



HOW IS MARKET VOLATILITY IMPACTING MONEY MARKET SECURITIES?

May 26, 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

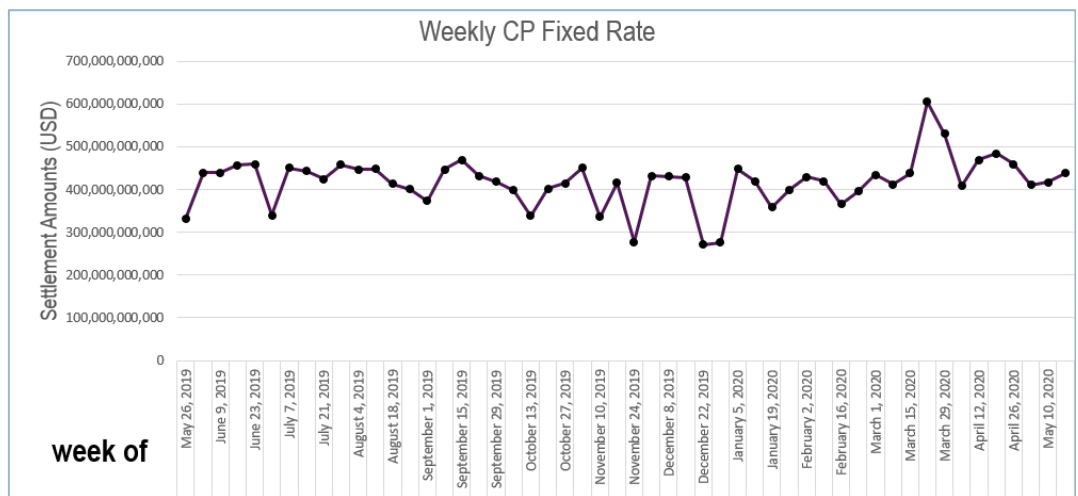
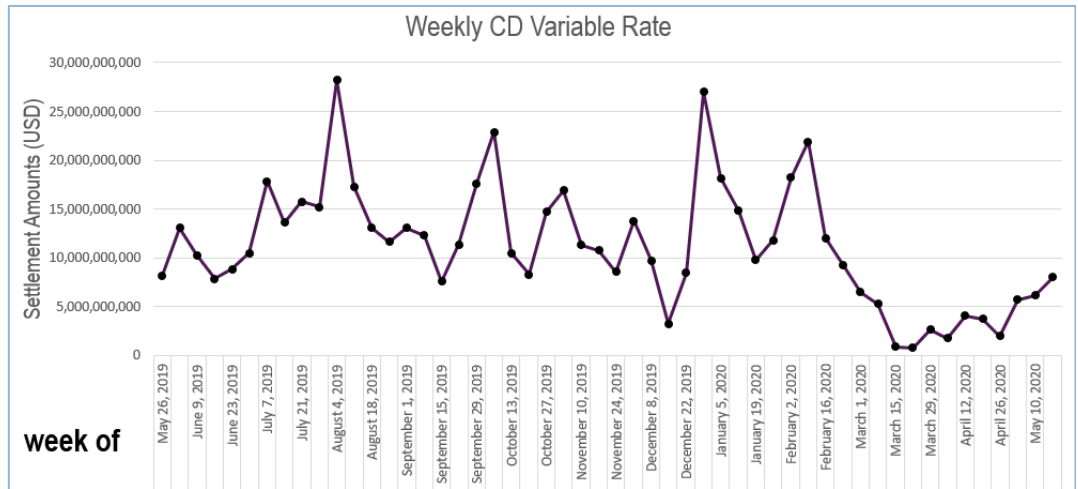
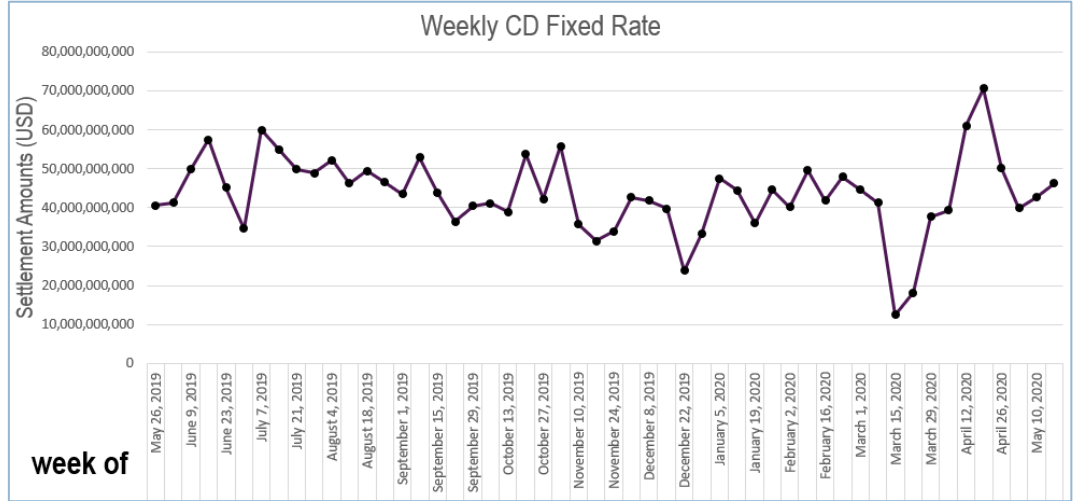
Settlement activity was higher than the prior week for all 4 product types. Month-to-date, fixed-rate CP and CDs have settled over 70% of the monthly average, while variable-rate CP and CDs have settled 29% and 39% respectively.

