



FEDERAL RESERVE BANK *of* NEW YORK

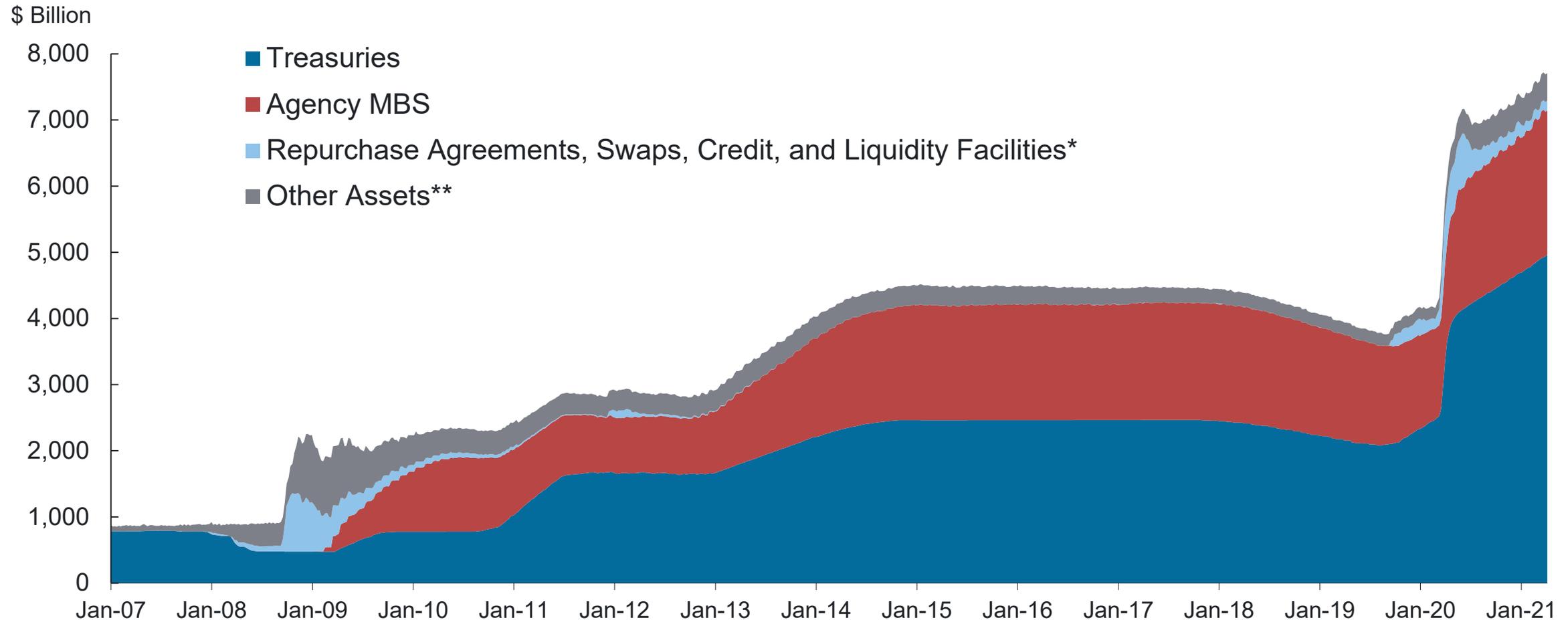
The Impact of Abundant Reserves on Money Markets and Policy Implementation

Remarks at SIFMA's Featured Webinar *The Federal Reserve's Outlook: Markets and Policy Implementation*

Lorie Logan
April 15, 2021

The views presented here are those of the author and do not necessarily reflect those of the Federal Reserve Bank of New York or the Federal Reserve System

Figure 1: Assets of the Federal Reserve

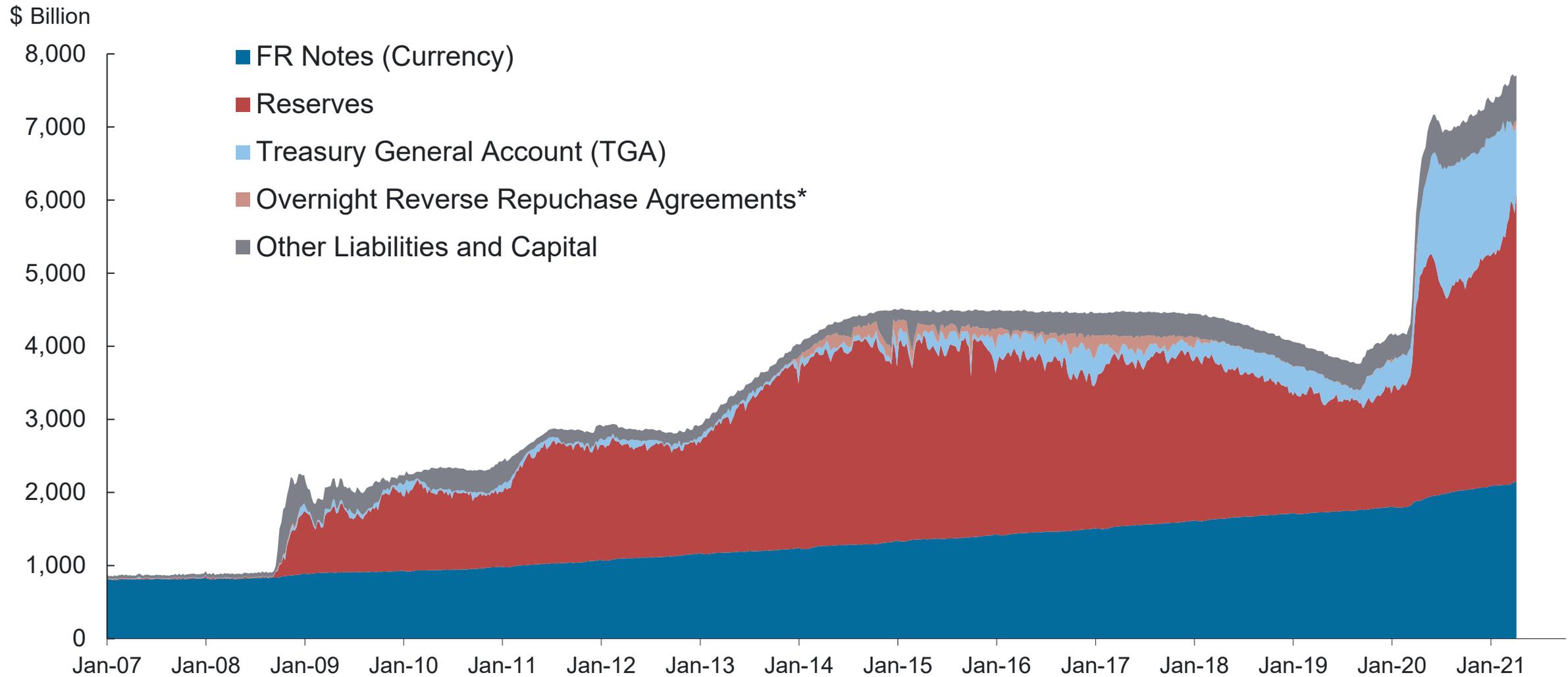


Source: Board of Governors of the Federal Reserve System H.4.1 Statistical Release

