



HOW IS MARKET VOLATILITY IMPACTING MONEY MARKET SECURITIES?

May 12, 2020

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

DATA INSIGHTS

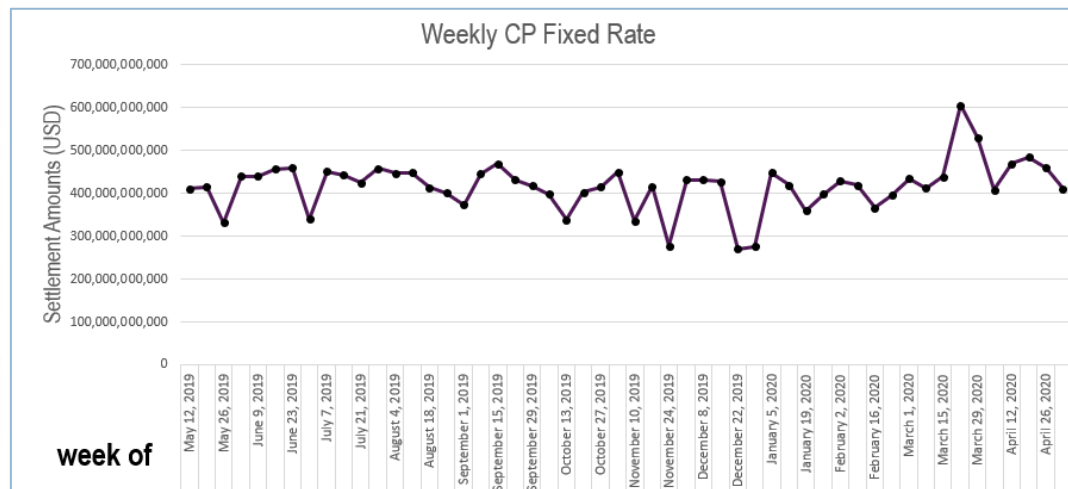
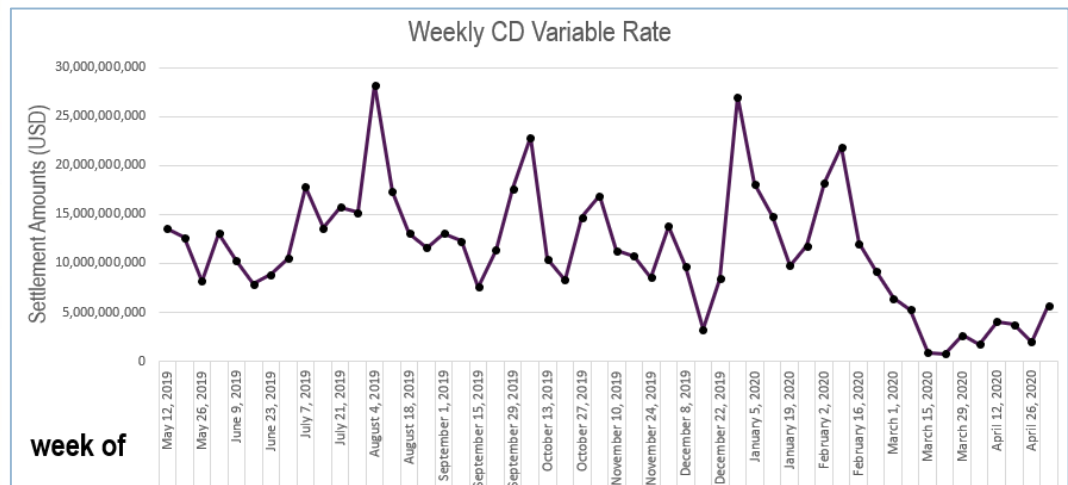
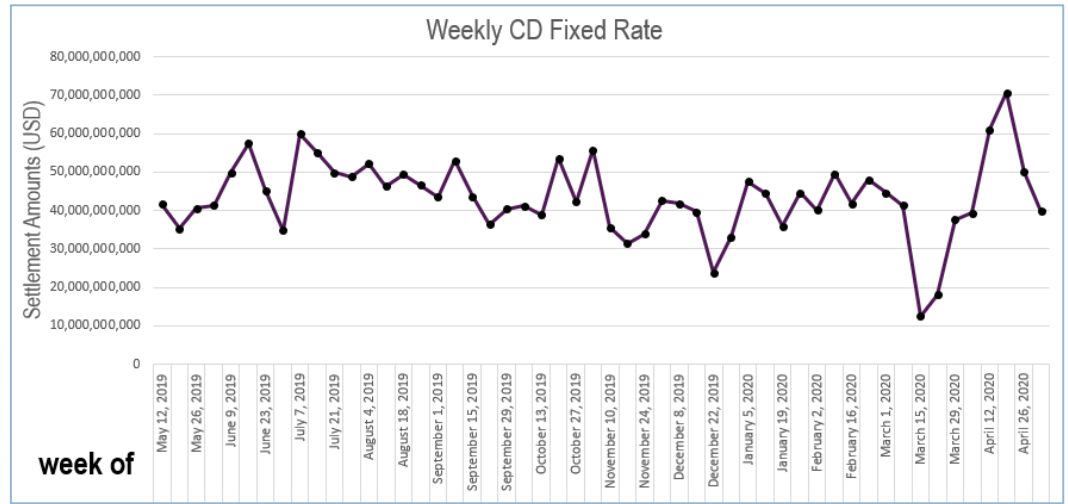
For the first week of May, settlements were lower than the prior week for fixed-rate CP and CDs. Variable-rate CP and CDs increased. Month to date, Fixed-rate CP and CDs have settled close to 25% of the monthly average, while Variable-rate CP and CDs have settled approximately 10%.

