TMPG Meeting Minutes

Date: June 23, 2026
Location: BlackRock, 50 Hudson Yards

<u>TMPG attendees</u>

Alberto Antonini (Tudor Investment Corp)	Matthew Franklin-Lyons (JP Morgan)	Jerry Pucci (BlackRock)
Richard Chambers (Goldman Sachs)	Paul Hamill (ICE Clear Credit)	Morgan Spearritt (RBA)
Qing Chen (Morgan Stanley)	Lara Hernandez (Mirae Asset Sec)	Casey Spezzano (NatWest Markets)
Debbie Cunningham (Federated Hermes)	Laura Klimpel (DTCC)	Suzanne Sprague (CME Group)
David Finkelstein (Annaly Capital Mgt)	Serena Lin (Mizuho Securities)	Nathaniel Wuerffel (BNY)
Doug Friedman (Tradeweb)	Adam Nunes (Hudson River Trading)	

<u>Federal Reserve Bank of New York (New York Fed) attendees</u>

Anne Chen	Olivia Kennedy	Roberto Perli
Lisa Chung	Eric Lewin	Agata Zhang
Ellen Correia Golay	Anna Nordstrom	

<u>U.S. Department of Treasury attendee</u>
Brian Smith

<u>Board of Governors attendee</u>
Dan Li

<u>U.S. Securities and Exchange Commission (SEC) attendees</u>[1]

Elizabeth Fitzgerald	Jeffrey Mooney

- The meeting commenced with the TMPG Chair welcoming Paul Hamill from ICE Clear Credit and Morgan Spearritt from the Reserve Bank of Australia (RBA) as new members of the Group.

- Staff from the SEC provided an update on the SEC's requests for comments on two industry requests for exemptive relief from aspects of the SEC's Treasury Clearing Rule - one regarding the inter-affiliate exclusion and another one concerning non-U.S. transactions, which were both highlighted by the TMPG Chair at the May TMPG meeting. The SEC staff acknowledged that the SEC received substantive public comments on how these two requests for exemptive relief interact with one another. The comments stressed the need to carefully consider how exemptive relief might be structured to ensure a level playing field between domestic and foreign entities and to avoid inadvertently creating regulatory arbitrage opportunities. The SEC staff relayed that the SEC is in the process of analyzing these comments. The SEC staff encouraged TMPG member firms to submit any additional feedback directly to the SEC, including any new insights or concerns.

- Members received an update on recent central clearing developments in the U.S. Treasury market. An ICE Clear Credit (ICC) representative gave an update on ICC's U.S. Treasury cash and repo clearing initiatives, noting that ICC is now operational for cash clearing transactions, with established middleware connectivity and linkages to major trading platforms. The ICC representative

[1] SEC guest speakers left the meeting following their update.

emphasized that the current focus involves testing and integration work associated with onboarding Future Commission Merchants (FCMs) and client base expansion.

- Next, a New York Fed representative provided an update on the TMPG Secretariat's outreach efforts regarding early morning repo trading behavior that was inconsistent with the TMPG's best practice recommendation related to price transparency. This discussion was a follow up to the concerns raised at the November TMPG meeting. For background, the representative reminded members that repo trading moved earlier in the morning during the COVID pandemic, with trades executed through interdealer voice brokers in the early morning without being flashed to the voice brokers' screens until the Treasury central counterparty clearing house (CCP) opening time. The representative observed that this behavior has persisted despite a TMPG clarification published in early 2024 stating that trades conducted over interdealer voice brokers with electronic screens should be flashed to those screens at the time they are agreed upon. In the discussion, it was noted the TMPG is agnostic as to the time of day repo trades occur and that the issue with such trading behavior was the lack of price transparency at the time of trade which is not aligned with TMPG best practices. To address this continued behavior, the TMPG Secretariat has engaged in market outreach over recent months to raise awareness and support broad market adoption of the best practice, which included discussions with interdealer voice brokers and the primary dealer community. Following these discussions, market participants have reported greater adherence to this best practice in repo market trading. The New York Fed representative stressed that the New York Fed expects all of its own counterparties to operate in accordance with the TMPG's *Best Practices for Treasury, Agency Debt, and Agency Mortgage-Backed Securities (MBS) Markets*. The TMPG Chair concluded by reiterating member responsibilities, as outlined in the TMPG Charter, to operate in accordance with the best practice recommendations and to build support for the best practices within their firms.