Note: * includes repurchase agreements, central bank liquidity swaps, primary and secondary credit, Primary Dealer Credit Facility, Money Market Mutual Fund Liquidity Facility, Paycheck Protection Program Liquidity Facility, and net portfolio holdings of the Commercial Paper Funding Facility, Corporate Credit Facilities, Main Street Lending Program, Municipal Liquidity Facility and Term Asset-backed Securities Loan Facility.

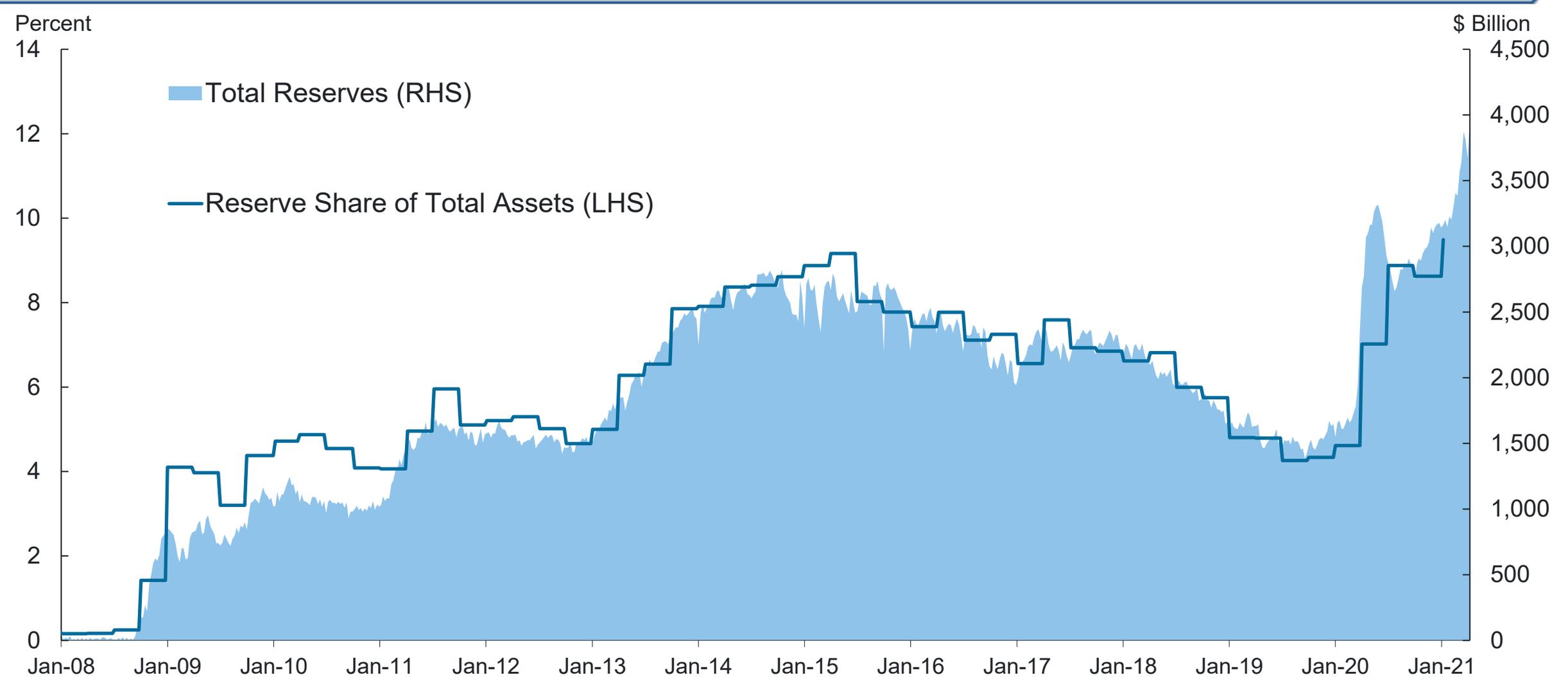
Note: ** includes agency debt, gold certificates, special drawing rights, coin; foreign currency denominated assets, bank premises, unamortized premiums and discounts on securities held outright, accrued interest, net portfolio holdings of the Maiden Lane LLC, and other accounts receivables.

Figure 2: Liabilities of the Federal Reserve



Source: Board of Governors of the Federal Reserve System H.4.1 Statistical Release
Note: * includes small volumes of term reverse repurchase agreement exercises in 2015.

