

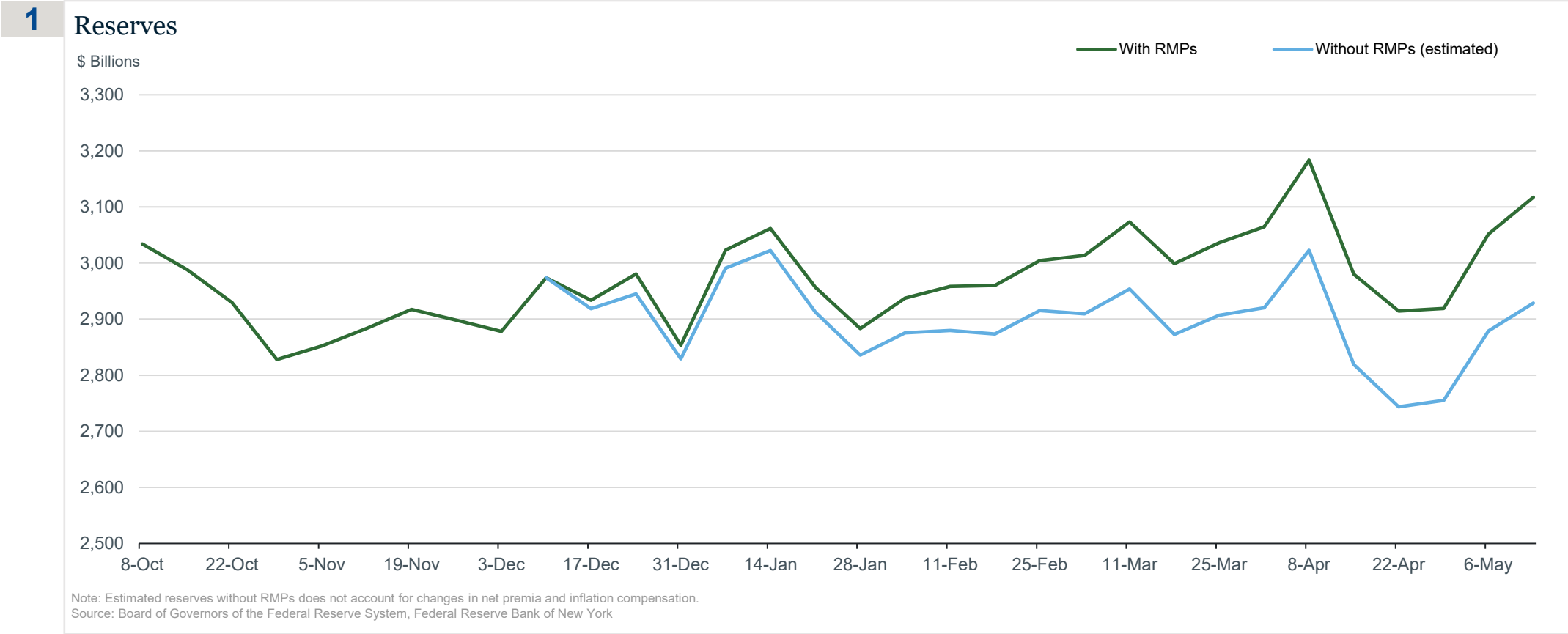
# **Reserve Management and the Fed's SOMA: Recent Experience and Insights from Surveys**

**Roberto Perli, System Open Market Account (SOMA) Manager**  
**Atlanta Fed 2026 Financial Markets Conference**

**May 19, 2026**



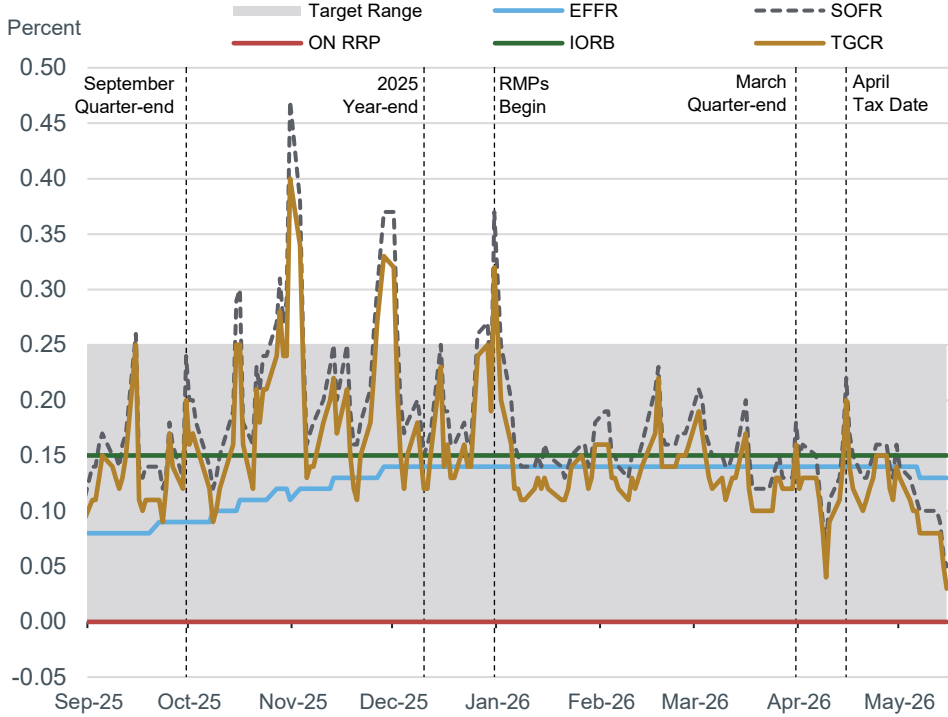
# Prior RMPs ensured that reserves remained within the ample range during April tax season



