



HOW IS MARKET VOLATILITY IMPACTING MONEY MARKET SECURITIES?

July 28, 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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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

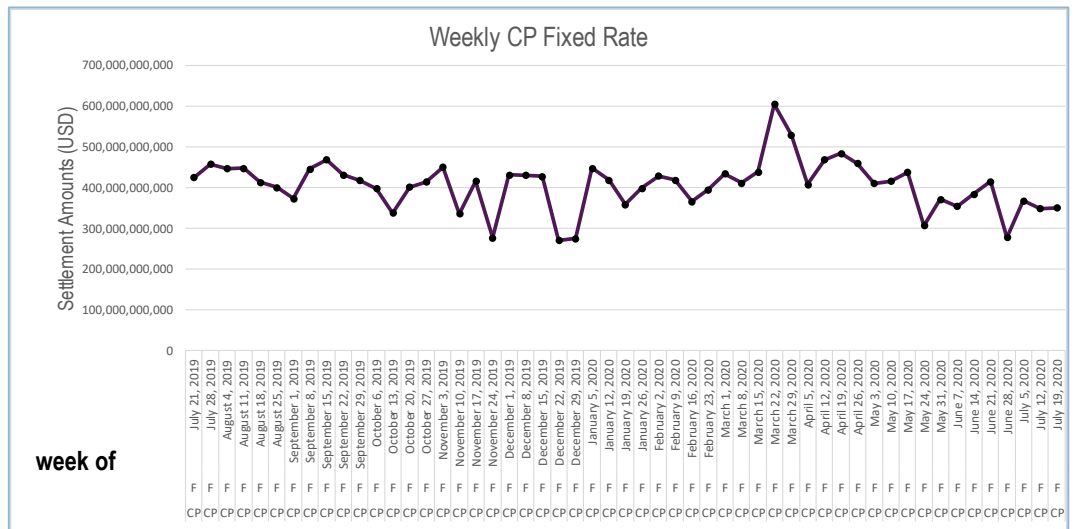
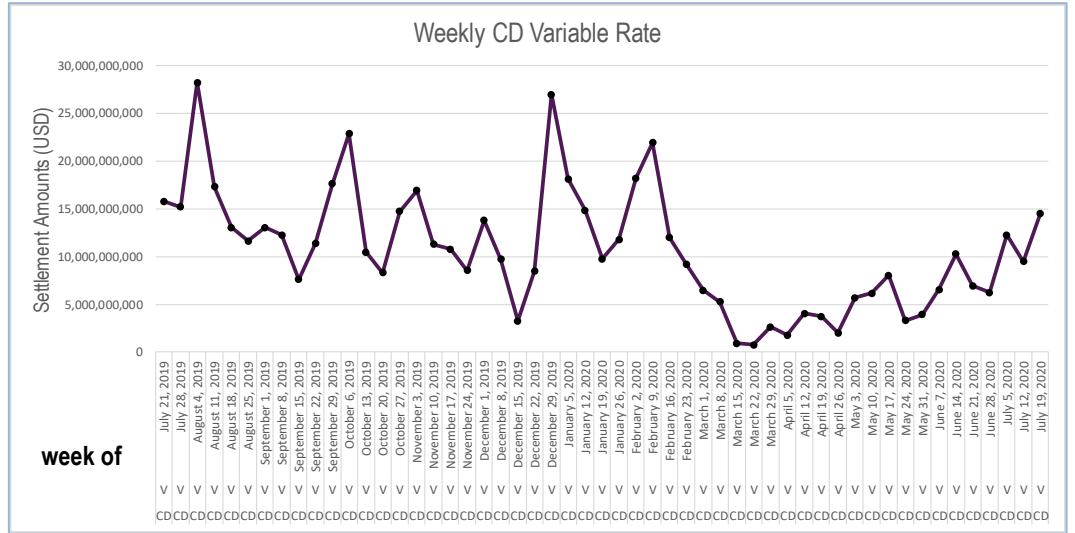
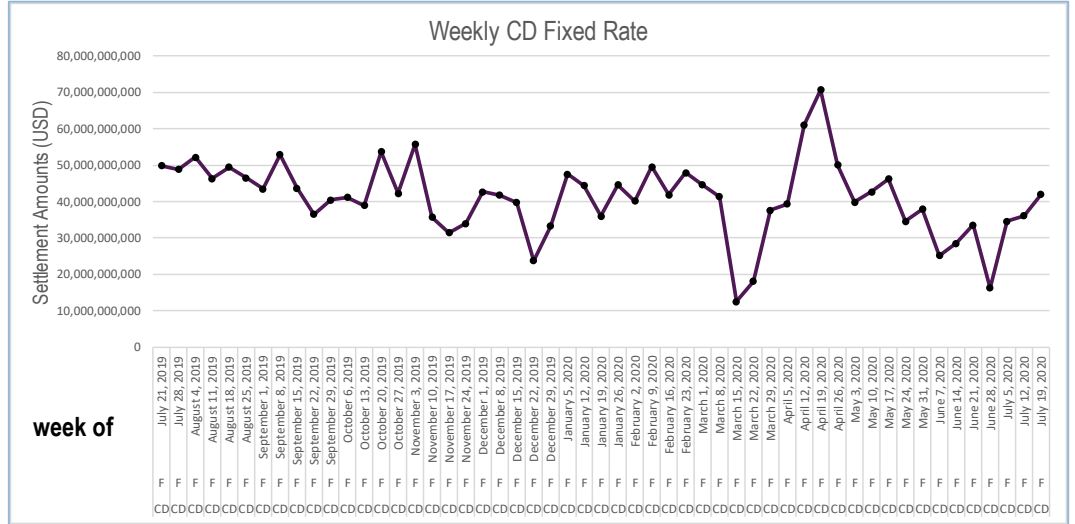
All 4 product types had higher settlement amounts than the prior week. For the first time since the crisis began, both CD product types had higher-than-average weekly settlement amounts. For July, variable CDs have passed June's monthly total with 1 week remaining in the month. The other product types are on pace to have higher settlement amounts in July than June.