Figure 3: Reserves as a Share of Total Assets Among Domestic Banks

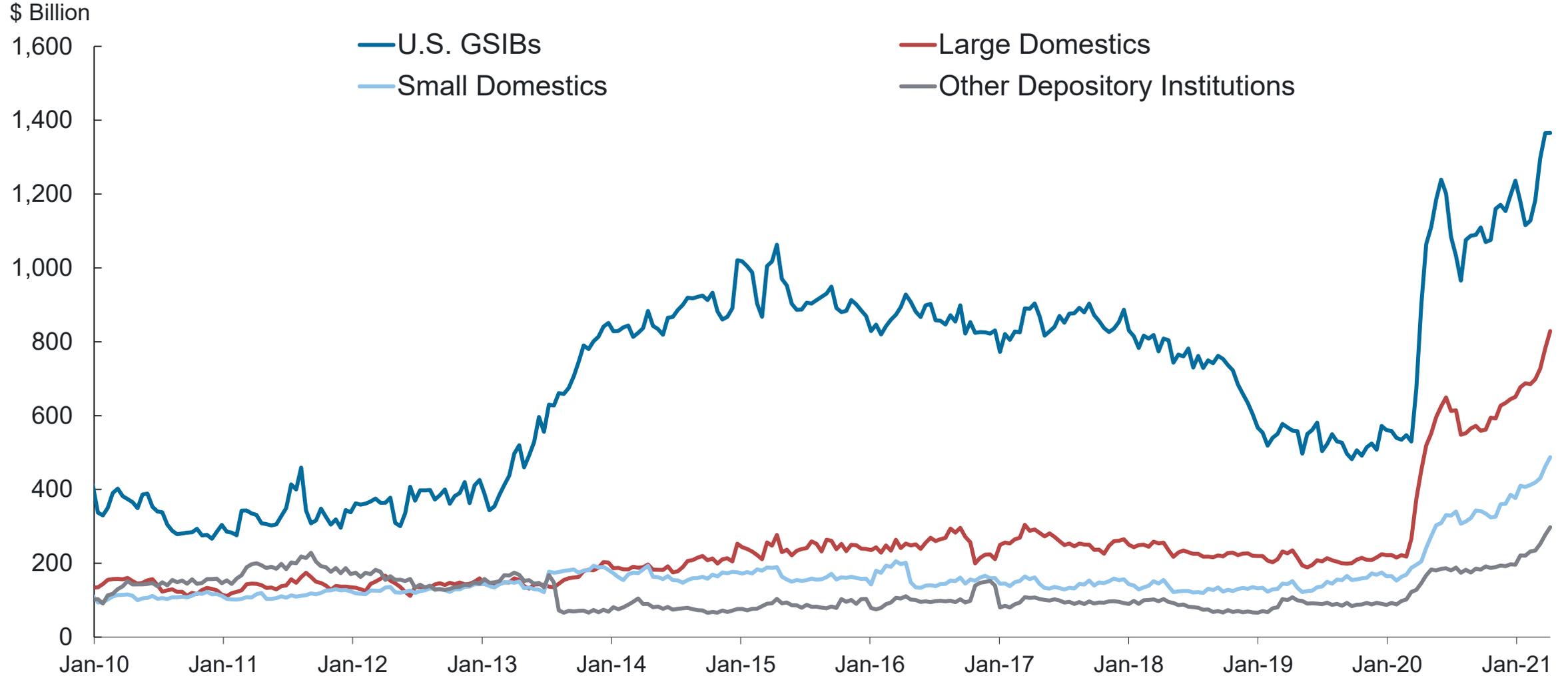


Source: FFIEC 031, Board of Governors of the Federal Reserve System H.4.1 Statistical Release

Note: FFIEC 031 data is published on a quarterly basis, whereas the H.4.1 is published on a weekly basis.



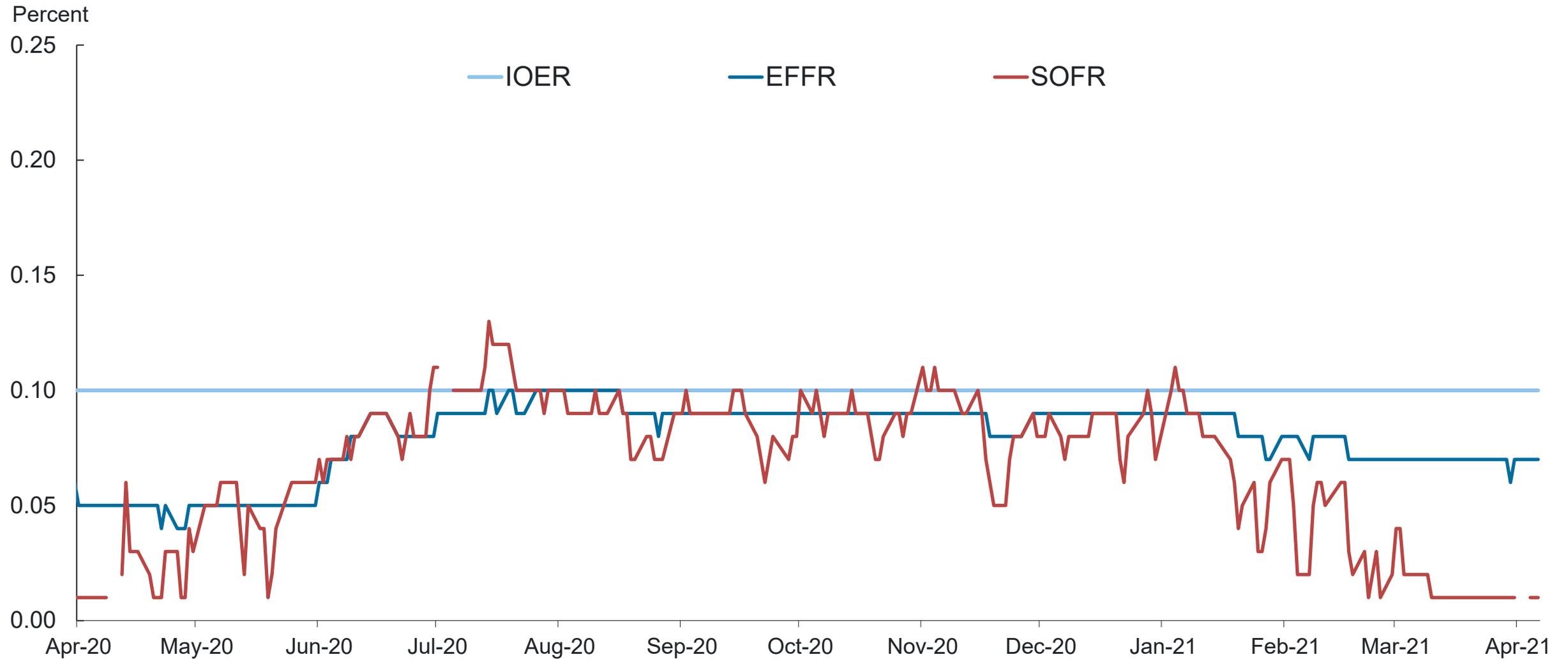
Figure 4: Reserves Held by Domestic Banks



Source: Board of Governors of the Federal Reserve System FR 2900

Note: Large Domestics refers to domestically chartered banks with greater than \$50 billion in assets. Other Depository Institutions includes credit unions, entities in U.S. territories, and other institutions not reporting assets.