# On April tax date, repo rates rose modestly and there was some SRP take-up as the operations became economically sensible to use

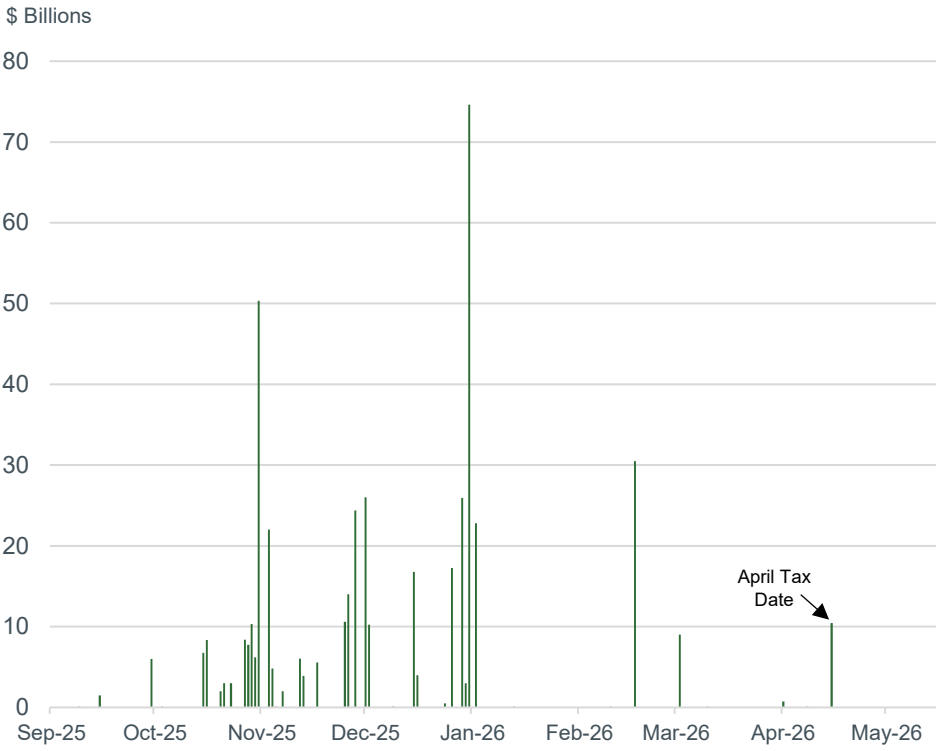
## 2 Administered and Overnight Rates

(Spread to Bottom of Federal Funds Target Range)



Note: Data through 5/15/2026.  
Source: Board of Governors of the Federal Reserve System, Federal Reserve Bank of New York

