



# HOW IS MARKET VOLATILITY IMPACTING MONEY MARKET SECURITIES?

December 29, 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

**For the holiday-shortened week, all 4 product types decreased in total settlement amounts compared to the prior week. Despite two consecutive, weekly decreases in all 4 product types, the monthly totals for December are close to last month's level, with 96% of the November total settlements completed to date.**

For the week of December 21 – 24:

- Fixed-rate CD settlements decreased from \$33 billion the prior week to \$20 billion, which is below the prior 52-week average of \$38 billion.
- Variable-rate CD settlements decreased from \$4 billion the prior week to \$3.6 billion. The amount was below the prior 52-week average of \$7.5 billion.
- Fixed-rate CP settlements decreased from \$389 billion to \$298 billion, which was below the prior year weekly average of \$393 billion.
- Variable-rate CP settlements decreased from \$1.6 billion the prior week to \$813 million. By comparison, the 52-week average is \$4 billion.

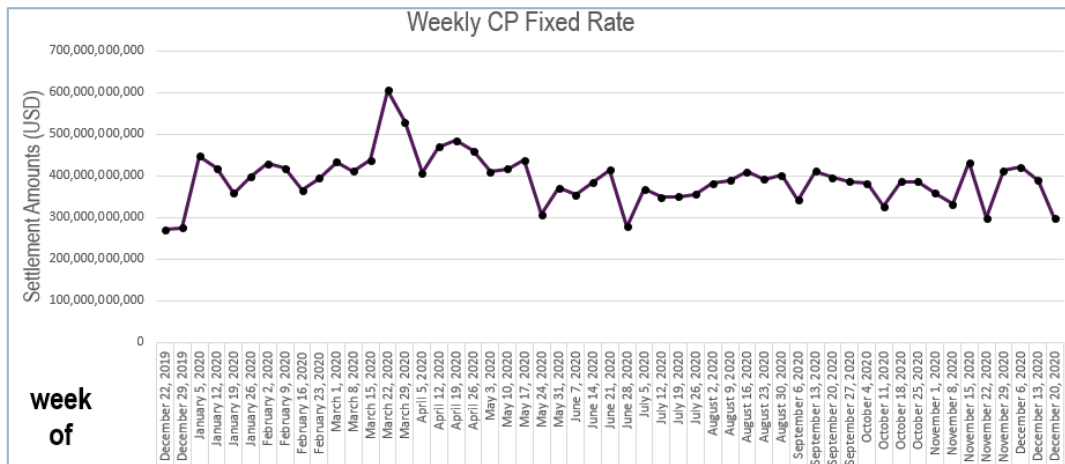
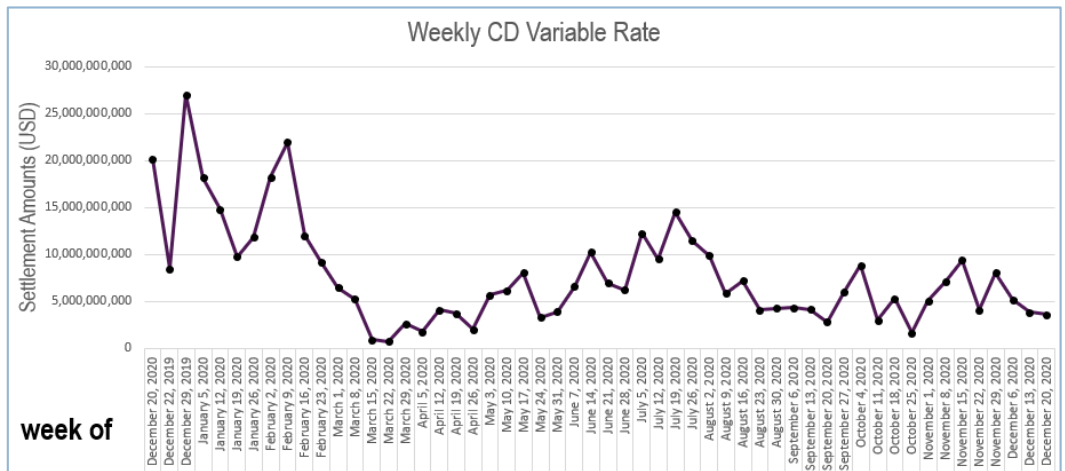
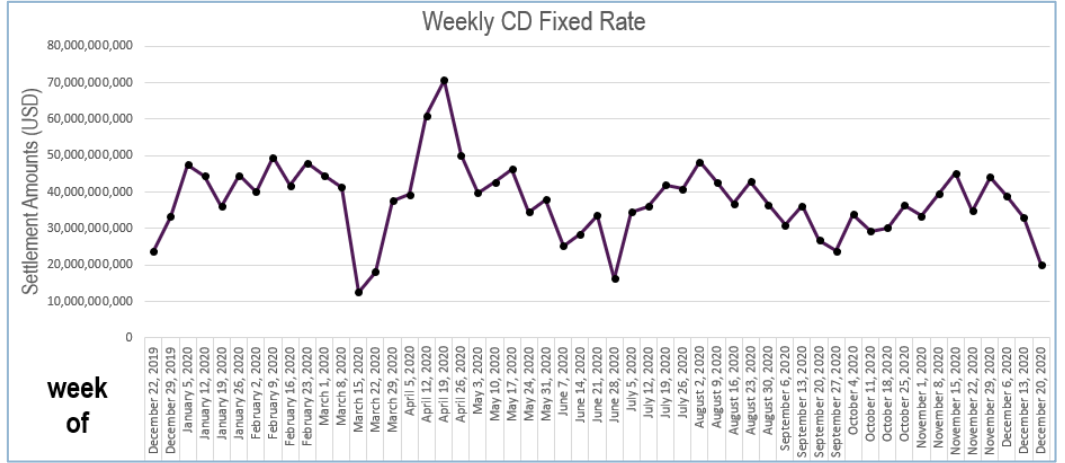
December month-to-date totals vs. prior 12-month averages:

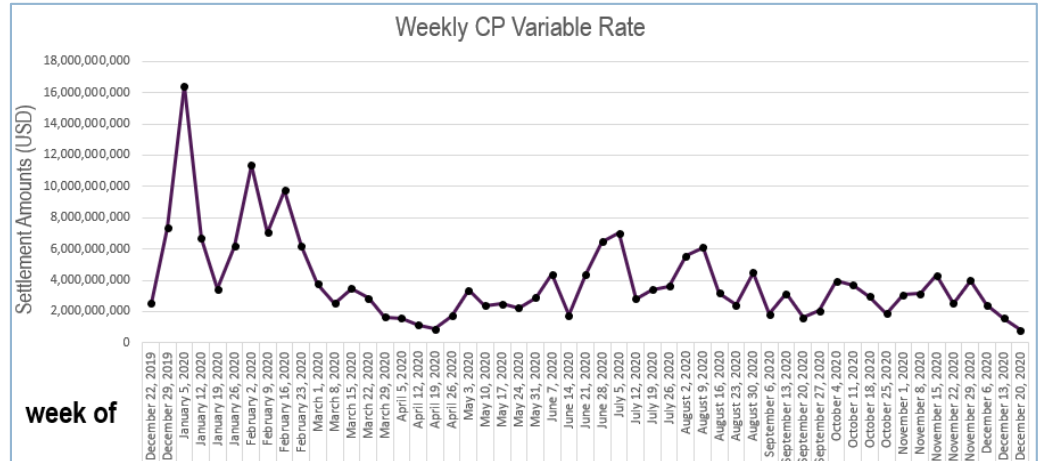
- Fixed-rate CD: \$130 Billion v. \$165 Billion
- Variable-rate CD: \$19 Billion v. \$34 Billion
- Fixed-rate CP: \$1.4 Trillion v. \$1.7 Trillion
- Variable-rate CP: \$8.7 Billion v. \$19 Billion



## 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.



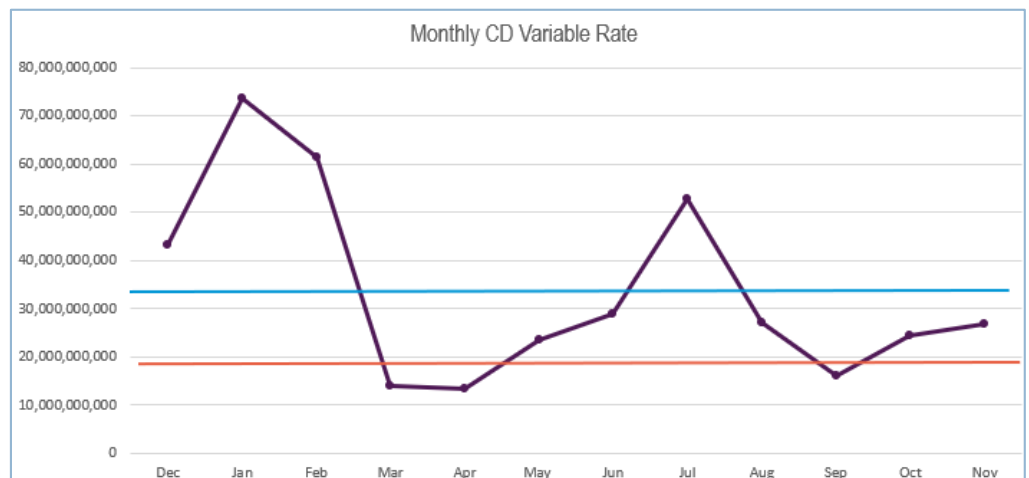
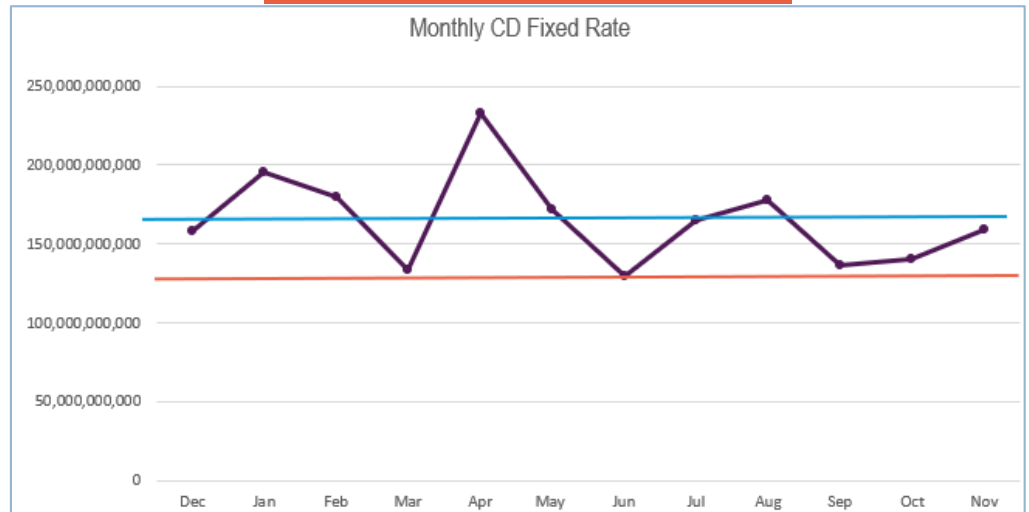