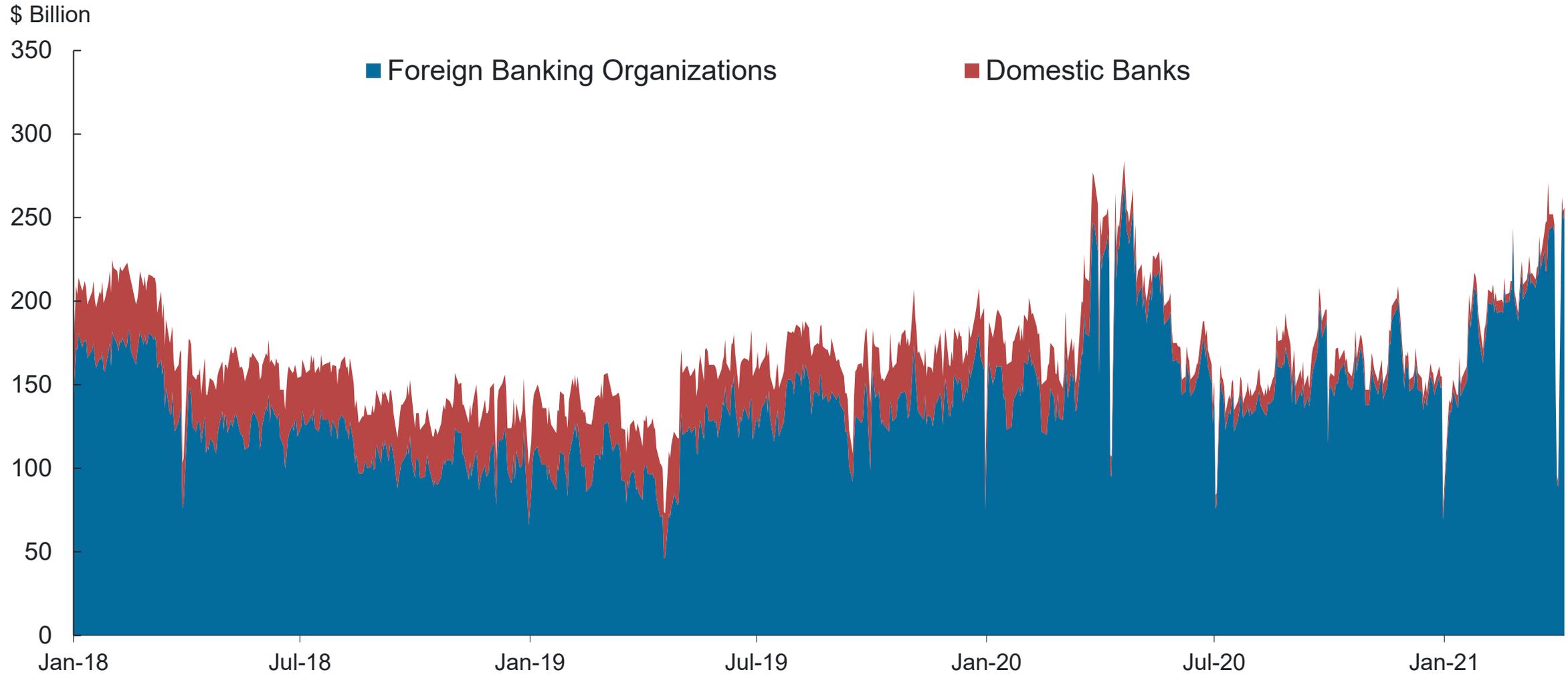
Figure 5: Overnight Money Market Rates



Source: Federal Reserve Bank of New York, Board of Governors of the Federal Reserve System

Note: SOFR was not published on dates with a missing value due to market holidays.

Figure 6: OBFR Volumes by Bank Type

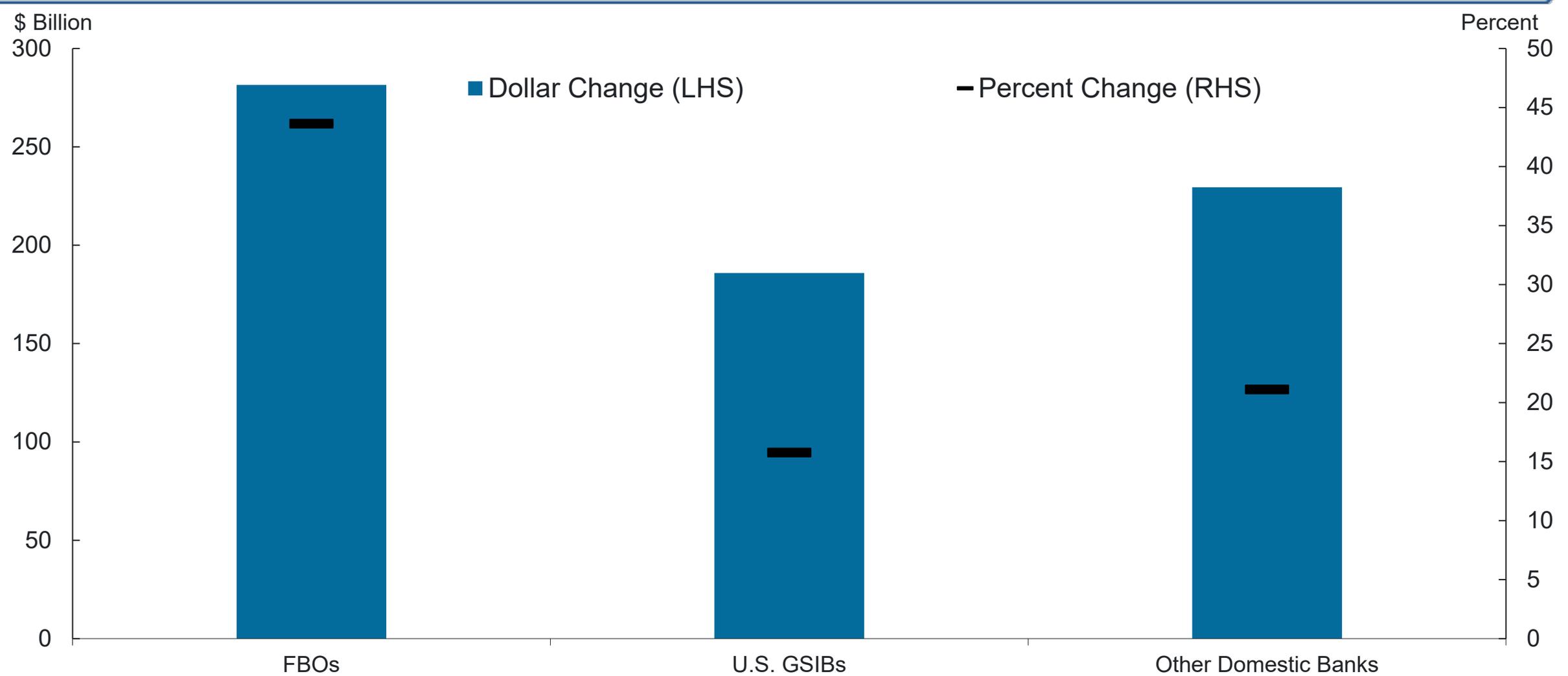


Source: Federal Reserve Bank of New York

Note: The Overnight Bank Funding Rate (OBFR) is a measure of wholesale, unsecured, overnight bank funding costs calculated using federal fund transactions, certain Eurodollar transactions, and certain domestic deposit transactions, all as reported in the FR 2420 Report of Selected Money Market Rates.