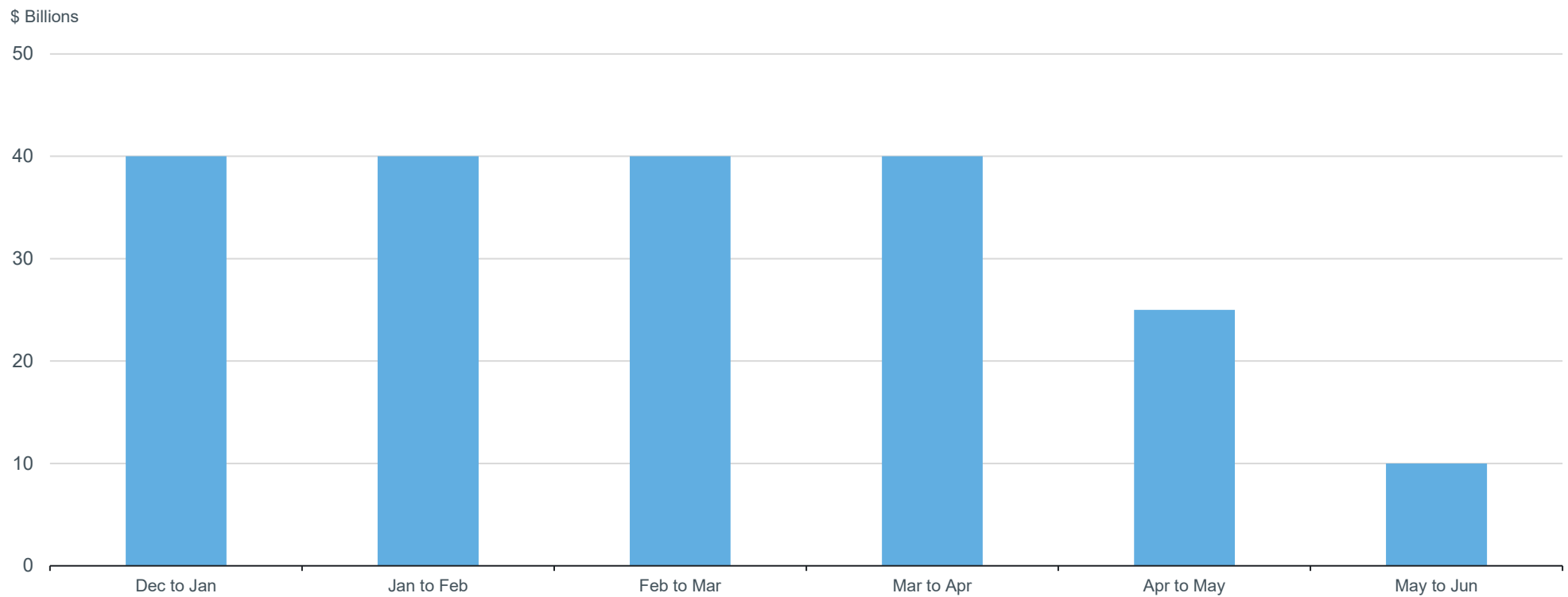
## 3 SRP Usage



Note: Data through 5/15/2026.  
Source: Federal Reserve Bank of New York

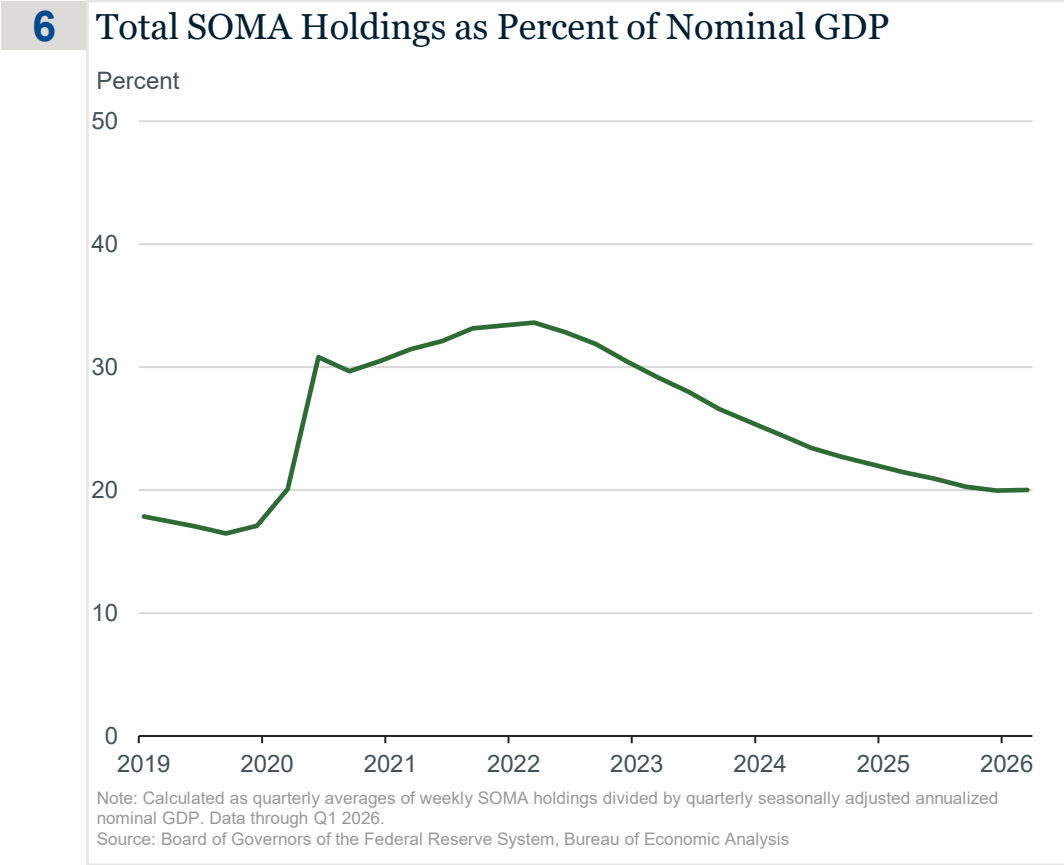
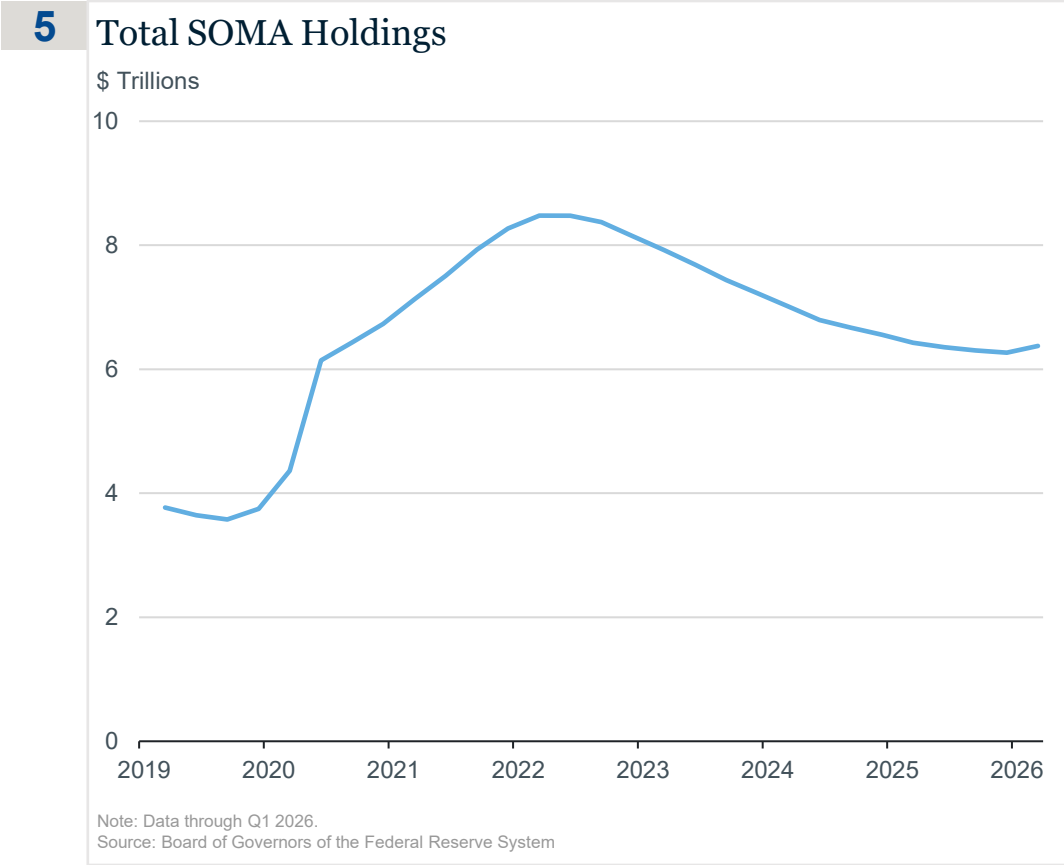
# Monthly RMP amounts have been reduced

