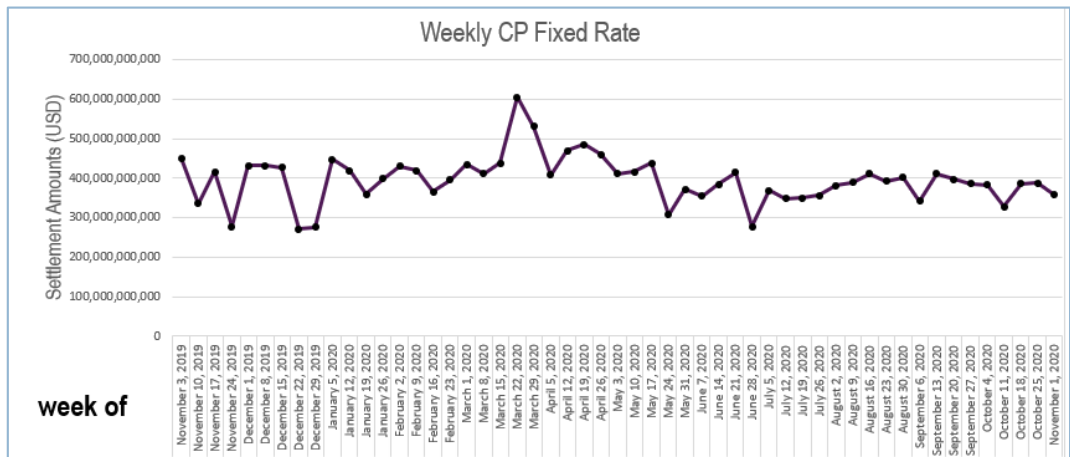
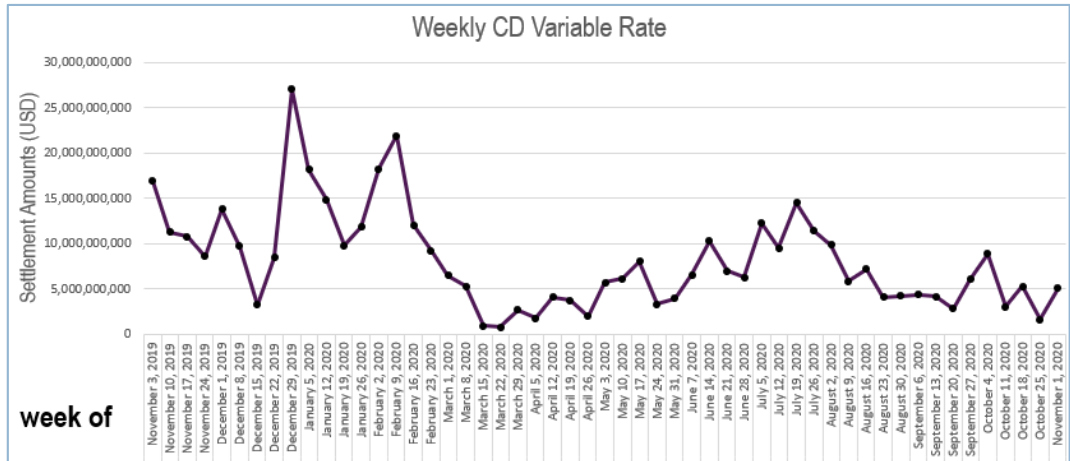
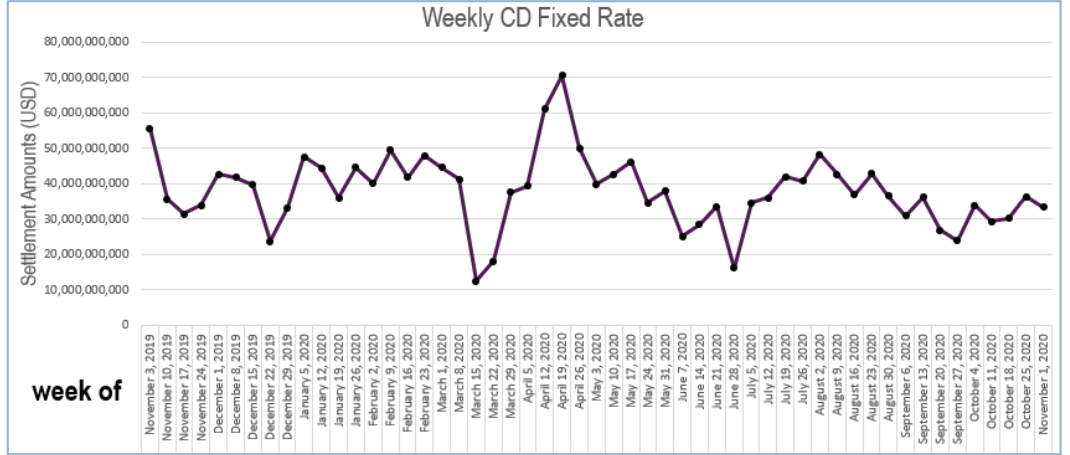
November month-to-date totals vs. prior 12-month averages:

