



HOW IS MARKET VOLATILITY IMPACTING MONEY MARKET SECURITIES?

August 11, 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

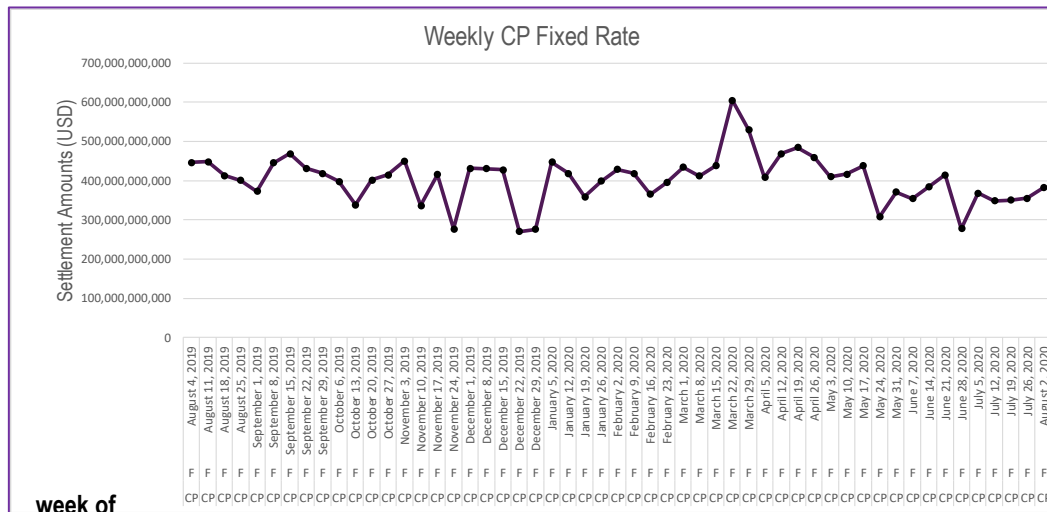
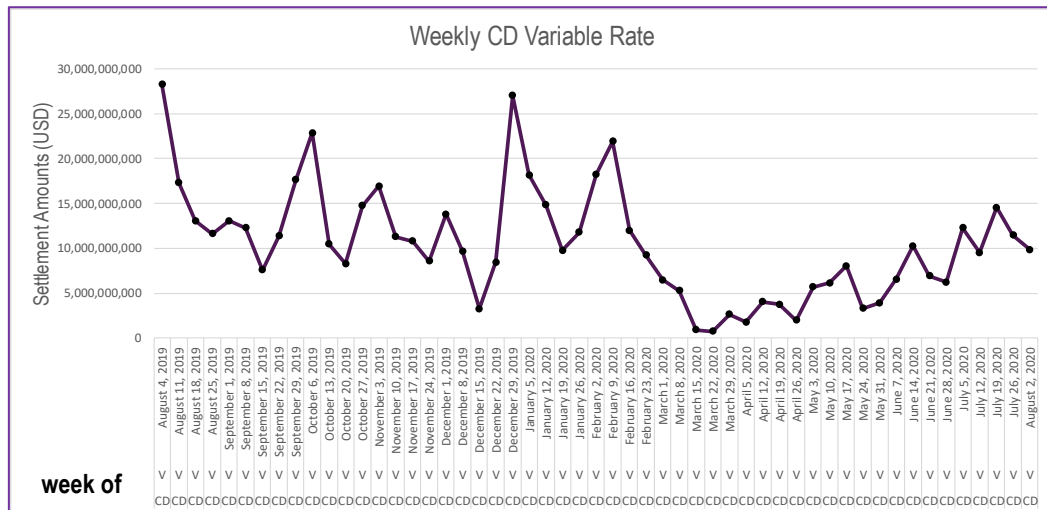
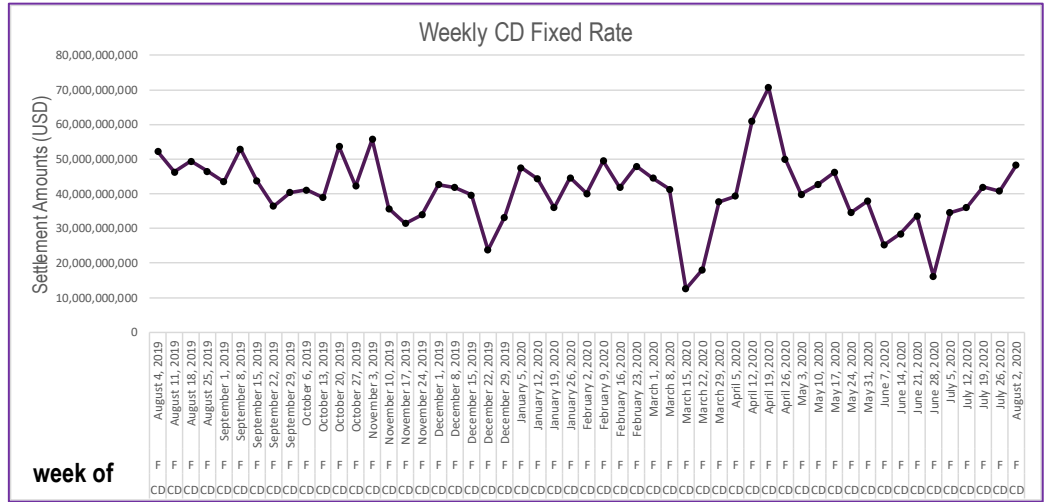
August began with another week of improvement for 3 of the 4 product types. While variable-rate CD settlements declined, all others increased. Month to date, August is off to a good start, with all categories over 20% of the prior 12-month average. Fixed-rate CD settlements are leading the way with 27% of its 12-month average after 1 week of activity.