## 4 Announced Reserve Management Purchase Amounts



Source: Federal Reserve Bank of New York

# Current SOMA holdings are around \$6.4 trillion, or 20% of GDP, well below post-pandemic peak levels



# Currency, the TGA, and reserves account for over 90 percent of current Federal Reserve liabilities

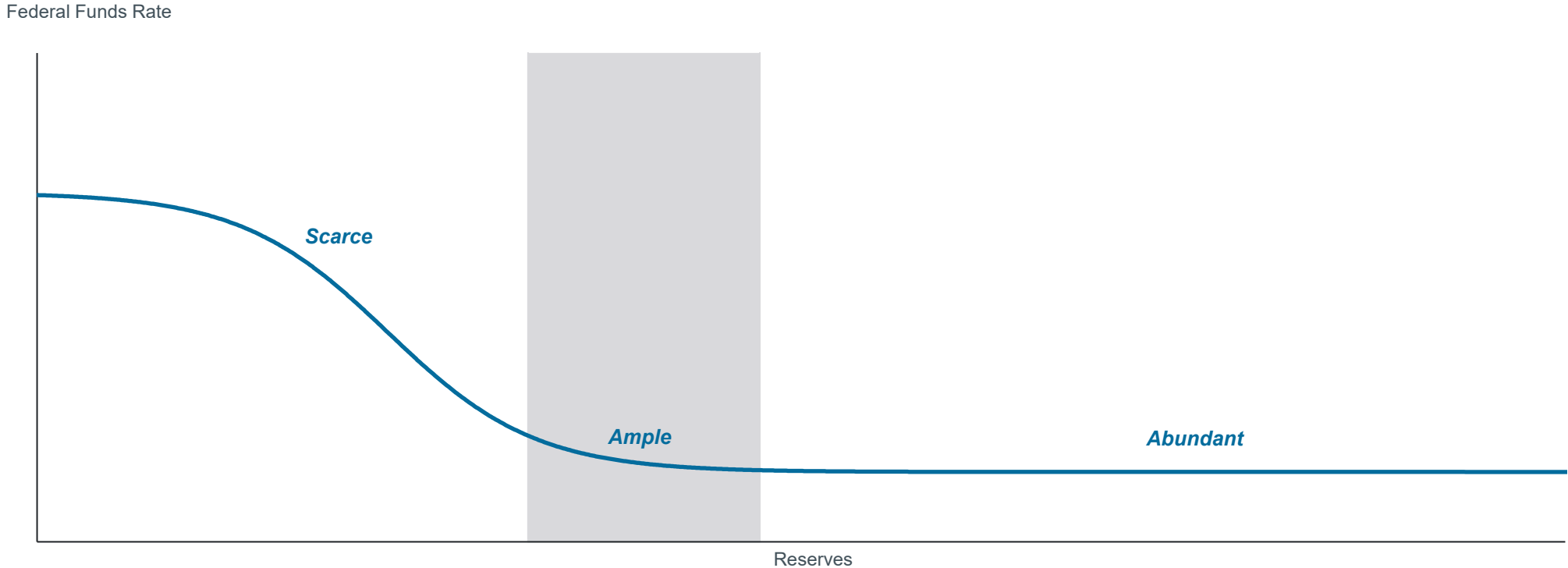
## 7 Stylized Federal Reserve Balance Sheet (\$ Billions)

