

# U.S. Money Market Fund Dashboard: March 2020

## Government Responds to Liquidity Strains; Risks Remain Elevated

**Prime Fund Inflow Streak Ends Abruptly:** U.S. prime money market fund (MMF) flows turned negative in February 2020, driven by investors' increasing risk aversion due to the coronavirus pandemic. Prime MMF assets were down \$145 billion between Feb. 20 and March 24, 2020, after rising \$432 billion between Nov. 1, 2016 and Feb. 20, 2020, according to iMoneyNet.

**Redemptions Challenge Liquidity:** Until the recent support mechanisms introduced by the Federal Reserve, outflows from prime MMFs had challenged fund managers' ability to manage liquidity. Funds are utilizing the Fed's new Money Market Liquidity Facility (MMLF) to sell longer-dated assets to meet redemptions, while maintaining their weekly liquidity above regulatory thresholds.

**Sector Outlook Revised to Negative:** While the Fed facilities were crucial in maintaining liquidity and stability in the prime MMF space, Fitch Ratings revised its sector outlook to negative from stable on March 23. This revision reflects continued investor risk aversion and unprecedented market volatility, combined with increased credit risks facing banks and corporate entities, which could pressure the funds' underlying investment portfolios.

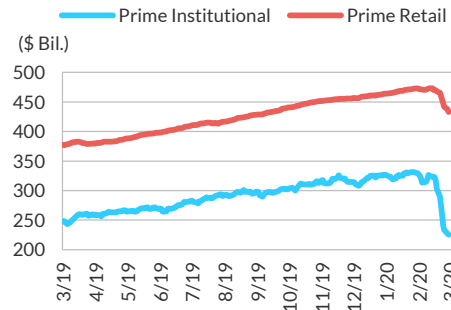
### Related Research

[US Prime Money Mkt Fund Outlook Negative on Liquidity Challenges \(March 2020\)](#)

[European LVNAV Money Market Fund Sector Outlook Goes Negative \(March 2020\)](#)

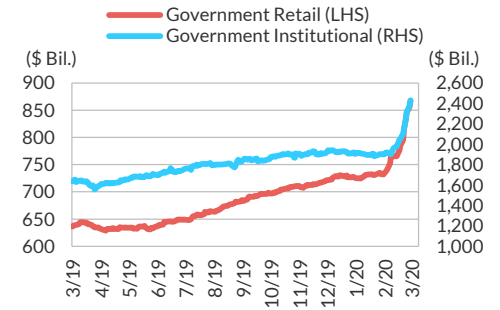
[U.S. MMF Dashboard: China Exposure Down \(New Coronavirus Adds to Limited Appetite for China Exposure\) \(March 2020\)](#)

### Prime MMF Assets



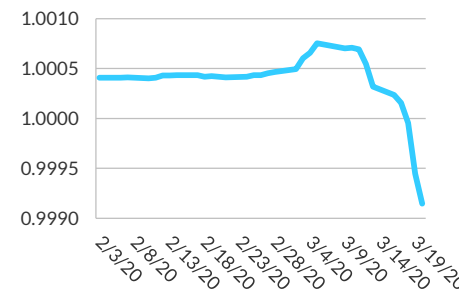
Source: Fitch Ratings, iMoneyNet.

### Government MMF Assets



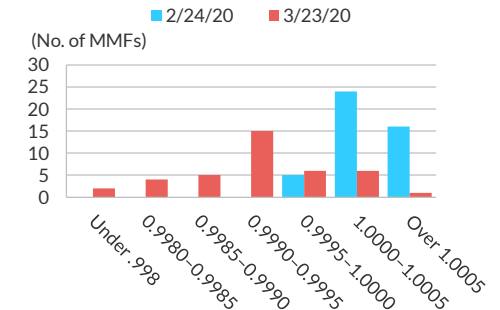
Source: Fitch Ratings, iMoneyNet.

### Prime Institutional Average NAVs



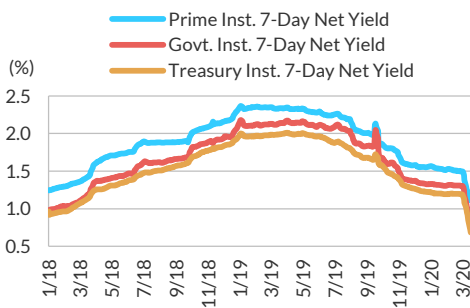
Source: Fitch Ratings, Crane Data.