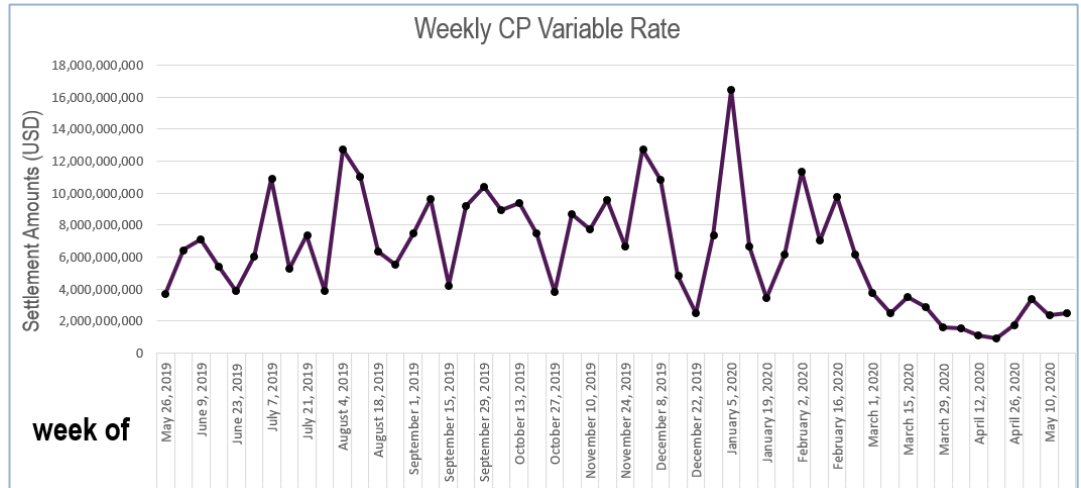
- For the week of May 18-May 22:
 - Fixed-rate CD settlements increased from \$42 billion the prior week to \$46 billion, which is above the prior 52-week average of \$43 billion.
 - Variable-rate CD settlements increased from \$6.1 billion the prior week to \$8 billion. The amount remains significantly lower than the prior 52 weeks, which averaged \$11.3 billion per week.
 - Fixed-rate CP settlements increased from \$416 billion to \$437 billion, which was higher than the prior year weekly average of \$416 billion.
 - Variable-rate CP settlements increased from \$2.3 billion the prior week to \$2.5 billion. By comparison, the 52-week average is \$6.4 billion.
- For the Month of May 2020
 - For the first 3 weeks of May compared to the revised 12-month averages:
 - Fixed-rate CD: \$137 Billion v. \$189 Billion
 - Variable-rate CD: \$20 Billion v. \$51 Billion
 - Fixed-rate CP: \$1.3 Trillion v. \$1.8 Trillion
 - Variable-rate CP: \$8.5 Billion v. \$29 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.