Assets	Mid-May 2026	Liabilities and Capital	Mid-May 2026
<b>SOMA Portfolio</b>	<b>6430</b>	<b>FR Notes</b>	<b>2410</b>
U.S. Treasuries	4450	<b>TGA</b>	<b>810</b>
Agency Debt and Securities	1980	<b>FIMA Reverse Repo</b>	<b>320</b>
Standing Repo	0	<b>Overnight Reverse Repo</b>	<b>0</b>
		<b>Reserves</b>	<b>3120</b>
Other Assets	290	Other Liabilities and Capital	70
<b>Total Assets</b>	<b>6730</b>	<b>Total Liabilities and Capital</b>	<b>6730</b>

Note: Stylized balance sheet from mid-May 2026. Components may not sum to totals because of rounding.  
Source: Board of Governors of the Federal Reserve System

# Ample refers to a range of reserves that makes the federal funds rate only modestly sensitive to short-term variations in reserve supply

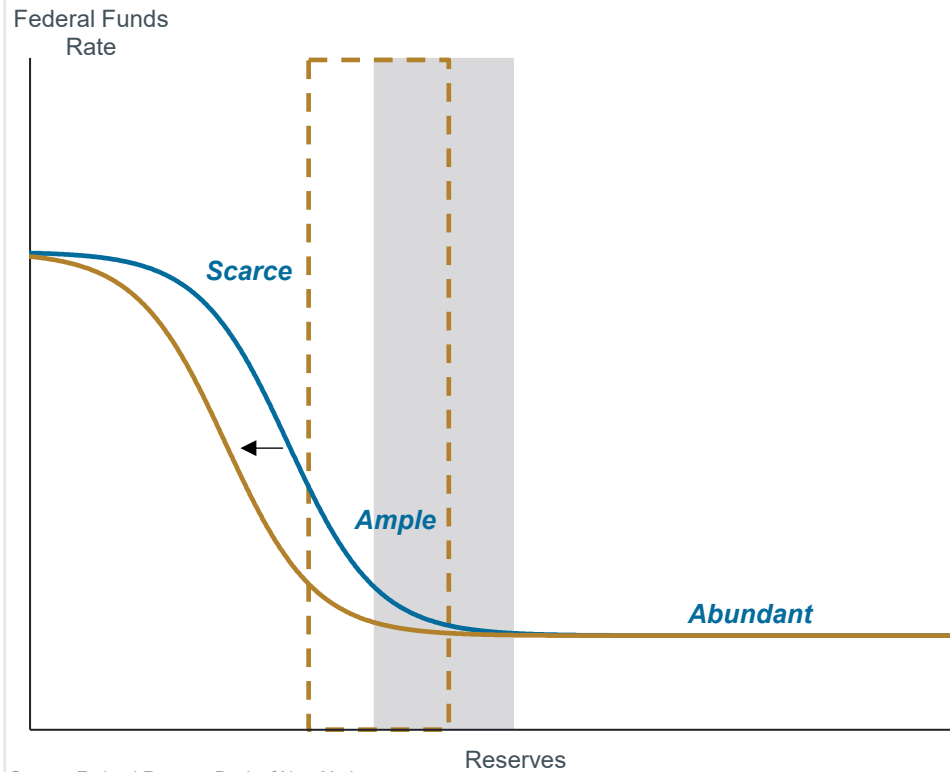
## 8 Stylized Reserve Demand Curve



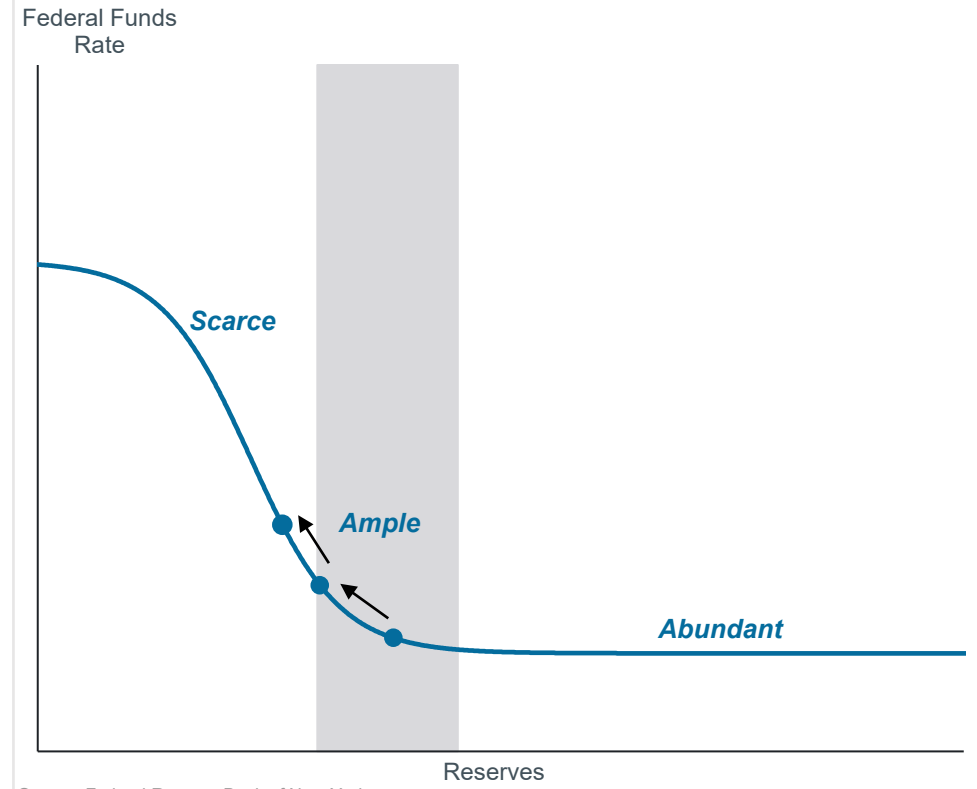
Source: Federal Reserve Bank of New York