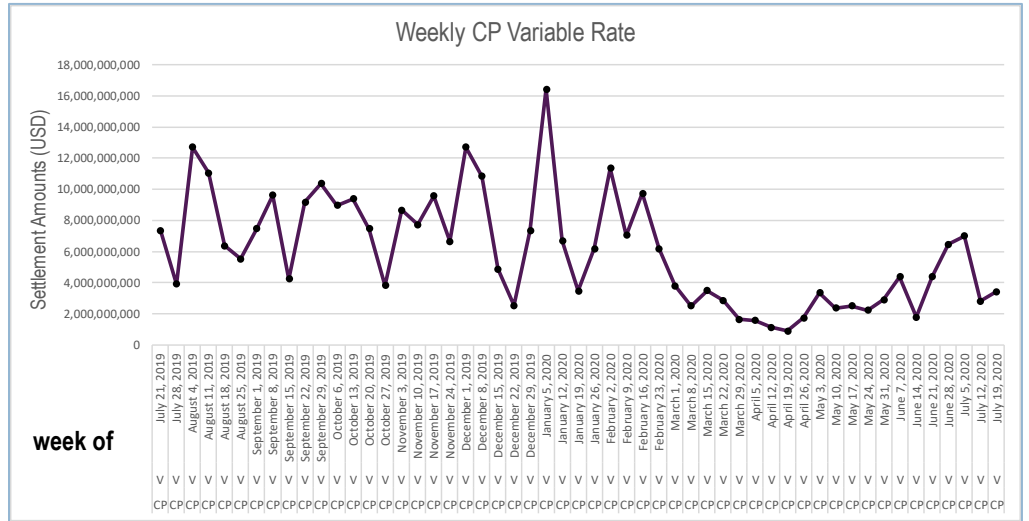
- For the week of July 20 - 24:
 - Fixed-rate CD settlements increased from \$36 billion the prior week to \$42 billion, which is above the prior 52-week average of \$41 billion.
 - Variable-rate CD settlements increased from \$10 billion the prior week to \$15 billion. The amount was higher than the prior 52 weeks' average of \$11 billion per week.
 - Fixed-rate CP settlements increased from \$349 billion to \$350 billion, which was lower than the prior year weekly average of \$409 billion.
 - Variable-rate CP settlements increased from \$3 billion the prior week to \$3.4 billion. By comparison, the 52-week average is \$6.1 billion.
- Month to date:
 - July month-to-date vs. prior 12-month averages:
 - Fixed-rate CD: \$124 Billion v. \$183 Billion
 - Variable-rate CD: \$41 Billion v. \$47 Billion
 - Fixed-rate CP: \$1.221 Billion v. \$1.8 Trillion
 - Variable-rate CP: \$16 Billion v. \$27 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.



