

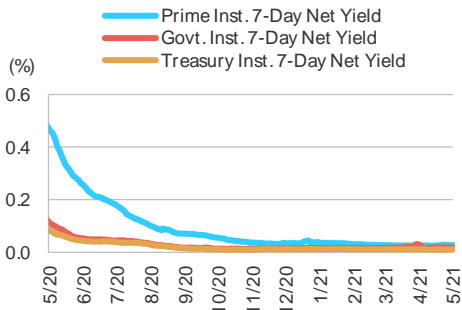
# U.S. Money Market Funds: May 2021

**Government MMFs Asset Gains Continue:** Total taxable money market fund (MMF) assets increased by \$36 billion from March 31, 2021 to April 30, 2021, according to iMoneyNet data. Government MMFs gained \$45 billion in assets during this period, offset by a \$9 billion decrease in prime MMF assets.

**Prime MMFs Increase Exposure to CP:** Prime MMFs have been steadily decreasing exposure to government securities while increasing exposure to commercial paper (CP), partially driven by managers' search for yield in the current low rate environment and the limited supply of treasuries. Prime MMFs increased CP exposure by \$22 billion and decreased government exposures by \$192 billion, from August 31, 2020 to April 30, 2021, according to Crane Data.

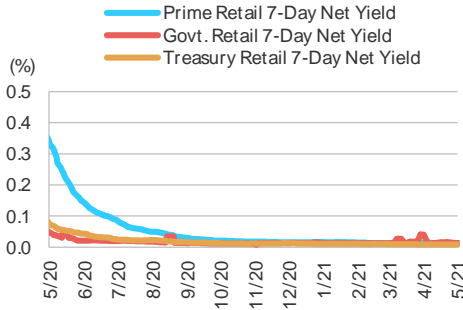
**Low Yields Persist:** Since the U.S. Federal Reserve cut rates in response to market volatility in March 2020, MMF yields have remained at near-zero levels, and are likely to stay as the Fed continues to support low rates. As of April 30, 2021, institutional government and prime MMF yields were 0.02% and 0.03%, respectively, per iMoneyNet data.

## Institutional MMF Yields



Source: Fitch Ratings, iMoneyNet.

## Retail MMFs Yields




Source: Fitch Ratings, iMoneyNet.

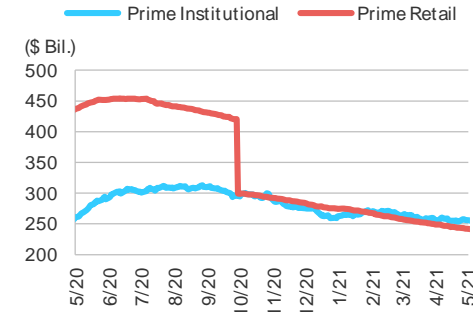
## Related Research

- [Regulatory Consultation Raises Profile of European Short-Term VNAV Money Funds \(May 2021\)](#)
- [Traditional Investment Managers Face Continuing Margin Pressure \(May 2021\)](#)
- [MMFs Likely to Invest in Securities Referencing LIBOR and SOFR Alternatives \(April 2021\)](#)

 **Kimberly Green**  
+1 646 582 4042  
kimberly.green@fitchratings.com

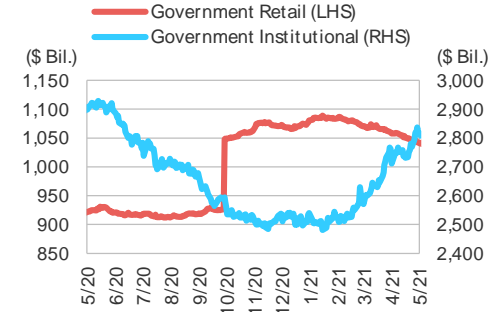
 **Greg Fayvilevich**  
+1 212 908 9151  
greg.fayvilevich@fitchratings.com

## Prime MMF Assets



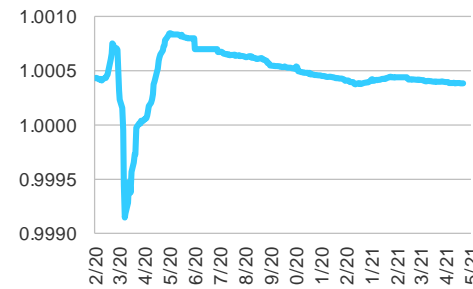
Source: Fitch Ratings, iMoneyNet.

## Government MMF Assets



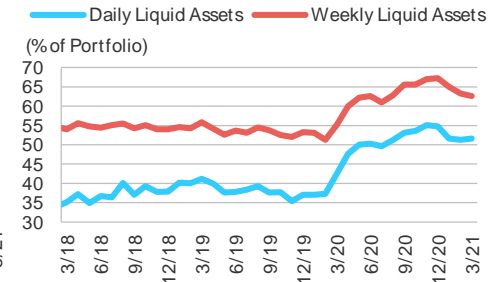
Source: Fitch Ratings, iMoneyNet.

