

TMPG Meeting Minutes

Date: October 7, 2025

Location: BNY, 240 Greenwich Street

TMPG attendees

Alberto Antonini (Tudor Investment Corp)	Doug Friedman (Tradeweb)	Adam Nunes (Hudson River Trading)
Richard Chambers (Goldman Sachs)	Lara Hernandez (Mirae Asset Sec)	Jerry Pucci (BlackRock)
Qing Chen (Morgan Stanley)	Makoto Kasai (Bank of Japan)	Marc Seidner (PIMCO)
Debbie Cunningham (Federated Hermes)	Laura Klimpel (DTCC)	Casey Spezzano (NatWest Markets)
David Finkelstein (Annaly Capital Mgt)	Serena Lin (Mizuho Securities)	Suzanne Sprague (CME Group)
Matthew Franklin-Lyons (JP Morgan)	John Madziyire (Vanguard)	Nathaniel Wuerffel (BNY)

Federal Reserve Bank of New York (New York Fed) attendees

Ellen Correia Golay	Eric Lewin	Brett Rose
Julie Hennighausen	Anna Nordstrom	Agata Zhang
Vinuthna Kovvuri		

U.S. Department of Treasury attendees

Gavin Ross	Brian Smith
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Board of Governors attendee

David Bowman

ICE Clear Credit attendee¹

- The meeting commenced with the TMPG Chair welcoming the guest speaker from ICE Clear Credit. Next, a New York Fed representative gave a preview of the upcoming [2025 U.S. Treasury Market Conference](#), scheduled for November 12, and co-hosted by the U.S. Department of Treasury, the Board of Governors of the Federal Reserve System, the New York Fed, the Securities and Exchange Committee (SEC), and the U.S. Commodity Futures Trading Commission.
- Following administrative announcements, the Group transitioned to the discussion of U.S. Treasury securities central clearing developments. An ICE Clear Credit (ICC) representative gave [an overview](#) of the ICC's proposed Treasury clearing services, highlighting proposed clearing models, client segregation, default management actions, and a planned launch timetable. The ICC representative noted that the Treasury clearing services would be provided out of the existing ICC entity and that market participants will have an option to clear transactions either as a direct ICC participant or as a client through an ICC participant (agency-style). The ICC representative also noted that both house (proprietary) and client-related positions will be separately maintained and risk-managed. In addition, ICC plans to establish a separate guarantee fund for ICC participants only. The overview concluded on a note that Treasury cash clearing is targeted for operational readiness by December 2025 and Treasury repo clearing is expected to be introduced in 2026, although actual implementation will be subject to regulatory approvals.

¹ ICE Clear Credit guest speaker left the meeting following their presentation.

A Depository Trust and Clearing Corporation (DTCC) representative gave an overview of the Fixed Income Clearing Corporation's (FICC's) proposed [Sponsored GC Service Expansion](#) and [Agent Clearing \(ACS\) Triparty Service](#) recent filings with the SEC. The representative outlined three key enhancements for FICC's Sponsored GC Service, including (i) [introducing](#) a new FICC triparty cleared repo service, called "Collateral in-Lieu (or CIL)," (ii) enabling "done-away" capability to allow sponsored members to transact with a counterparty other than their sponsoring member, and (iii) recommending moving the novation deadline from 5:30 p.m. to 7 p.m. to allow for late-day trading. The DTCC representative noted that, under the proposed CIL service, cash investor sponsored members (money market funds and other cash lenders) will be able to grant FICC a lien over the collateral already pledged in their triparty custody accounts by dealer borrowers. This will eliminate the need for sponsoring member dealers to post a haircut to the cash investor sponsored member to cover potential losses in repo and to post margin to the central counterparty on behalf of the same client position resolving the "double margining" issue. Then, the DTCC representative reviewed FICC's proposal to add cleared triparty repo capabilities to its Agent Clearing Service, noting it could enhance margin efficiencies and also offer relief to the "double-margining" issue.

Next, the DTCC representative informed members that the Securities Industry and Financial Markets Association's Accounting Committee's U.S. Treasury (UST) Clearing Working Group completed its [review](#) of FICC's Agent Clearing Model and published a [white paper](#) on accounting treatment for UST Repo Transactions Cleared Through FICC that had been widely anticipated by market participants. It was noted that in the Commissioner Uyeda's [update](#) on Treasury clearing implementation, he noted that the SEC staff did not object to the conclusion that an agent clearing member would act as an agent with respect to the customer's repo trades and would not need to reflect the customer's transactions on its balance sheet.