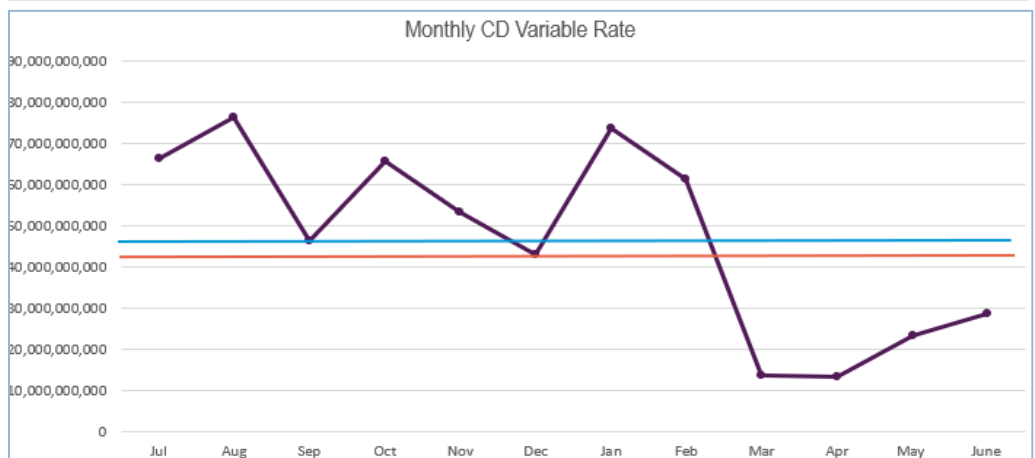
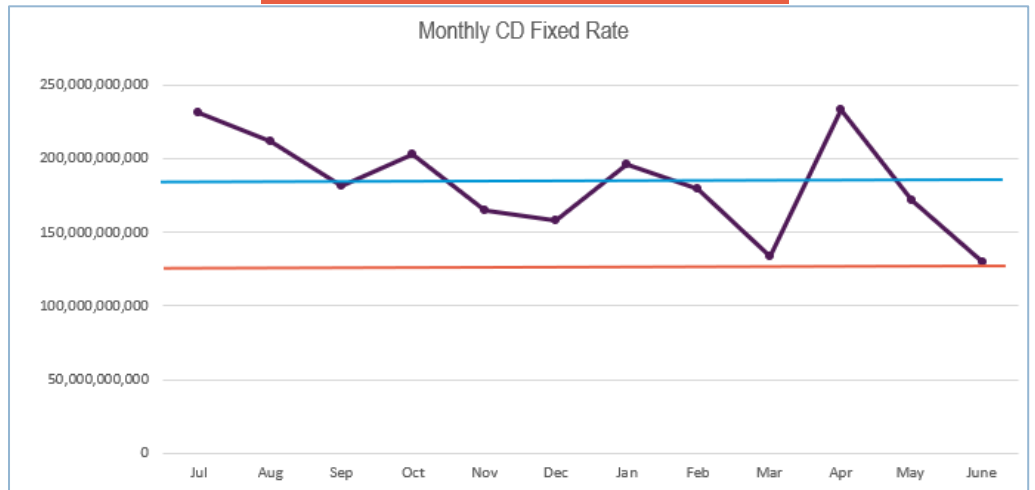