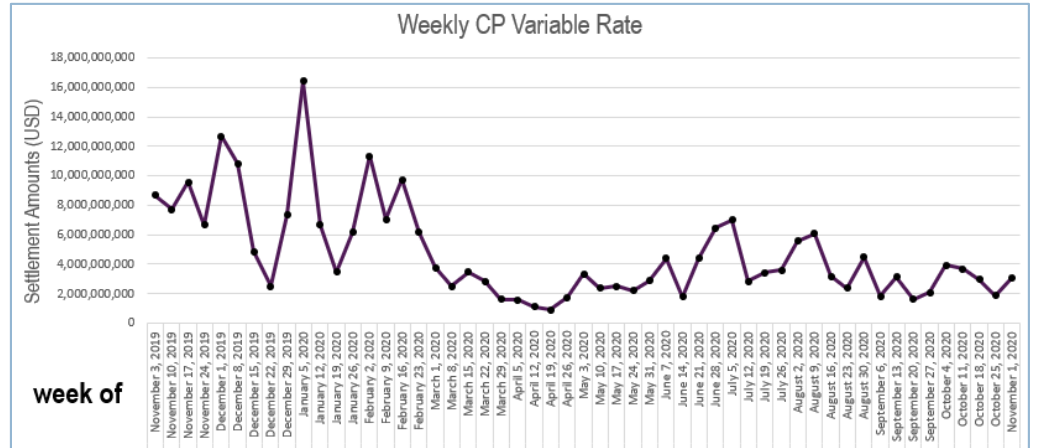
- Fixed-rate CD: \$33 Billion v. \$165 Billion
- Variable-rate CD: \$5 Billion v. \$36 Billion
- Fixed-rate CP: \$358 Billion v. \$1.7 Trillion
- Variable-rate CP: \$3 Billion v. \$21 Billion



## 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.



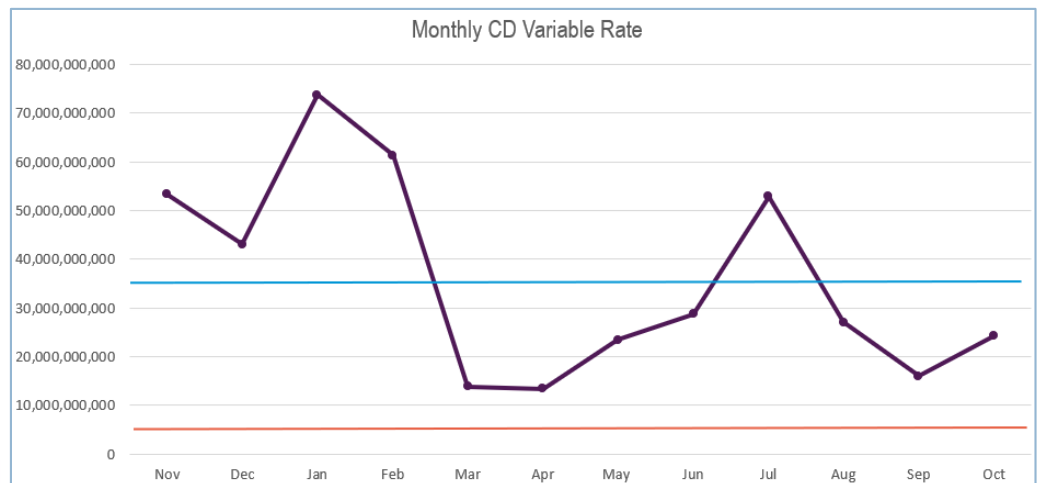
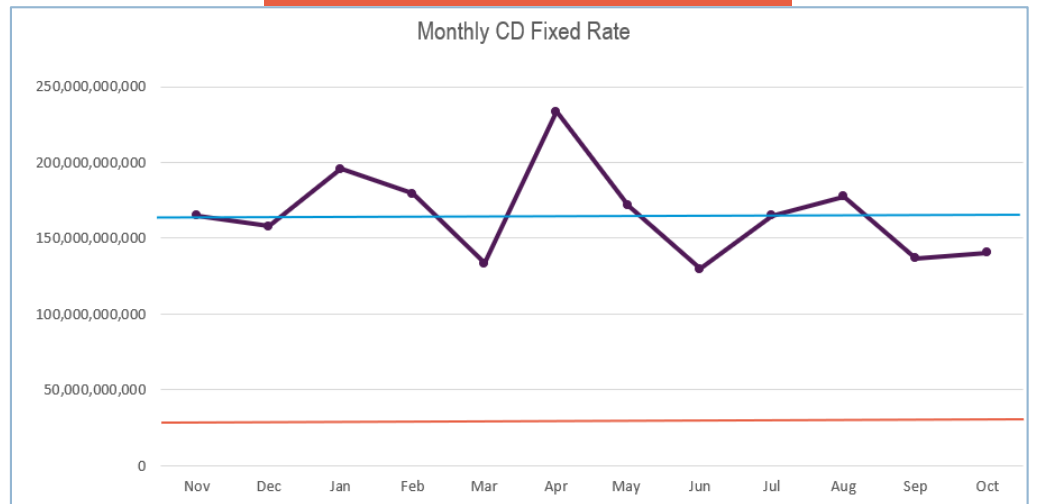