- A representative of the U.S. Treasury Department's Office of Debt Management reviewed the [results](#) from the U.S. Treasury's buyback program since its inception in May 2024. Between May 29, 2024 and September 24, 2025, Treasury purchased \$228.3 billion in par amount of more than \$1 trillion in securities offered across 85 cash management and liquidity support buyback operations. The representative noted that the program has been well received among market participants, with significant oversubscription in the 1Mo-2Y, 10Y-20Y, and 20Y-30Y liquidity support operations. The representative then provided an update on four key enhancements, announced in July 2025, which were intended to improve the efficacy of the program. Specifically, the U.S. Treasury announced its intention to 1) increase the frequency of liquidity support buyback operations from two to four per quarter for the 10Y-20Y and 20Y-30Y sectors, 2) change TIPS maturity sectors from 1Y-7.5Y and 7.5Y-30Y to 1Y-10Y and 10Y-30Y, 3) increase the annual maximum size of cash management buyback operations from \$120 billion to \$150 billion, and 4) offer direct access to buyback operations to a limited number of additional counterparties beginning in the first half of 2026. Direct access to buyback operations was offered to Treasury auction participants that are not primary dealers with at least \$35 billion (in 10Y equivalents) of auction awards during the first half of 2025. The representative also noted that the \$35 billion threshold may be adjusted in the future.
- A Co-Chair of the Agency Mortgage-Backed Securities (MBS) Working Group provided an update on the working group's progress. The Co-Chair noted the working group had developed an initial high-level overview of the current state of play in the agency MBS market. The group also identified two key areas for further exploration: the possible implications of any potential changes in GSE ownership structure on the liquidity and functioning of the agency MBS market; and mapping

trading, clearing, and settlement processes in the TBA, or “to be announced,” market. The working group plans to reconvene to determine which area should be pursued first.

- The TMPG then turned to a discussion of market developments since [the June TMPG meeting](#), including the U.S. economic outlook, member expectations for the path of the policy rate, and funding market conditions.

U.S. Economic Outlook

- Members were attentive to a host of recent economic data and generally agreed that it pointed to weakening labor market conditions and more subdued than expected tariff-related inflationary pressures. On the other hand, members observed that growth and consumer spending data have remained relatively resilient. Members highlighted a confluence of factors supporting economic growth, including strong consumption levels, wealth effects, and AI-related expenditures. With respect to the labor market, members expressed some concern over weak hiring this September relative to prior years. Members observed that initial jobless claims nonetheless remain low but attributed this to limits on eligibility for unemployment benefits and the composition of workers who may have lost jobs to date, rather than reading low claims as inconsistent with a deteriorating labor market. Further, members posited that low initial claims and steady continuing claims support the read of a “low-hire, low-fire” environment.
- Members highlighted a limited passthrough from tariffs to inflation but appeared to agree that the continued absorption of tariffs by exporters/businesses in efforts to retain market share is likely not sustainable.
- The potential implications of the ongoing government shutdown were also a point of discussion. Members highlighted a shift in focus among market participants from public to private data, amid a lack of public releases during the shutdown. Members also noted concerns in the market around data quality and potential bias in recent and upcoming public data releases. While members expect only modest negative impact on growth from the shutdown, they acknowledged that a more prolonged shutdown could pose a downside risk to the growth outlook.

Expectations for the Path of Policy Rate

- Members generally seemed to agree that more U.S. interest rate cuts are imminent, with some expecting risk management cuts at both the October and December FOMC meetings, and one more in Q1 2026. Some members noted that the market is pricing in a 3 percent terminal interest rate, which in their view could end up 25-basis points higher or lower. There was also a discussion about Federal Reserve leadership going forward. Some members commented that if the market were to price in a more dovish Fed Chair, then the terminal interest rate could be expected to go down to as low as 2.75 or 2.5 percent. However, other members argued that a more dovish Fed Chair’s policy stance would not change the level of the terminal interest rate but only how quickly it would be reached.
- Some members also discussed the timelines over which labor market deterioration and tariff passthrough are likely to occur, and the implications for Federal Reserve policy. Some members noted that if tariffs are just a one-time price increase that materializes only next year, the Federal Reserve might maintain a neutral stance in anticipation of tariffs, posing deterioration to an already slowing labor market. Some members argued that tariff

passthrough will be more gradual alongside labor market deterioration, yet others highlighted that inflation will likely be elevated in Q2 next year even without tariff impacts.

Funding Market Conditions

- Members generally agreed that funding market conditions around the September tax date and quarter-end were notably calmer than in Q1 and Q2, in line with member expectations. Members characterized the Treasury General Account rebuild as swift and noted a limited need for heavy Treasury issuance since the U.S. debt limit was raised in early July, while also noting the bond market is absorbing issuance well. Members also noted considerable capacity on the buy-side, highlighting that the total assets under management for money market funds of about \$7.7 trillion are projected to increase to \$8 trillion by year-end. Members pointed to a low take-up in the Overnight Reverse Repurchase Agreement as well as the limited Standing Repo Facility usage given this capacity.
- Members also discussed the market reaction to the Federal Reserve Bank of Dallas President Logan's remarks recommending a switch in the operating target from the Federal Funds Rate to, potentially, the Triparty General Collateral Rate, so it captures the increase in money market activity in secured markets. Some members expressed support - citing the fragility of the Federal Funds Market, while others noted that targeting the Secured Overnight Financing Rate could help keep repo markets stable. Members agreed that this topic merited further discussion.

- The next TMPG meeting is scheduled for November 18, 2025, from 3:00-5:00 PM.