## Prime Institutional Average NAVs



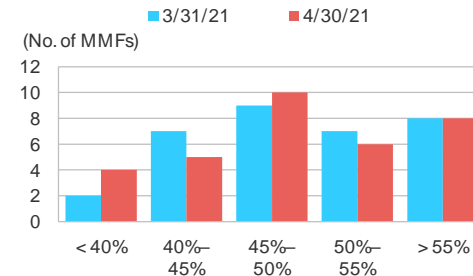
Source: Fitch Ratings, Crane Data.

## Prime Institutional MMF Daily and Weekly Liquid Assets



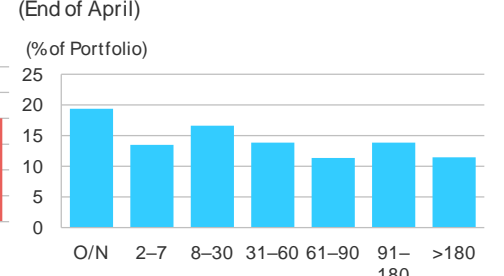
Source: SEC Market Fund Statistics.

## Prime Institutional MMF Weekly Liquidity Levels



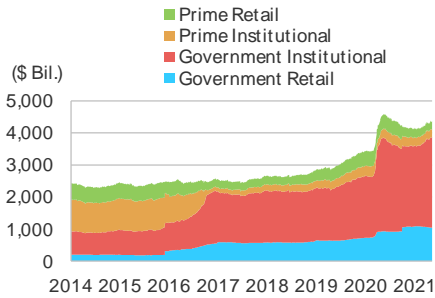
Source: Fitch Ratings, Crane Data.

## Prime Institutional MMFs' Security Maturities



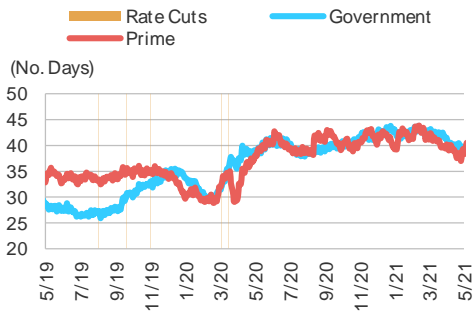
Source: Fitch Ratings, Crane Data.

## Taxable MMF Assets



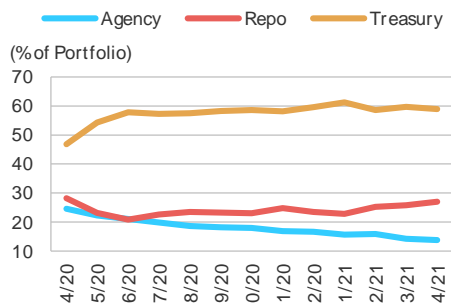
Source: Fitch Ratings, iMoneyNet.

## WAM Days



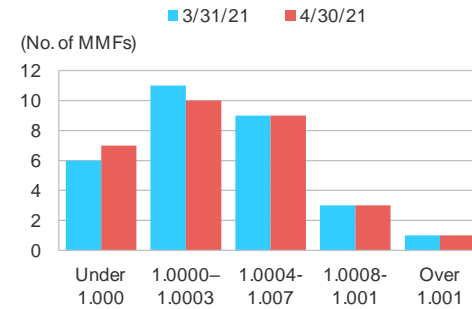
Source: iMoneyNet, FOMC.

## Government MMF Portfolio Holdings



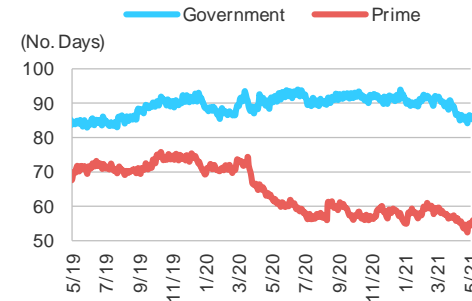
Source: Fitch Ratings, Crane Data.

## Prime Institutional MMF NAVs



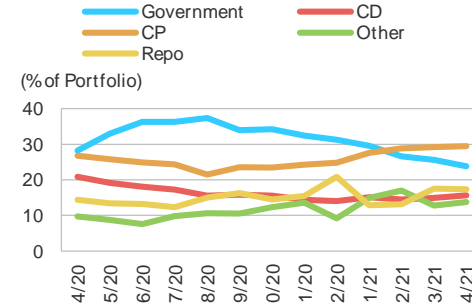
Source: Fitch Ratings, Crane Data.