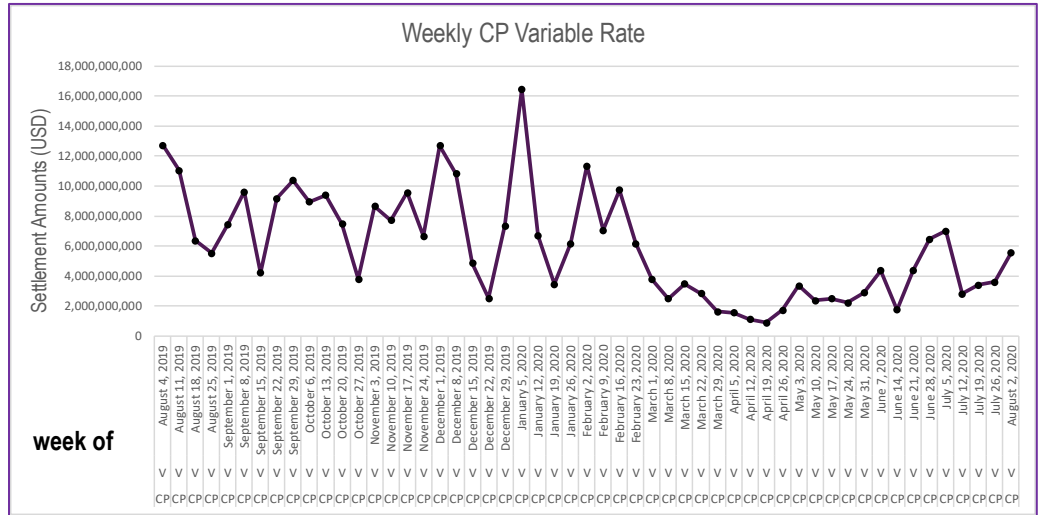
- For the week of August 3 - 7:
 - Fixed-rate CD settlements increased from \$41 billion the prior week to \$48 billion, which is above the prior 52-week average of \$41 billion.
 - Variable-rate CD settlements decreased from \$11 billion the prior week to \$9 billion. The amount was below the prior 52 weeks' average of \$10 billion per week.
 - Fixed-rate CP settlements increased from \$355 billion to \$382 billion, which was lower than the prior year weekly average of \$403 billion.
 - Variable-rate CP settlements increased from \$3.6 billion the prior week to \$5.6 billion. By comparison, the 52-week average is \$6 billion.
- Month to date:
 - July month-end vs. prior 12-month averages:
 - Fixed-rate CD: \$48 Billion v. \$177 Billion
 - Variable-rate CD: \$9 Billion v. \$46 Billion
 - Fixed-rate CP: \$381 Billion v. \$1.8 Trillion
 - Variable-rate CP: \$5 Billion v. \$26 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.