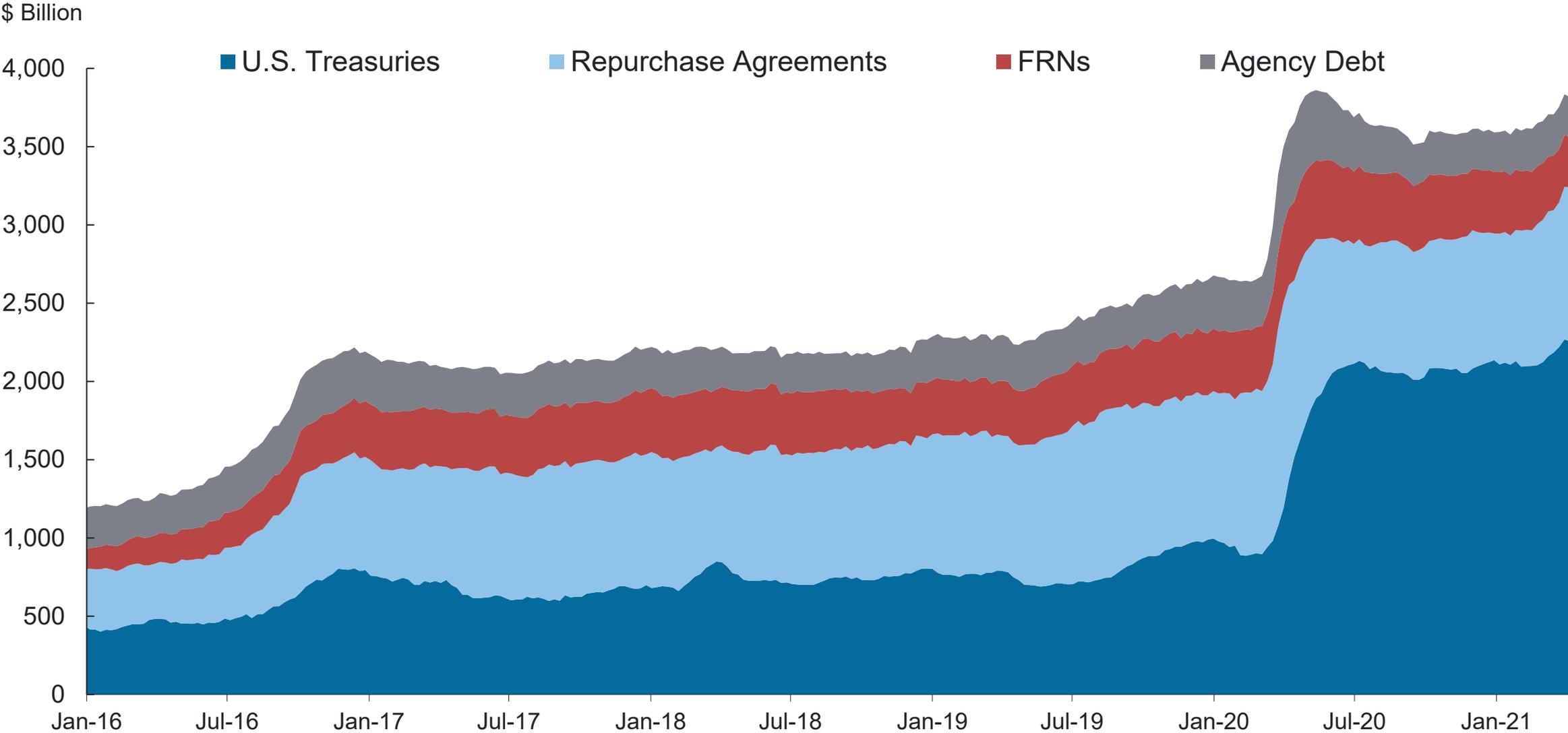
Figure 7: Year-to-Date Increases in Reserves by Bank Type



Source: Board of Governors of the Federal Reserve System FR 2900

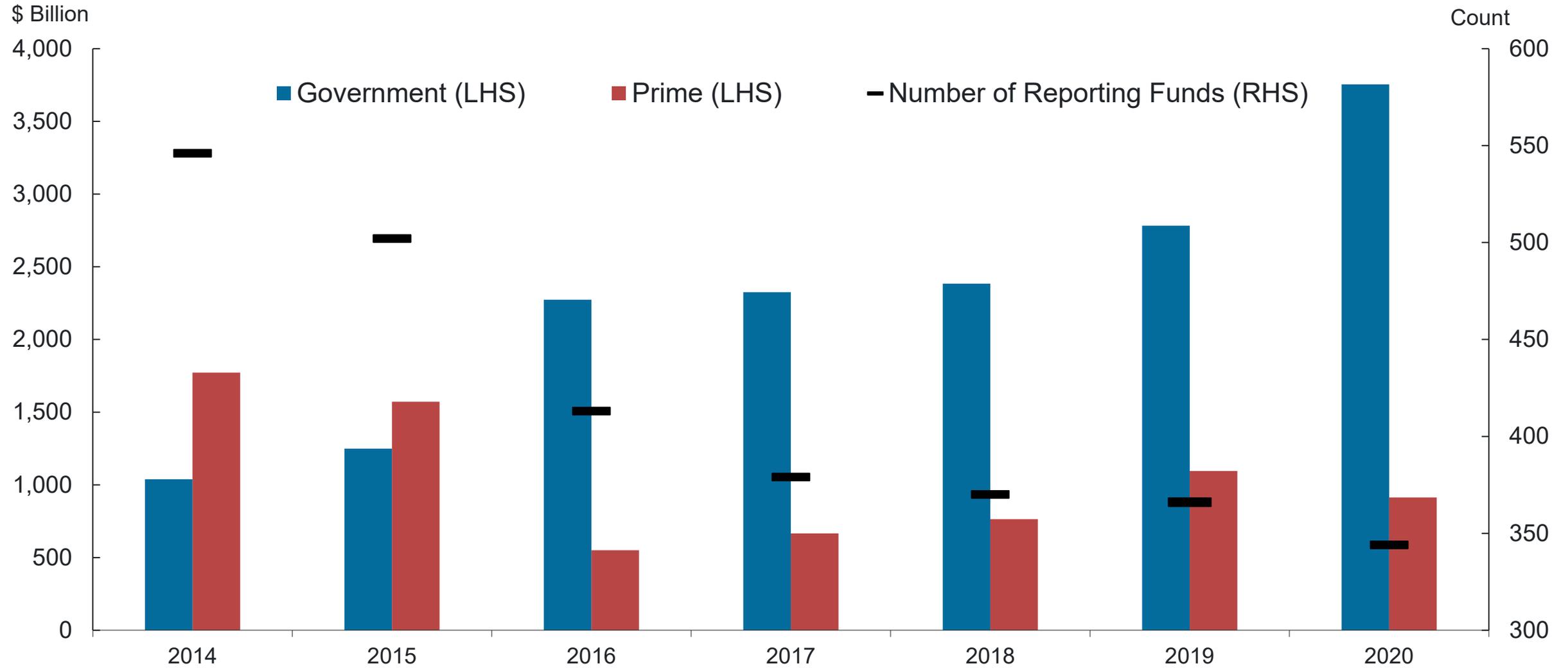
Note: Based upon change in reserve levels from January 13, 2021 to April 7, 2021.