## WAL Days



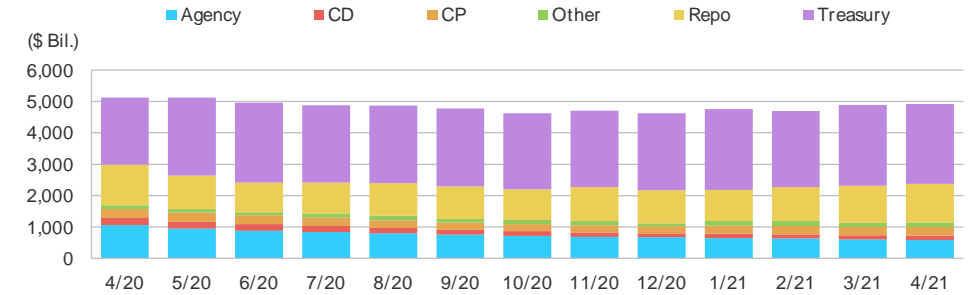
Source: Fitch Ratings, iMoneyNet.

## Prime MMF Portfolio Holdings



Source: Fitch Ratings, Crane Data.

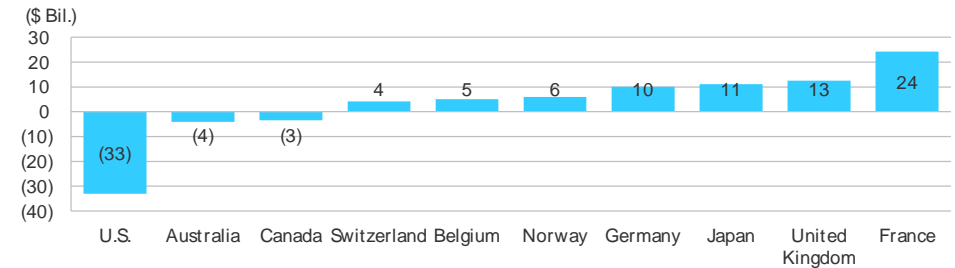
## Total Taxable MMFs Portfolio Holdings



Source: Fitch Ratings, Crane Data.

## Changes in Portfolio Allocations to Selected Countries in Taxable MMFs

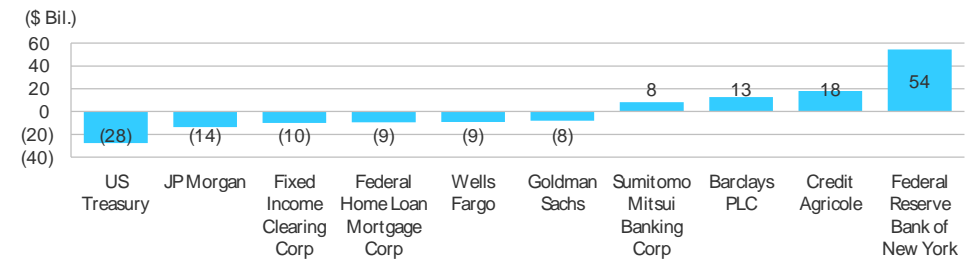
(March 2021 to April 2021)



Source: Fitch Ratings, Crane Data.

## Changes in Portfolio Allocations to Selected Issuers in Taxable MMFs

(March 2021 to April 2021)



Source: Fitch Ratings, Crane Data.

Top Repo Counterparties in Taxable MMFs

3/31/21				4/30/21			
Rank	Counterparty	Value (\$ Bil.)	As % of Outstanding Repo	Rank	Counterparty	Value (\$ Bil.)	As % of Outstanding Repo
1	Federal Reserve Bank of New York	125	11	1	Federal Reserve Bank of New York	180	15
2	Fixed Income Clearing Corp.	121	10	2	Fixed Income Clearing Corp.	111	9
3	BNP Paribas	104	9	3	BNP Paribas	104	9
4	Royal Bank of Canada	91	8	4	Royal Bank of Canada	95	8
5	JP Morgan	83	7	5	JP Morgan	70	6
6	Bank of America	56	5	6	Credit Agricole	59	5
7	Mitsubishi UFJ Financial Group Inc.	46	4	7	Bank of America	53	4
8	Citi	45	4	8	Barclays	52	4
9	Credit Agricole	44	4	9	Mitsubishi UFJ Financial Group Inc.	46	4
10	Barclays	43	4	10	Sumitomo Mitsui Banking Corp.	44	4

Source: Fitch Ratings, Crane Data.

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://fitchratings.com/understandingcreditratings). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT [WWW.FITCHRATINGS.COM](http://WWW.FITCHRATINGS.COM). PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR WHICH THE LEAD ANALYST IS BASED IN AN ESMA- OR FCA-REGISTERED FITCH RATINGS COMPANY (OR BRANCH OF SUCH A COMPANY) CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH RATINGS WEBSITE.

Copyright © 2021 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.