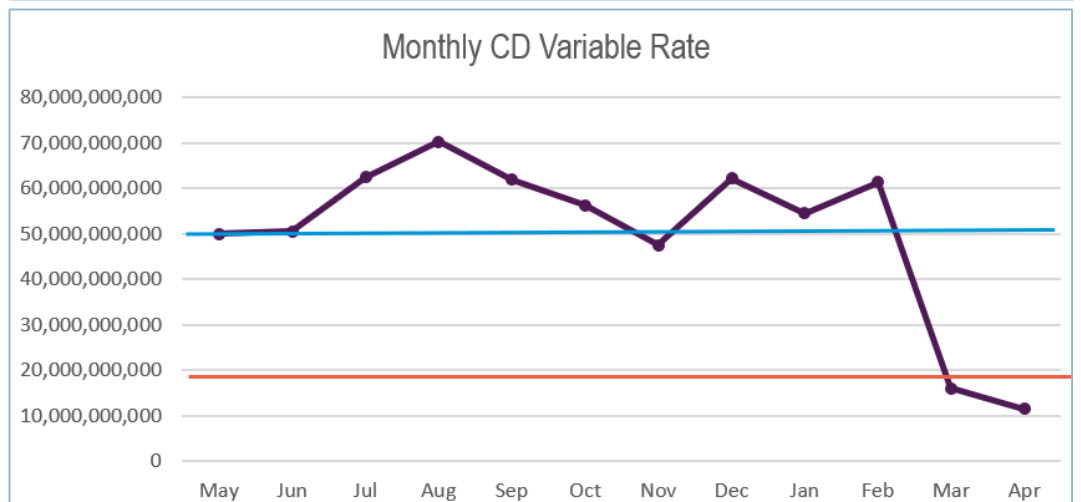
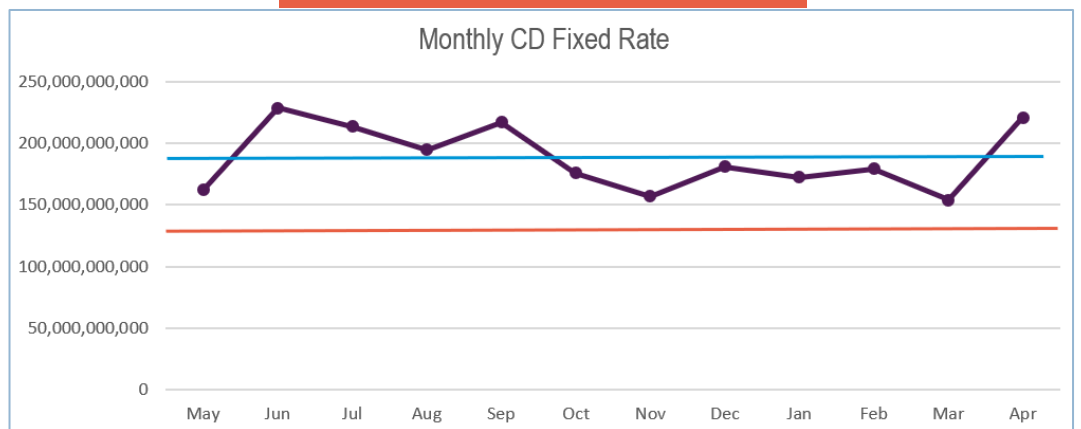