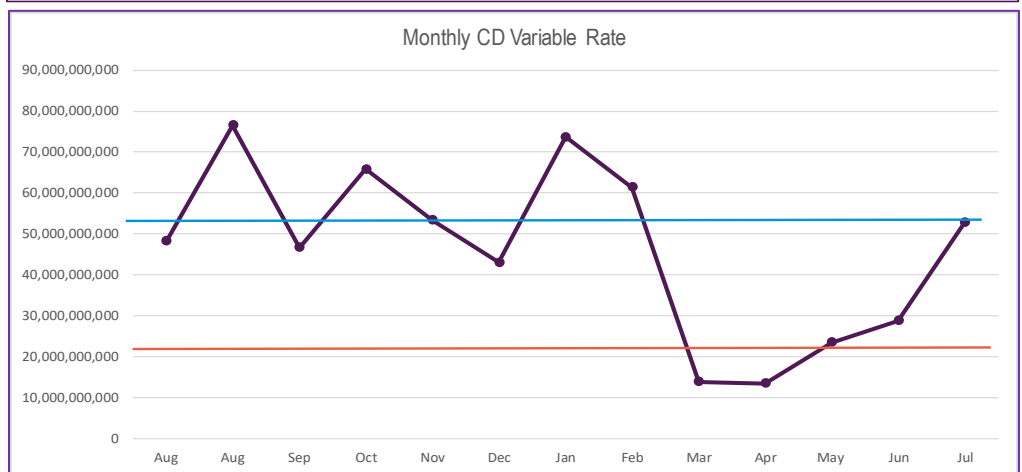
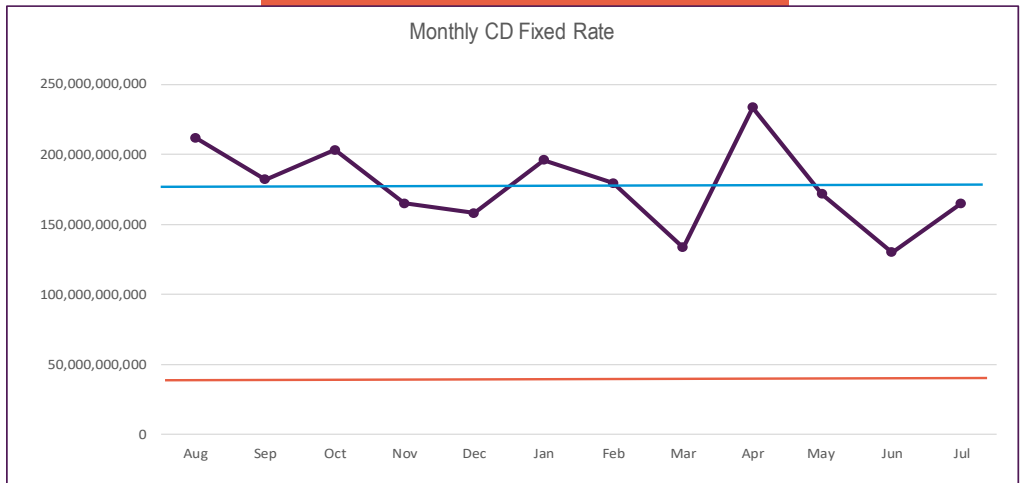