### Prime Institutional MMF NAVs



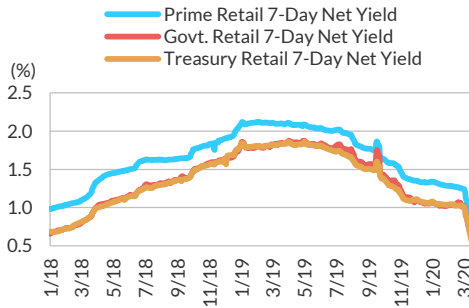
Source: Fitch Ratings, Crane Data.

### Institutional MMF Yields



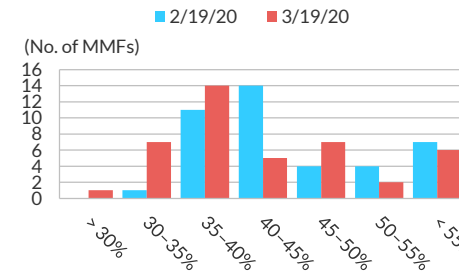
Source: Fitch Ratings, iMoneyNet.

### Retail MMF Yields



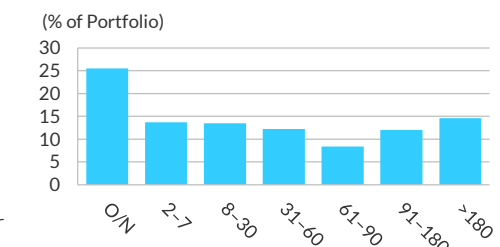
Source: Fitch Ratings, iMoneyNet.

### Prime Institutional MMF Weekly Liquidity Levels



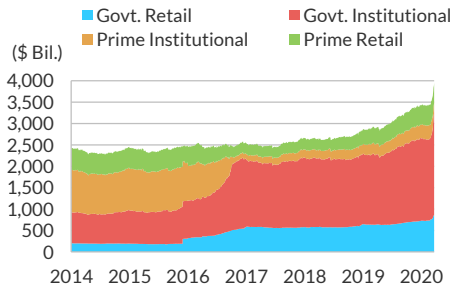
Source: Fitch Ratings, Crane Data.

### Prime Institutional MMFs' Security Maturities (End of February)



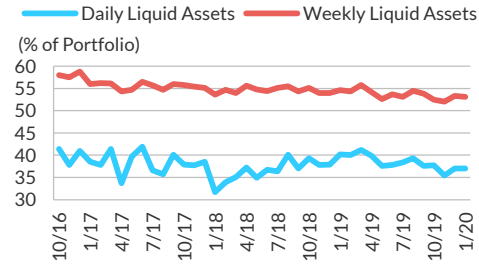
Source: Fitch Ratings, Crane Data.

**Taxable MMF Assets**



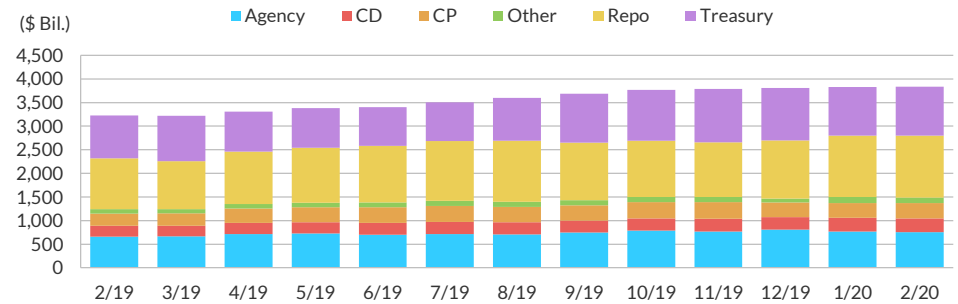
Source: Fitch Ratings, iMoneyNet.

**Prime Institutional MMF Daily and Weekly Liquid Assets**



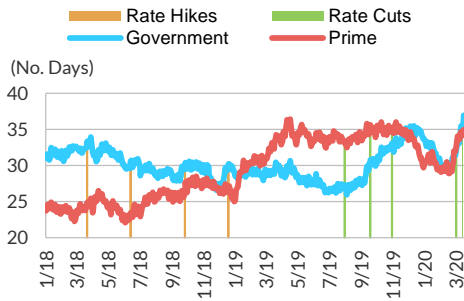
Source: SEC Market Fund Statistics.

**Total Taxable MMFs' Portfolio Holdings**



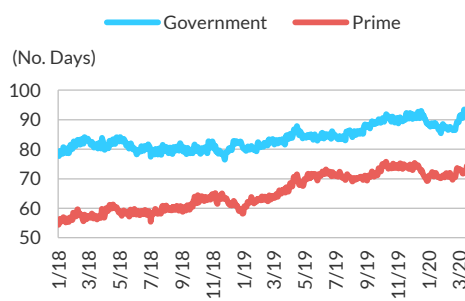
Source: Fitch Ratings, Crane Data.