- *For the week of May 4-May 8:
 - Fixed-rate CD settlements decreased from \$50 billion the prior week to \$39 billion, which is below the prior 52-week average of \$43 billion.
 - Variable-rate CD settlements increased from \$1.9 billion the prior week to \$5.7 billion. The amount remains significantly lower than the prior 52 weeks, which averaged \$11.6 billion per week.
 - Fixed-rate CP settlements declined from \$459 billion to \$410 billion which was below the prior year weekly average of \$416 billion.
 - Variable-rate CP settlements increased from \$1.7 billion the prior week to \$3.3 billion. By comparison the 52-week average is \$6.7 billion.
- For the Month of May 2020
 - The 12-month averages have been updated to now reflect May 2019 – April 2020. Month to date for May 2020 compared to the revised 12-month averages:
 - Fixed-rate CD: \$48 Billion v. \$189 Billion
 - Variable-rate CD: \$5.9 Billion v. \$51 Billion
 - Fixed-rate CP: \$493 Billion v. \$1.8 Trillion
 - Variable-rate CP: \$3.7 Billion v. \$29 Billion

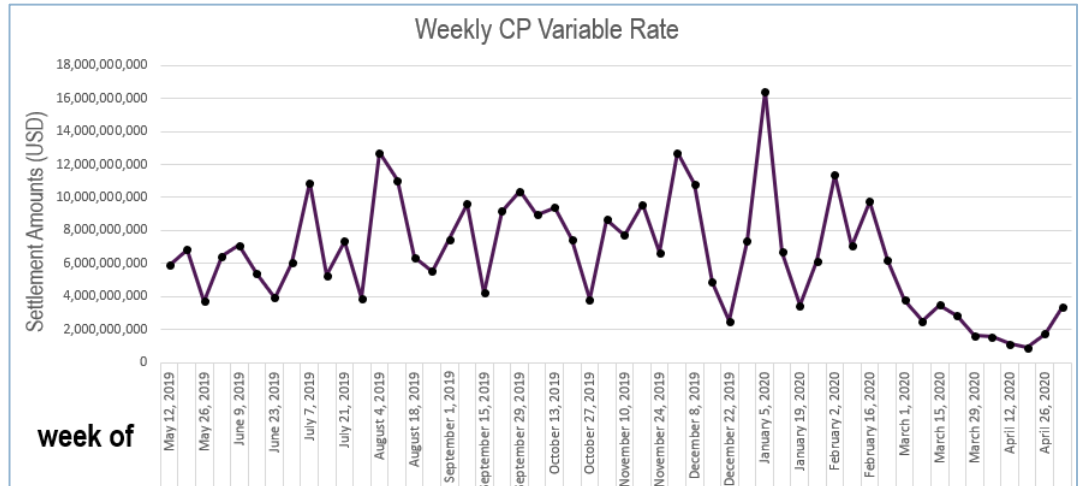
*IMPORTANT: The weekly settlement amounts included in the original publication dated May 5, 2020 included understated settlement values for the week of April 27 – May 1. This was caused by a calculation error which excluded the activity for May 1. We apologize for any confusion this may have caused.