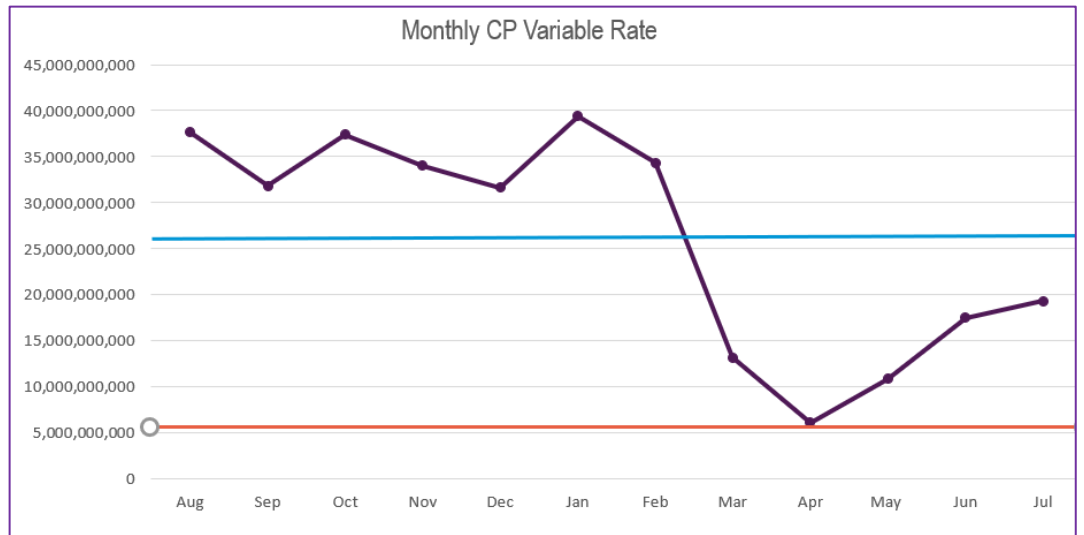
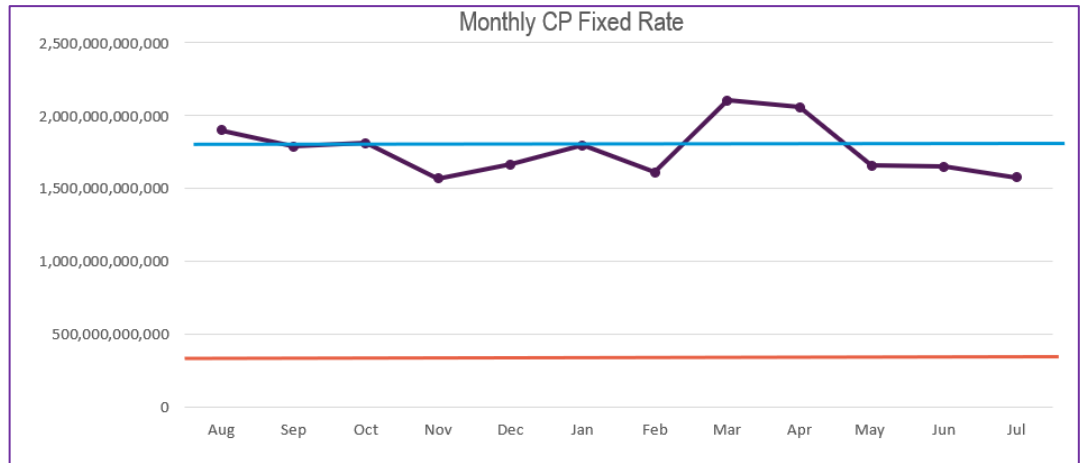
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MONTHLY CHARTS

Legend:

- Monthly Settlement Amounts
- 12 Month Average Settlement Amounts
- Month-to-Date through August 7





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