**WAM Days**



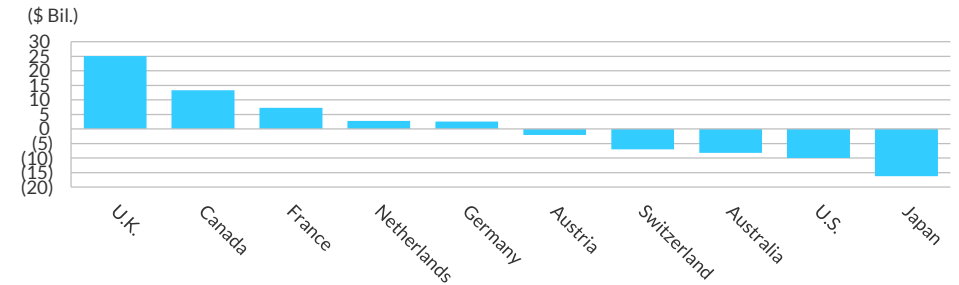
Source: iMoneyNet, FOMC.

**WAL Days**



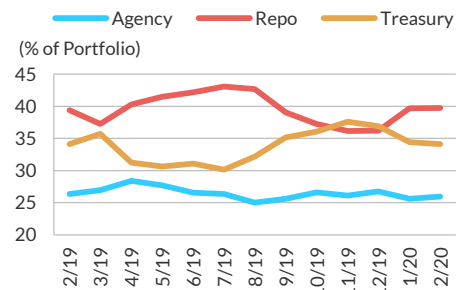
Source: Fitch Ratings, iMoneyNet.

**Changes in Portfolio Allocations to Selected Countries in Taxable MMFs (January to February 2020)**



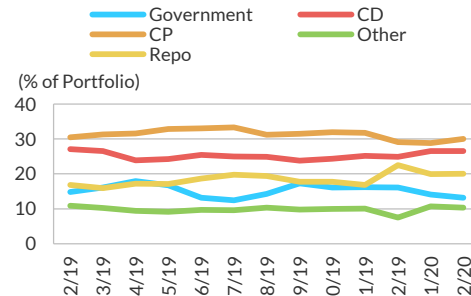
Source: Fitch Ratings, Crane Data.

**Government MMF Portfolio Holdings**



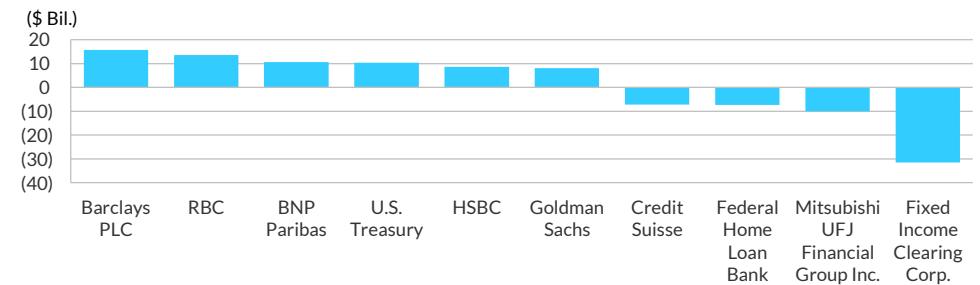
Source: Fitch Ratings, Crane Data.

**Prime MMF Portfolio Holdings**



Source: Fitch Ratings, Crane Data.

**Changes in Portfolio Allocations to Selected Issuers in Taxable MMFs (January to February 2020)**



Source: Fitch Ratings, Crane Data.

### Top Repo Counterparties in Taxable MMFs

Rank	Counterparty	12/31/19		1/31/20		
		Value (\$ Bil.)	As % of Out-standing Repo	Counterparty	Value (\$ Bil.)	As % of Out-standing Repo
1	FICC	276	22	FICC	232	18
2	RBC	120	5	BNP Paribas	101	8
3	JP Morgan	62	10	RBC	100	8
4	BNP Paribas	61	5	JP Morgan	74	6
5	Wells Fargo	57	4	Barclays PLC	59	5
6	Mitsubishi UFJ Financial Group Inc.	54	3	Credit Agricole	58	4
7	Bank of America	52	5	Wells Fargo	54	4
8	Barclays PLC	48	4	Mitsubishi UFJ Financial Group Inc.	52	4
9	Federal Reserve Bank of New York	47	4	Bank of America	44	3
10	Bank of Montreal	38	3	Sumitomo Mitsui Banking Corp.	40	3

Source: Fitch Ratings, Crane Data.



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