Figure 8: Government Money Market Fund AUM and Asset Allocation



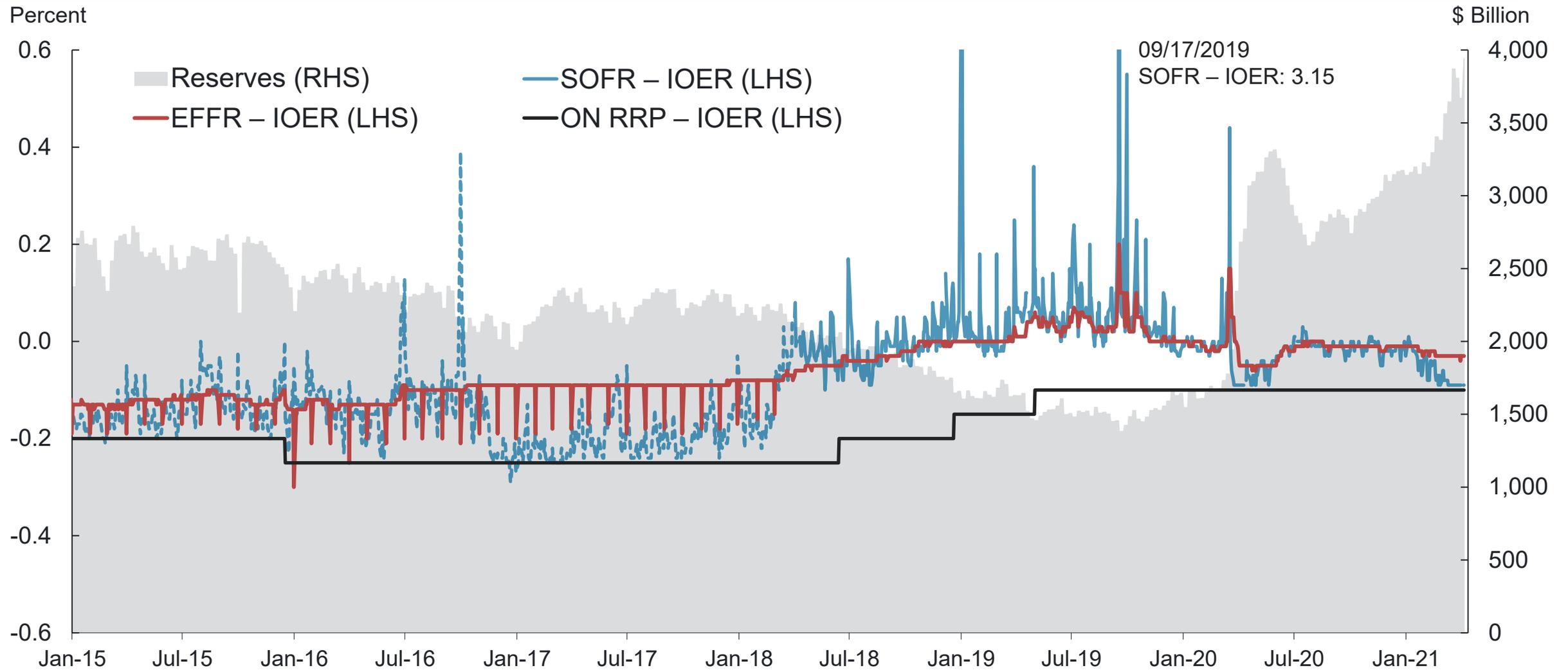
Source: iMoneyNet

Figure 9: Government and Prime Money Market Fund AUM



Source: SEC Division of Investment Management
Note: All values correspond to year-end.