# Conceptually, there are two approaches to reduce reserve supply: take steps to shift the demand curve, or move along the reserve demand curve

## 9 Stylized Reserve Demand Curve



## 10 Stylized Reserve Demand Curve



# Banks cite changes to liquidity regulations and payments as important drivers of their preferred reserve levels over the next two years

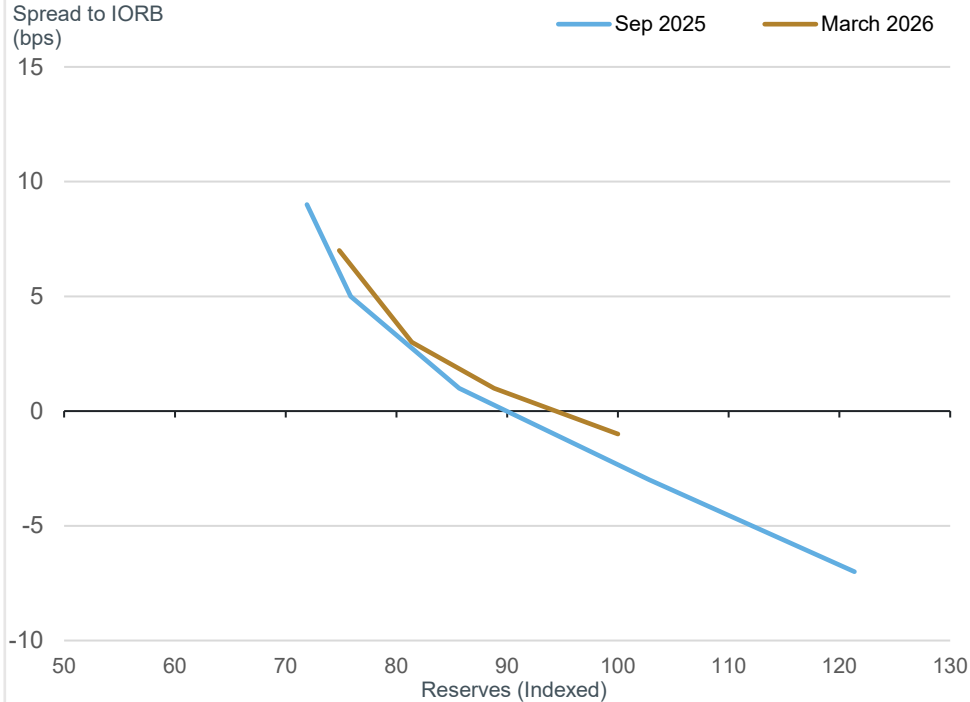
## 11 Factors Influencing Preferred Reserve Levels Over the Next Two Years

	FBO	Small Domestic	Large Domestic	US GSIBs	Grand Total	Likely Effect on Reserve Demand
Liquidity regulation changes	3.5	3.8	4.3	4.4	3.9	↓
Fed balance sheet policy	3.3	2.8	2.8	3.8	3.1	↓
24/7 payment adoption	2.3	3.6	3.4	3.3	3	↑
Faster wholesale and retail payments	2.2	3	2.9	2.9	2.7	↑
Capital regulation changes	2.4	2.9	2.5	2.8	2.6	↓
Faster settlement speeds	2.3	2.8	2.5	2.8	2.5	—
Stablecoin adoption	1.8	2.7	2.6	2.9	2.4	↑
AI technology adoption	1.9	2.4	2.3	2.5	2.2	—