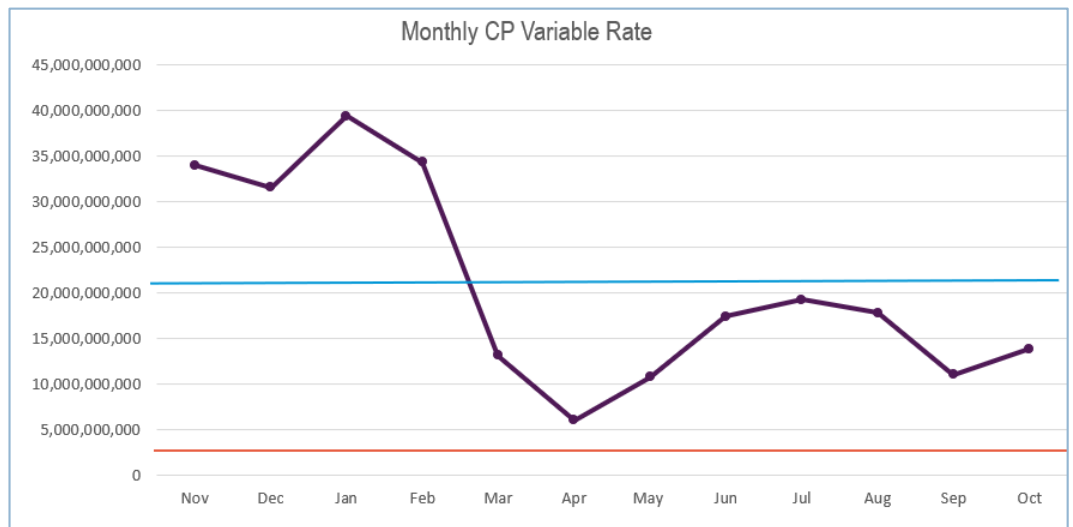
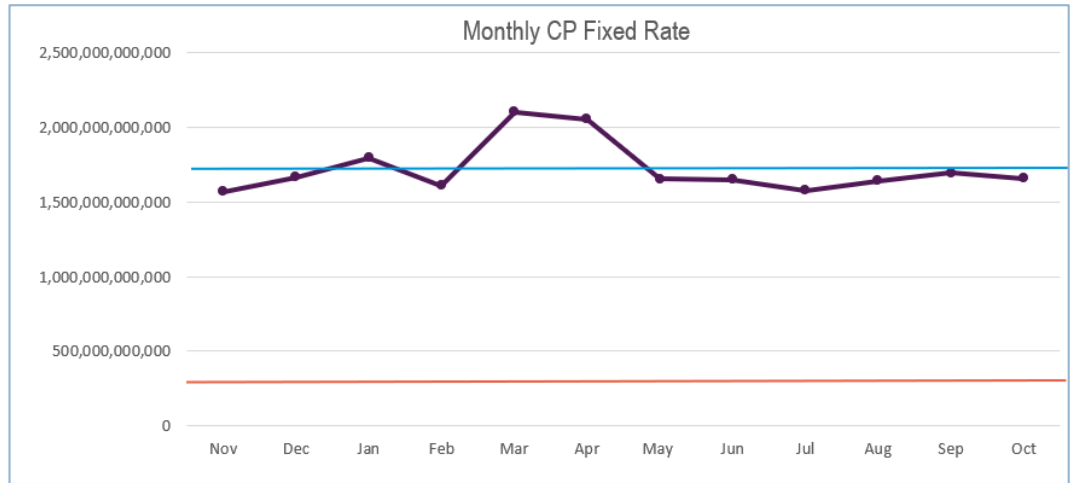
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## MONTHLY CHARTS

Legend:

- Monthly Settlement Amounts
- 12 Month Average Settlement Amounts
- Month-to-Date through November 6





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