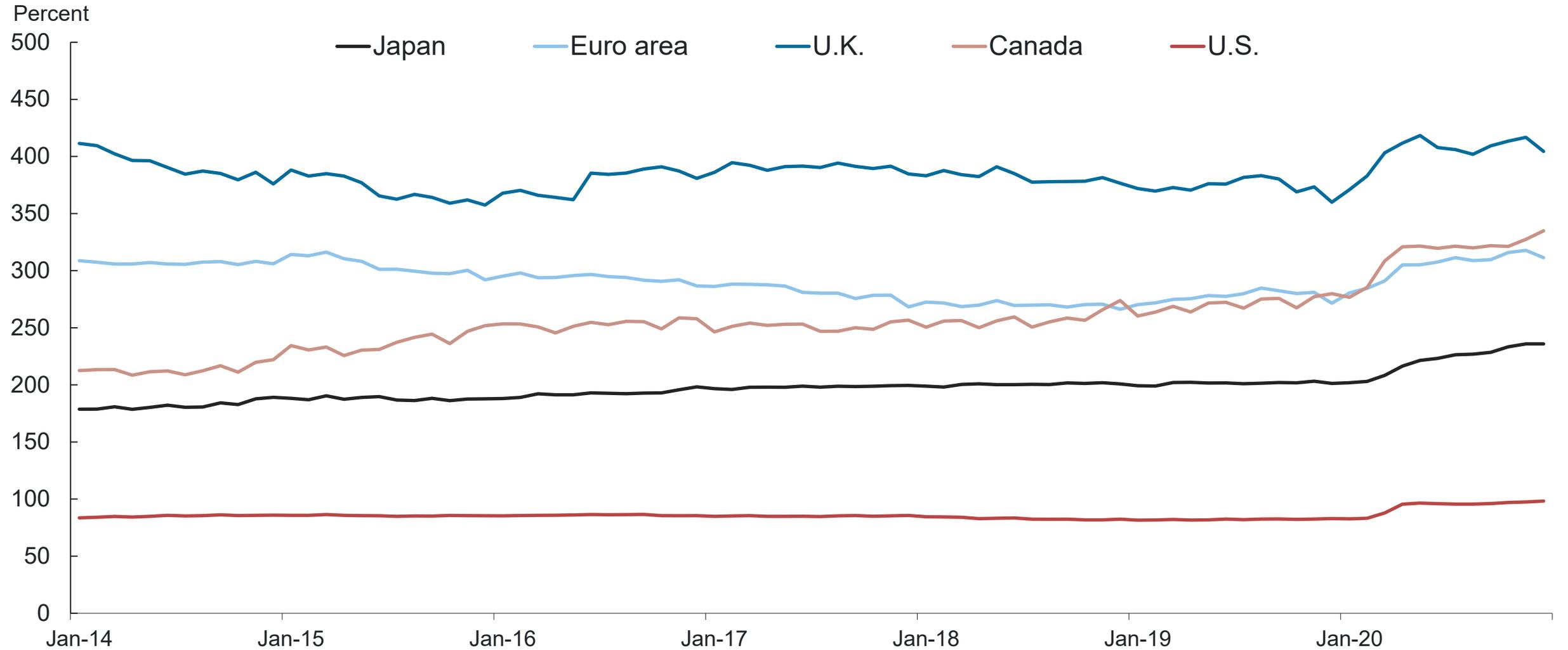
Figure 10: Money Market Spreads to IOER and Reserves



Source: Federal Reserve Bank of New York, Board of Governors of the Federal Reserve System H.4.1 Statistical Release

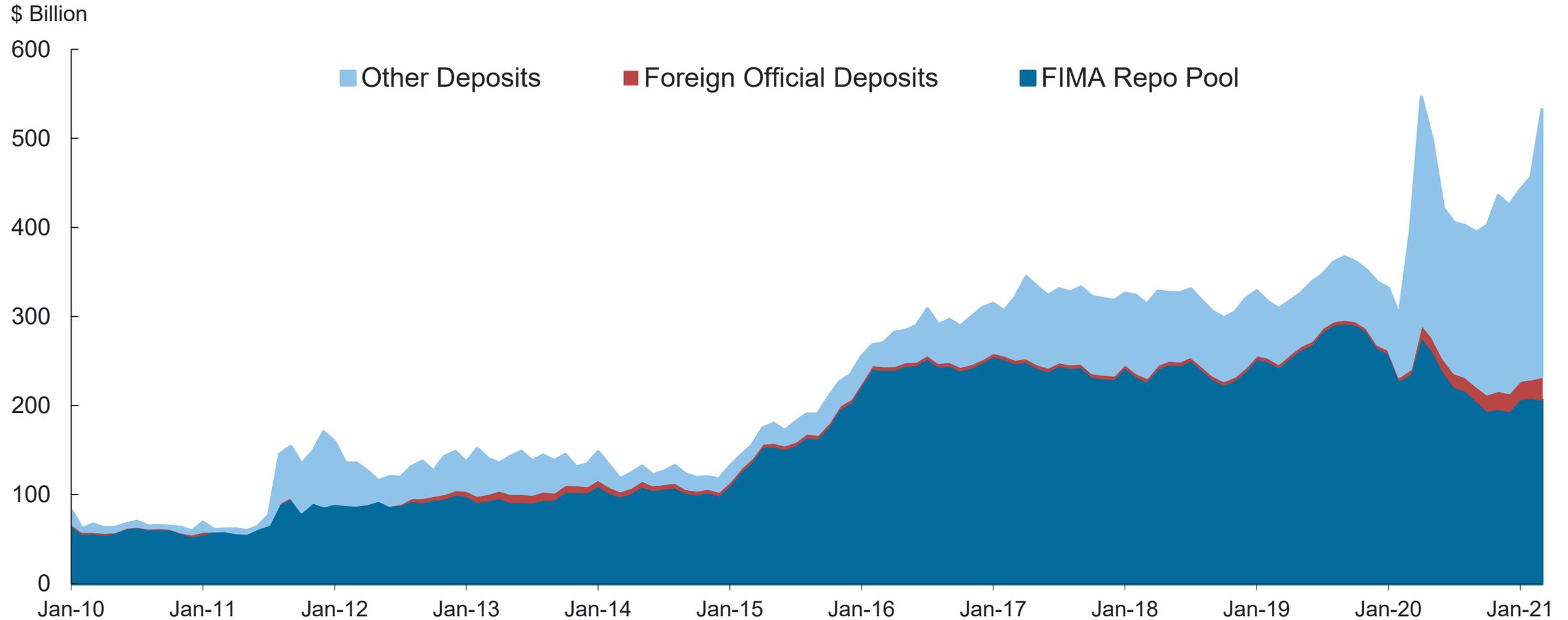
Note: SOFR values prior to April 2018 are calculated via indicative data, indicated by the dashed series.

Figure 11: Banking System Assets as a Share of GDP



Source: Haver, Bank of Japan, European Central Bank, Bank of England, Bank of Canada, Federal Reserve
Note: Data excludes foreign banking organizations in each country.