Note: Based on a scale of 1, not important, to 5, very important. Likely effect on reserve demand is a staff assessment.  
Source: Senior Financial Officer Survey

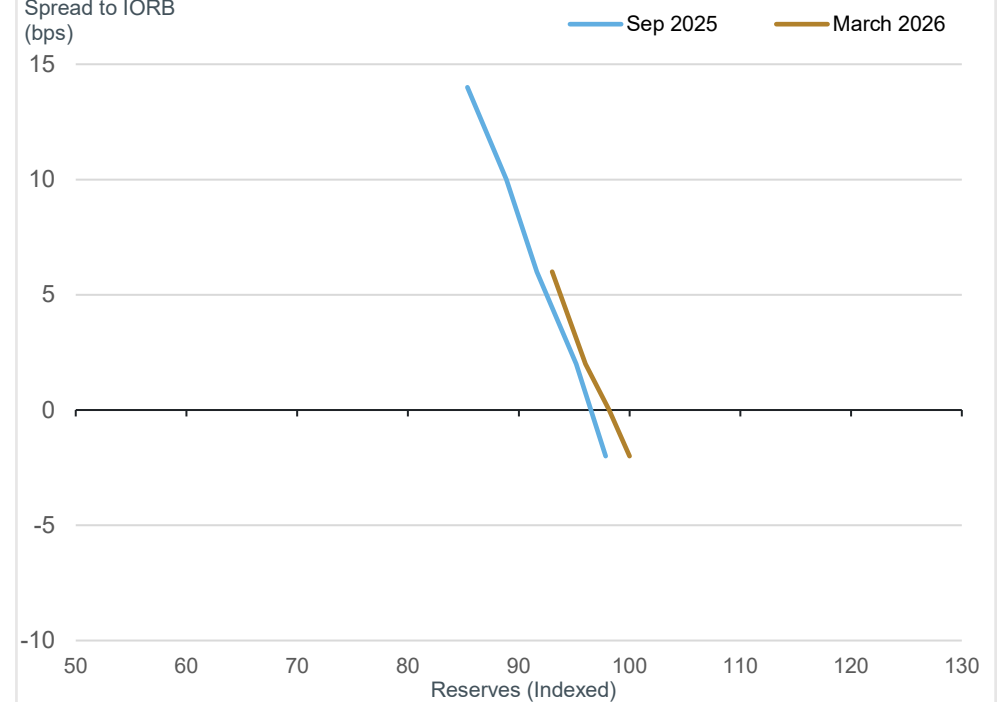
# Survey responses suggest a steep relationship between reserve holdings and overnight rates

**12** Level of Reserves Given Hypothetical Increase in Overnight Rates: Foreign Banks



Note: Reserves are indexed to 100 at the level of reserves as of the March 2026 Survey under rates prevailing at the time of the survey. Values are reserve-weighted responses.  
Senior Financial Officer Survey

**13** Level of Reserves Given Hypothetical Increase in Overnight Rates: Domestic Banks



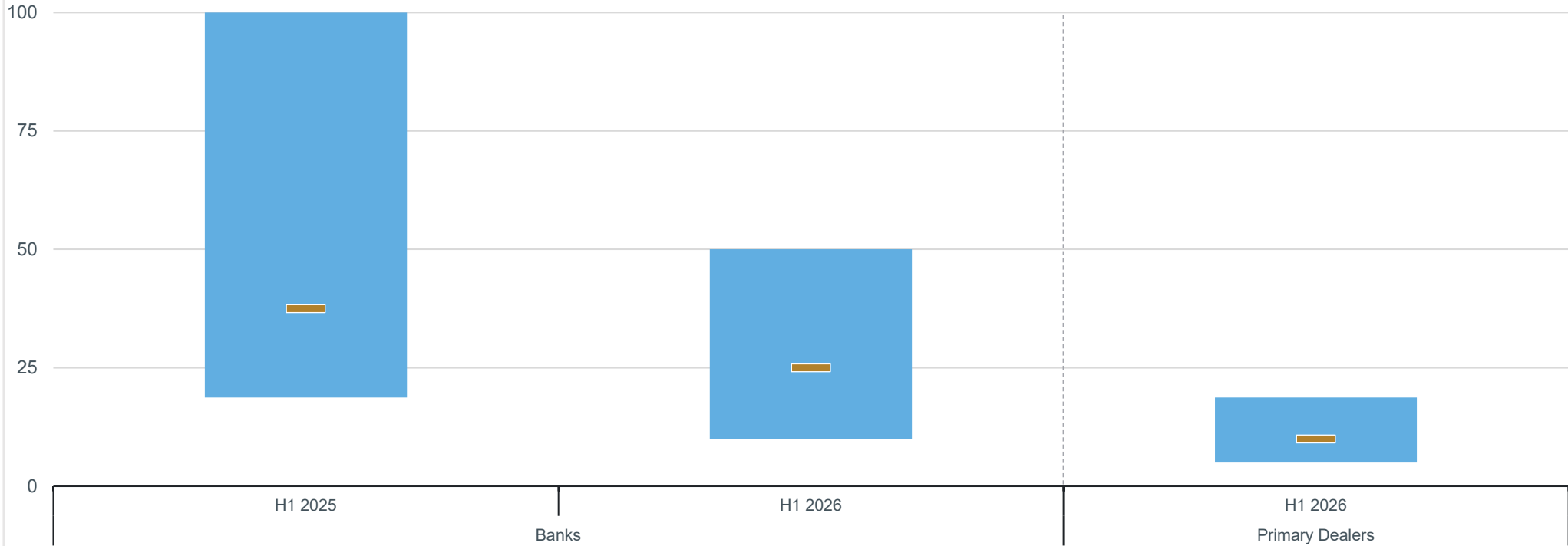
Note: Reserves are indexed to 100 at the level of reserves as of the March 2026 Survey under rates prevailing at the time of the survey. Values are reserve-weighted responses.  
Source: Senior Financial Officer Survey