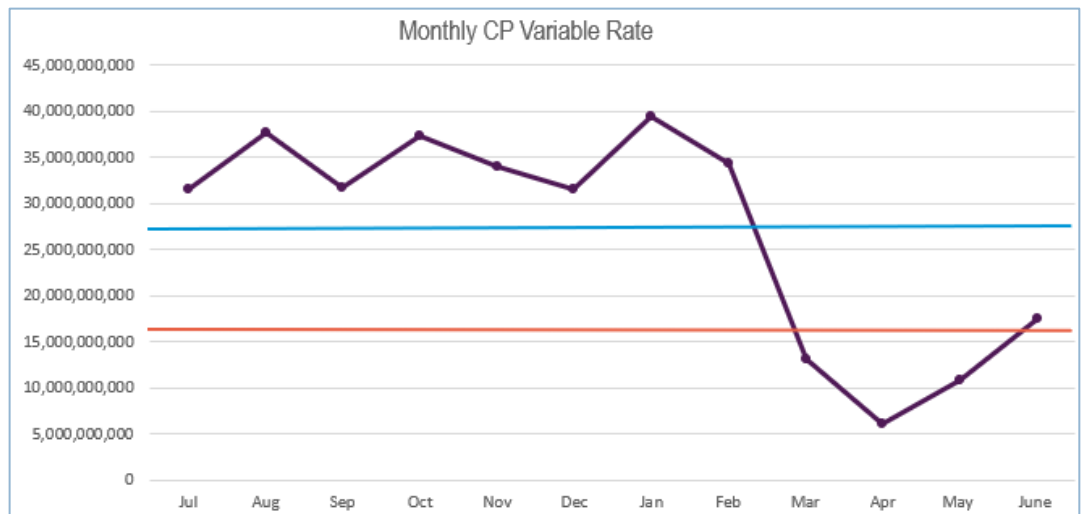
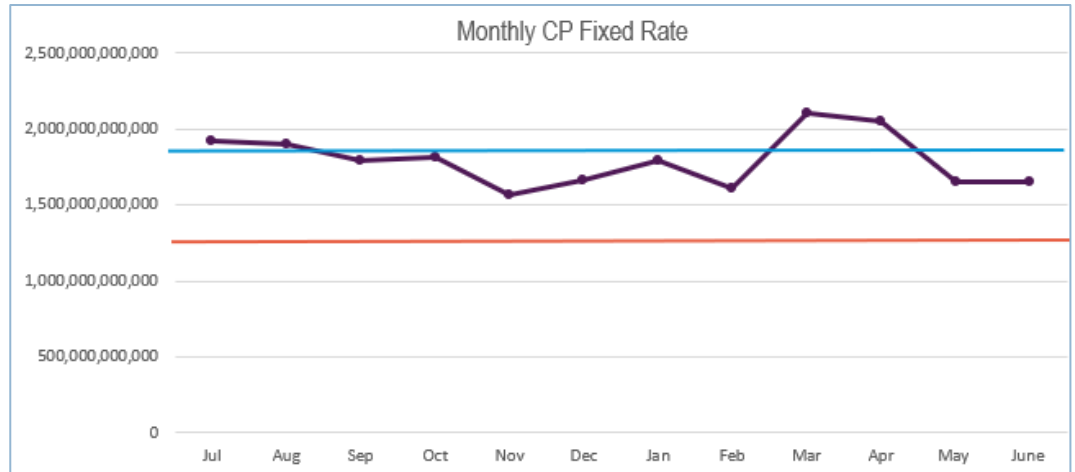
Note: Dates displayed in weekly charts represent the first day of the week summarized; the values displayed are for the entire week of activity.

MONTHLY CHARTS

Legend:

- Monthly Settlement Amounts
- 12 Month Average Settlement Amounts
- Month-to-Date through July 24





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