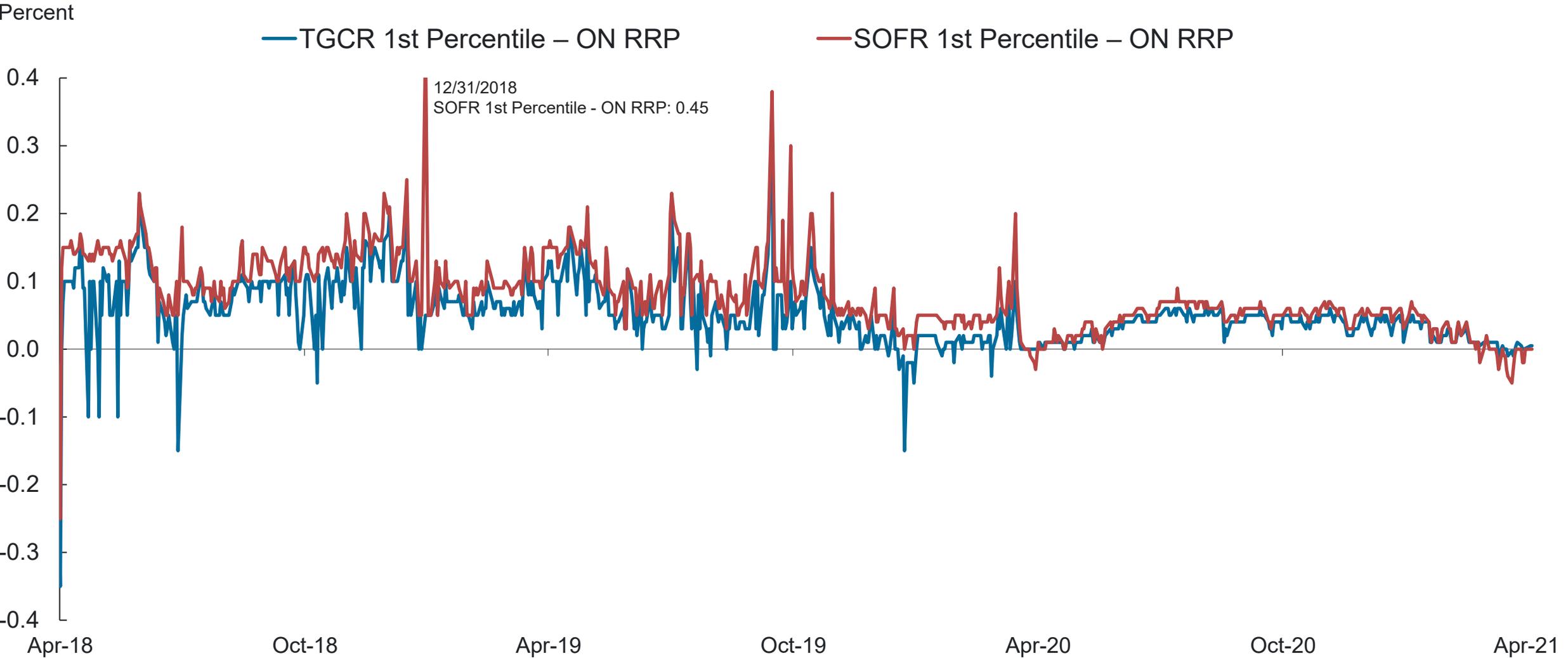
Figure 12: Selected Other Federal Reserve Liabilities



Source: Board of Governors of the Federal Reserve System H.4.1 Statistical Release

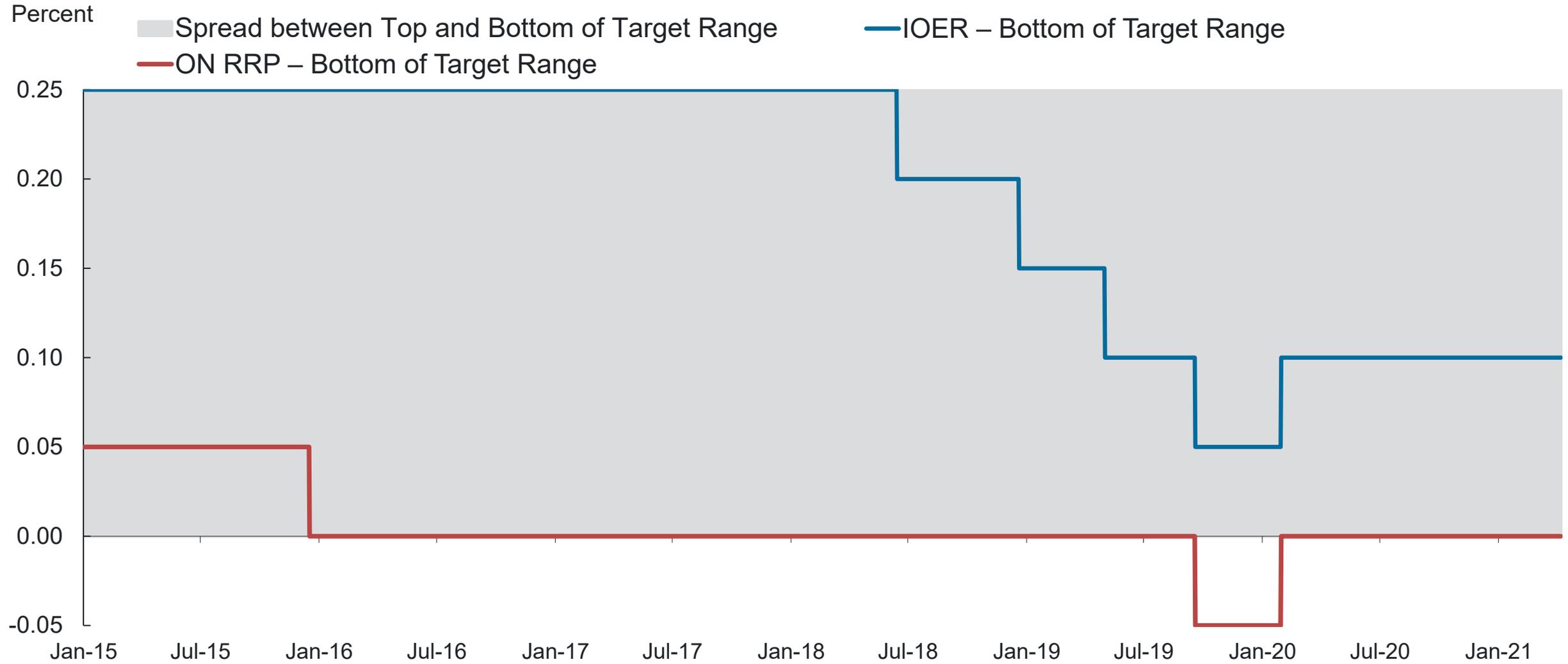
Note: Other Deposits includes GSE deposits, DFMU deposits, deposits held by international and multilateral organizations, deposits held in joint accounts by depository institutions in connection to their participation in certain private-sector payment arrangements, and certain deposit accounts other than the TGA for services provided by the Reserve Banks as fiscal agents of the United States.

Figure 13: First Percentile of Secured Money Market Rates



Source: Federal Reserve Bank of New York

Figure 14: Administered Rate Adjustments



Source: Federal Reserve Bank of New York, Board of Governors of the Federal Reserve System