- A member of the Agency MBS Working Group discussed minor revisions made to the consultative summary note "Theoretical Implications for Agency MBS Market Liquidity and Functioning of any Potential Government Sponsored Enterprises (GSE) Ownership Structure Changes" based on public comments received during the consultation period that ended on April 30, 2026. The revisions reflected feedback that was relevant to the scope of the note. Members had no additional comments and agreed to move forward with publishing the final summary note and an accompanying press release following the meeting.[2]

- The Co-Chairs of the Digital Innovations and U.S. Treasury Market Working Group provided an update on the working group's progress. The Co-Chairs noted that the working group will initially examine the intersection of stablecoins and their impact on the Treasury market before transitioning to research on tokenization. The Co-Chairs emphasized that while substantial research exists on stablecoins as digital instruments, the TMPG can provide unique value by exploring their impact specifically on the liquidity and functioning of the Treasury market. Members then discussed potential benefits and challenges of stablecoin growth for Treasury market liquidity and functioning.

- The TMPG then turned to a discussion of market developments since the May TMPG meeting, including members' views on the U.S. macroeconomic outlook, expectations for the path of Fed policy, and money market conditions.

[2] The TMPG subsequently published these materials on June 25, 2026.

U.S. Macroeconomic Outlook

- Members assessed inflation as remaining elevated but likely to have peaked, with expectations for gradual moderation through year-end. Members characterized inflation pressures as concentrated in the goods sector, potentially driven by supply disruptions related to the Iran conflict and semiconductor supply constraints, while services inflation has remained relatively subdued and potentially disinflationary. Regarding growth, members noted continued U.S. economic resilience driven primarily by AI-related capital spending and observed the U.S. has been relatively insulated from elevated oil prices compared to other economies. Nevertheless, members assessed the balance of risks to growth as tilted toward a slowdown.
- Members assessed labor market conditions as resilient and stable, with employment continuing to expand at a healthy pace. Members observed that AI-related capital spending has not yet significantly affected labor markets or employment, though it has contributed to chip-related inflation. Significant uncertainty remains around AI's longer-term productivity impacts.

Member Expectations for the Path of Fed Policy

- Regarding the outlook for Federal Reserve monetary policy, members noted expectations have shifted toward further tightening, with market pricing coalescing around two interest rate hikes in September and December, given persistent inflation pressures. Members also highlighted Chairman Warsh's commitment to the inflation side of the Fed's mandate at the June Federal Open Market Committee post-meeting press conference.
- Members were also attentive to Chairman Warsh's introduction of five task forces covering a number of policy-relevant topics, though expressed uncertainty around his anticipated year-end conclusion timeline. Some members discussed Chairman Warsh's comments about the Fed communications task force, interpreting these as signaling a shift from the forward guidance approach of recent years. Others noted recent comments by policymakers regarding the role that the balance sheet has played in monetary policy. Some members also argued that the Federal Reserve could reduce the duration of its balance sheet by changing the composition of assets, rather than reducing the overall size.

Conditions in Money Markets

- Members assessed current conditions in money markets as stable with ample liquidity, noting that money market fund assets under management have reached a record $8 trillion. Regarding the outlook for money market rates over the remainder of the year, members expected rates to remain within the Fed's target range but noted potential upward pressure from several factors, including an anticipated increase in Treasury bill issuance and growing demand for equity funding in light of significant price appreciation and large initial public offerings. Regarding expectations for the Fed's reserve management purchases (RMPs) going forward, some members anticipated RMPs could come to a full stop.

- The next TMPG meeting is scheduled for October 6, 2026, from 3:00-5:00PM.