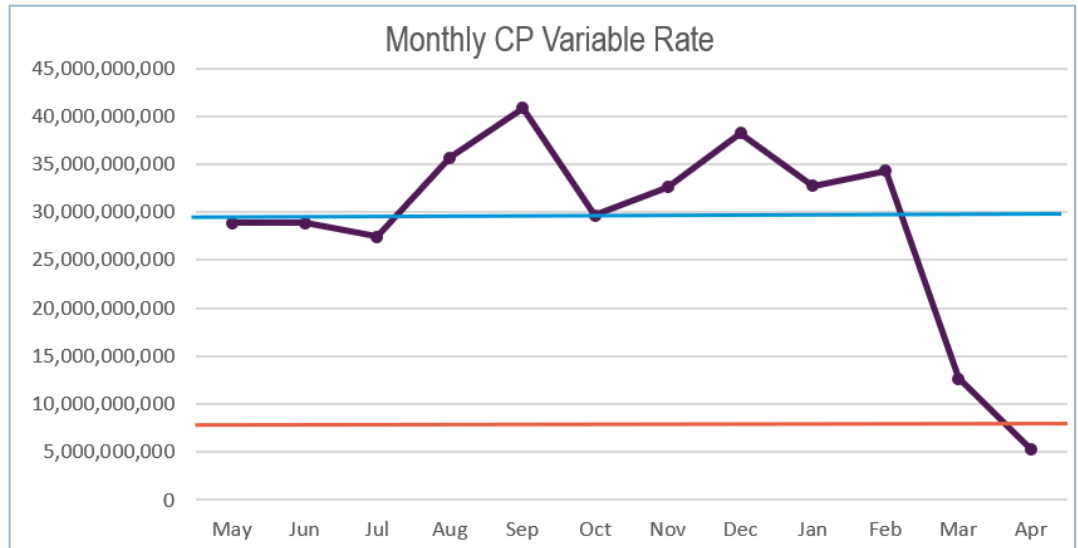
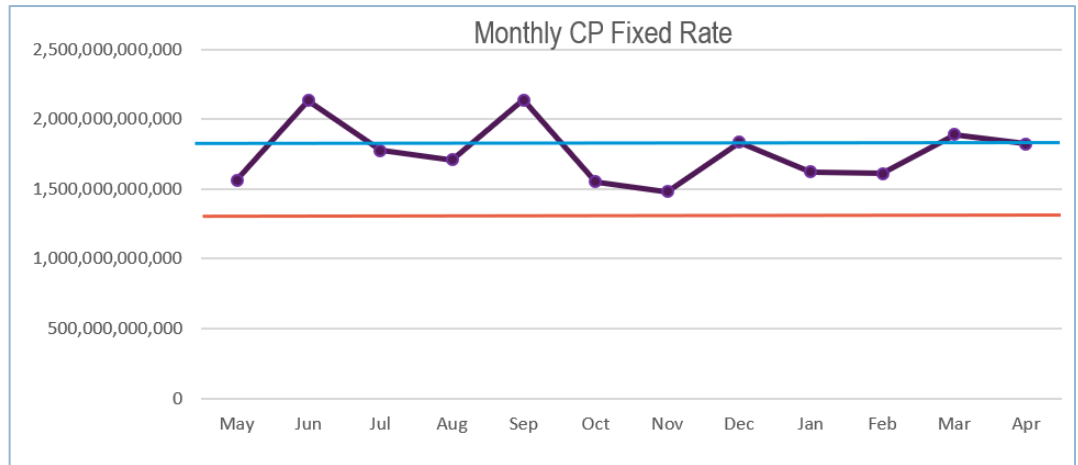
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MONTHLY CHARTS

Legend:

- Monthly Settlement Amounts
- 12 Month Average Settlement Amounts
- Month-to-Date through May 22





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