# Banks reported notably lower hurdle spreads to consider use of SRPs; primary dealers indicate even smaller hurdle spreads

## 14 Hurdle Spreads to "Actively Consider" SRP

Basis Points

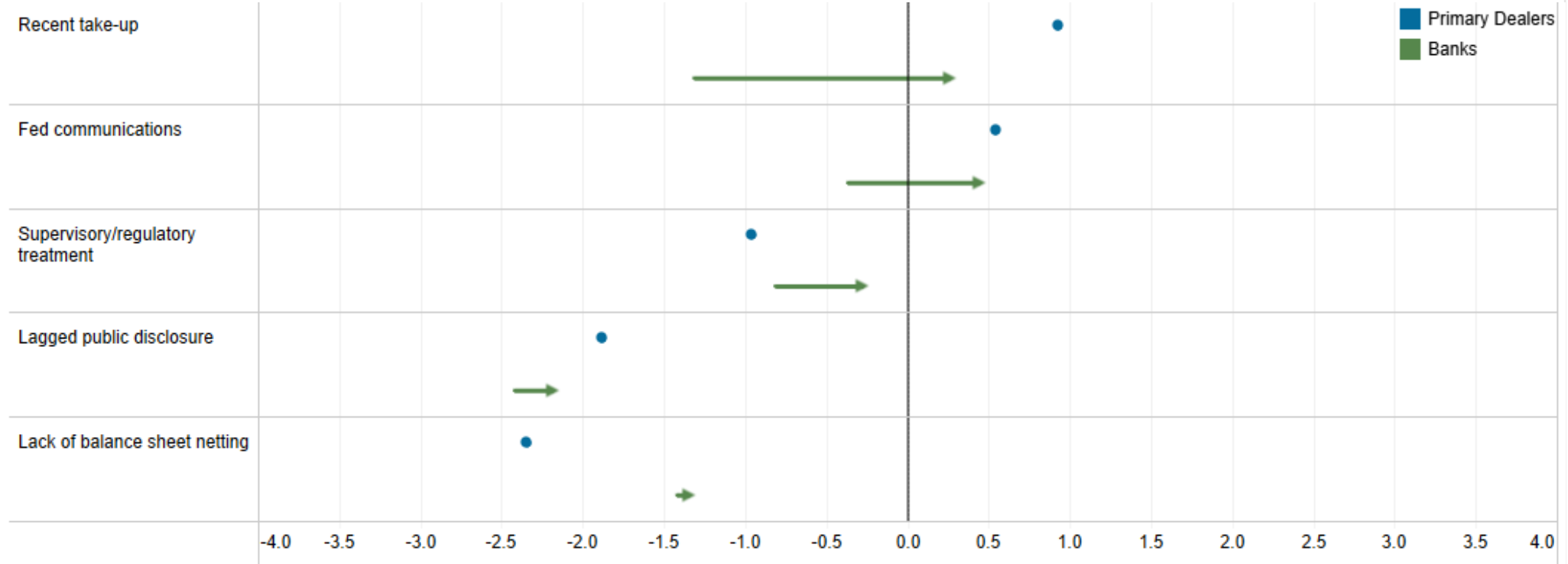
■ Interquartile Range ■ Median



Note: One day scenario for tri-party repo rates.  
Source: Senior Financial Officer Survey, Primary Dealer SRP Survey

# Respondents indicate that recent SRP take-up and Fed communications have encouraged use of SRPs

## 15 Factors Affecting SRP Participation



Note: Based on a scale from -4 (strongly discourages) to +4 (strongly encourages), on how each non-price factor may affect an institution's decision-making about submitting a proposition in SRP operations. Nominal average values shown. Green arrows show changes from the March 2025 to March 2026 SFOS. Blue dots show responses to the April 2026 primary dealer SRP survey.  
 Source: Senior Financial Officer Survey, Primary Dealer SRP Survey