WEEKLY CHARTS



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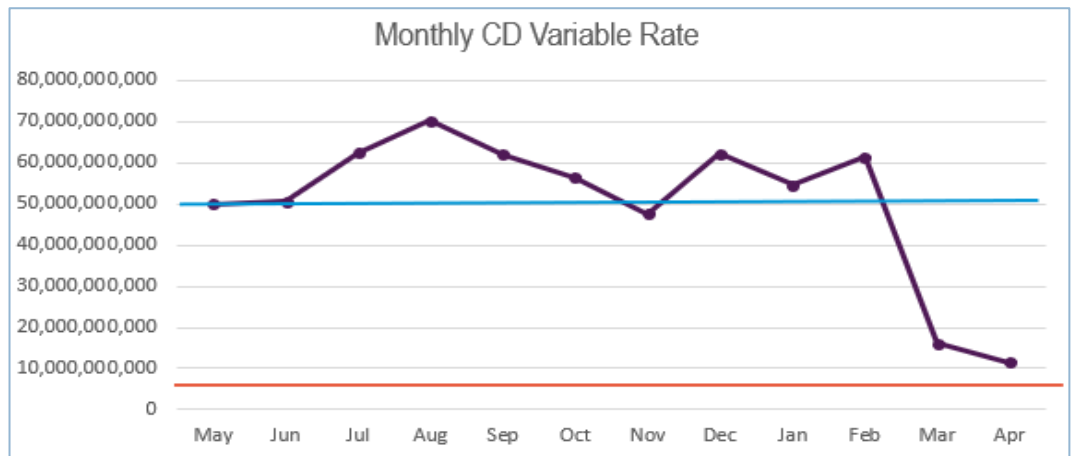
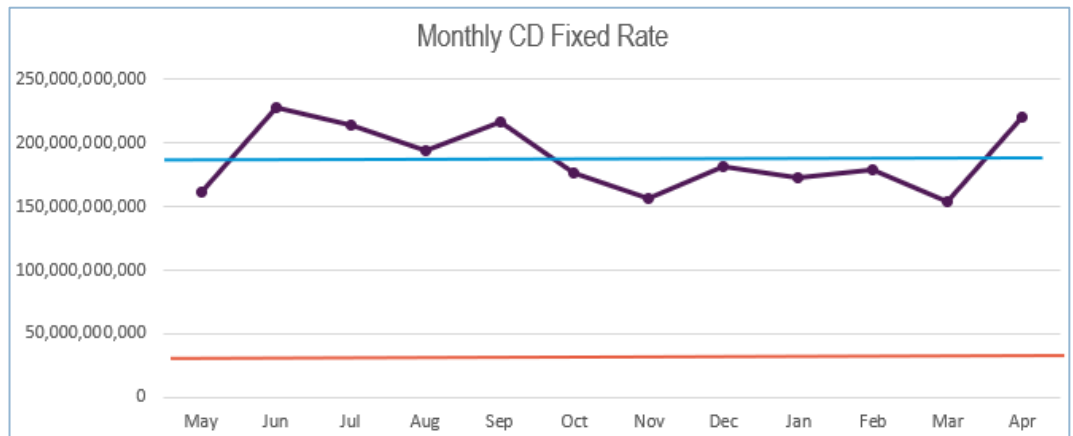


Note: Dates displayed in weekly charts represent the first day of the week summarized; the values displayed are for the entire week of activity.