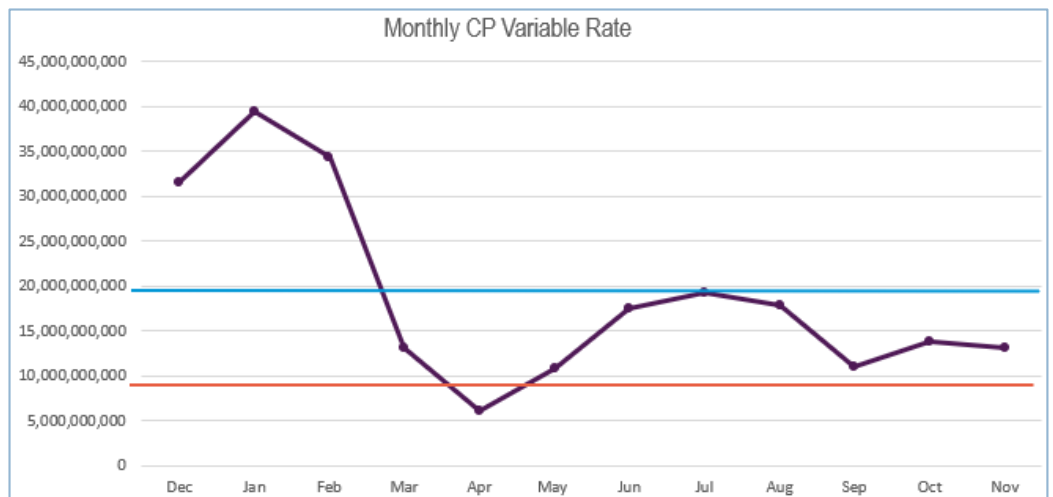
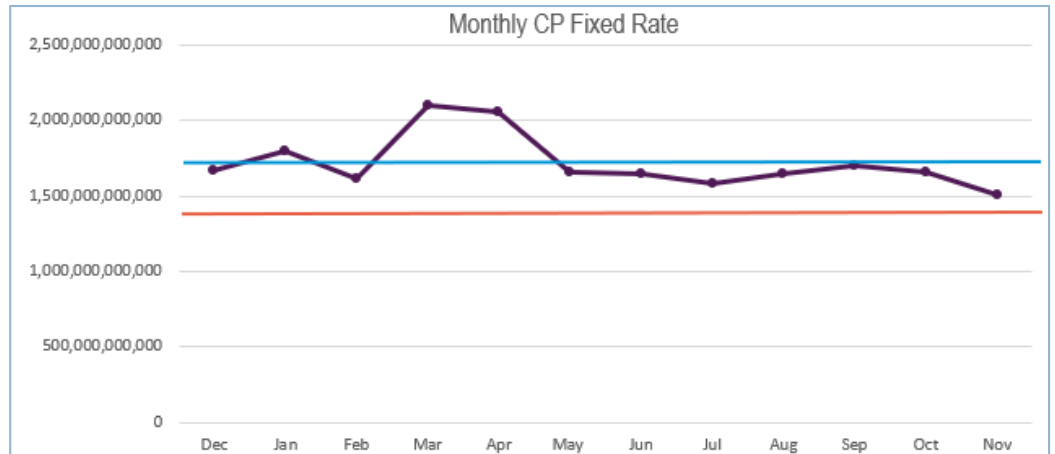
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## MONTHLY CHARTS

### Legend:

- Monthly Settlement Amounts
- 12 Month Average Settlement Amounts
- Month-to-Date through December 29





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