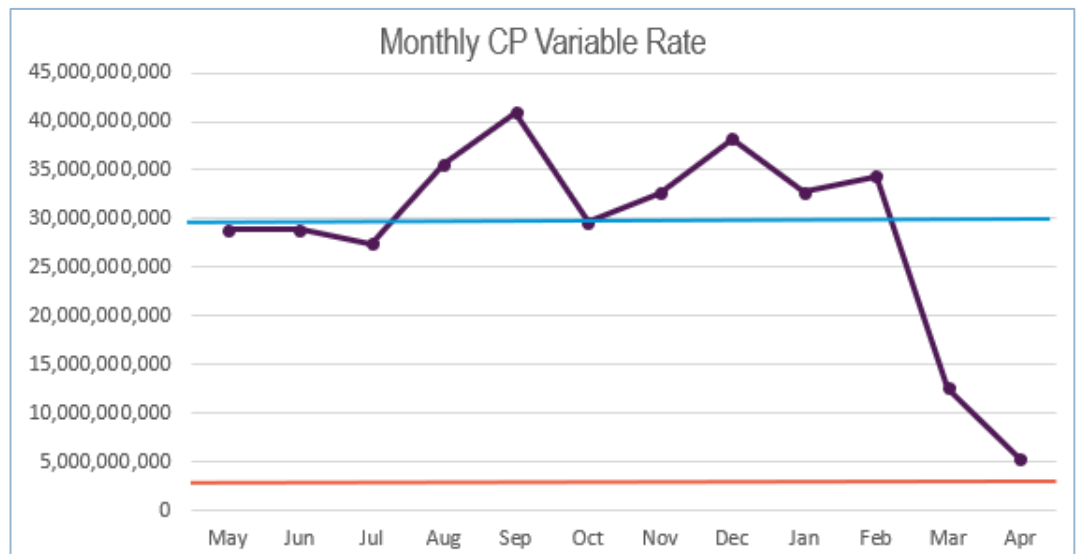
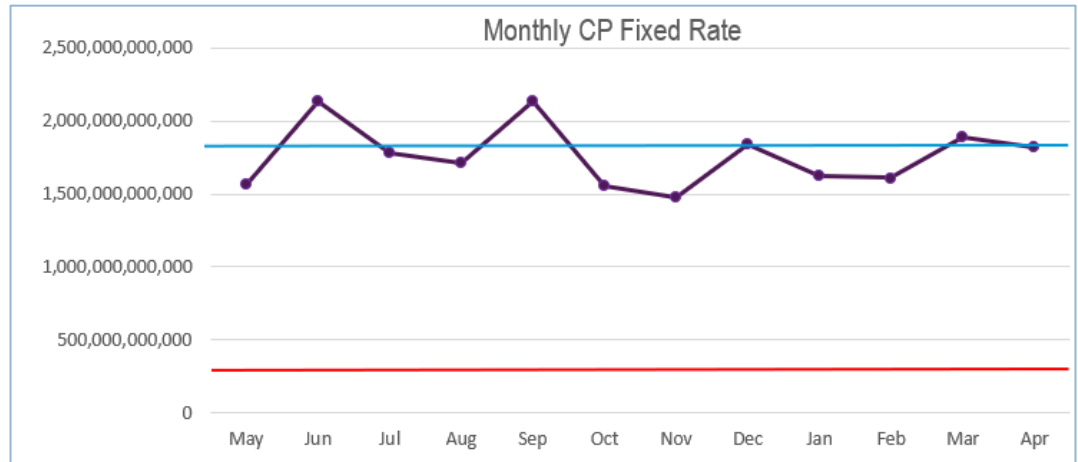
MONTHLY CHARTS

Legend:

- Monthly Settlement Amounts
- 12 Month Average Settlement Amounts
- Month-to-Date through May 8



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