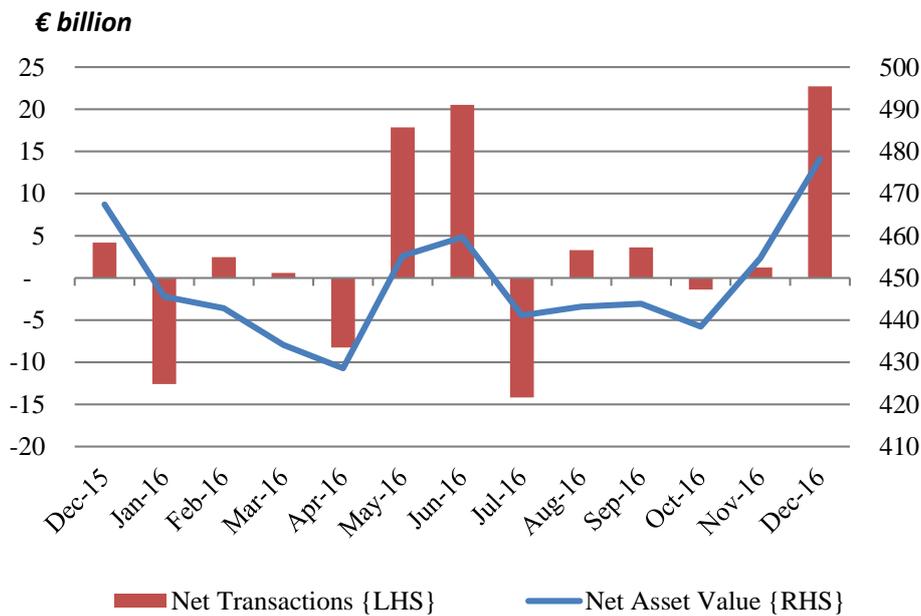




Money Market Fund Statistics – Q4 2016

Net Asset Value of Irish Money Market Funds



- The net asset value of Irish money market funds (MMFs) rose to €478 billion at end-December, from €444 billion at end-September, driven by net investor inflows of €22 billion.
- Total debt securities held by MMFs at end-December amounted to €373 billion, up from €337 billion in the previous quarter. The largest inflow was €11 billion into US debt securities.
- US dollar denominated funds replaced sterling denominated funds as largest fund type, accounting for 44 per cent (€210 billion) of net asset value.

The net asset value of money market funds (MMFs) resident in Ireland at end-December 2016 was €478.2 billion. This increase was driven by investor net inflows of €22 billion over the quarter. Activity was concentrated in December - 94 per cent of total gross inflows for the quarter occurred during the month.

Total debt securities held by MMFs at end-December amounted to €373 billion. The €27 billion increase in total debt securities from September was primarily reflected in higher holdings of US and French debt securities, which rose by €11 and €8 billion respectively (Table 1).

Table 1: - Debt Securities Assets – Selected Issuer Countries (December 2016)

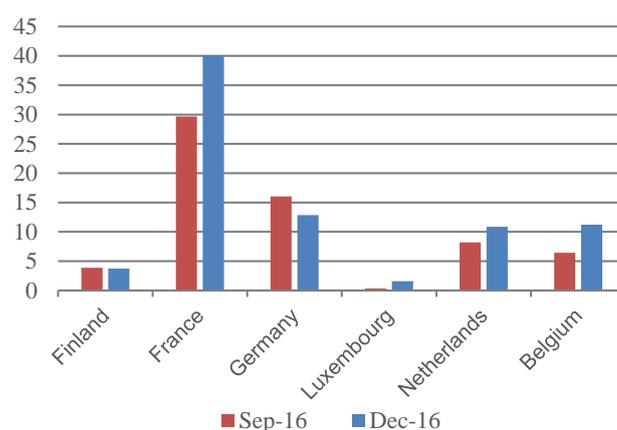
€ billion

Country	€ billion	Percentage change since Sept-16
Euro Area	111	14
United States	107	17
United Kingdom	69	10
France	49	24
Germany	22	-17
Canada	21	3
Australia	20	-14
Sweden	19	6
Netherlands	14	31

Between September and December, Irish MMF holdings of debt securities issued by deposit taking corporations saw the largest increase of any sector, growing by €17 billion to €244 billion. Of this, euro area bank issuers accounted for the majority of the increase (approximately 81 per cent), with French banks experiencing a €10 billion increase in holdings of their debt securities (Chart 1). This may reflect some

divergence in yields, with the average yield on euro area sovereign debt falling by 5 basis points to 0 per cent, while the average yield on bank debt rose by 1 basis point to 0.19 per cent from September to December.

Chart 1: - MMF Holdings of Debt Securities Issued by Banks – By Selected Euro Area Issuers
€ billion



Holdings of central government debt rose to €62 billion by end-December 2016 from €53 billion at end-September, driven by increased holdings of United States debt. US government debt accounted for 73 per cent of sovereign holdings at end-December 2016. Euro area government debt holdings fell slightly over the period, driven by decreases in the holdings of French and German securities.

Residual maturity increased for two maturity buckets during Q4 2016. The stock of debt securities with maturities between 1 and 3 months increased by €30 billion - rising from 32 per cent to 36 per cent of the total stock. Similarly, the stock of securities with a residual maturity of 3-6 months saw a € 9 billion increase, but accounted for the same share of the total

stock as they had at end-September - 22 per cent (Table 2).

Table 2: - Debt Securities Assets – Residual Maturity Buckets

€ billion

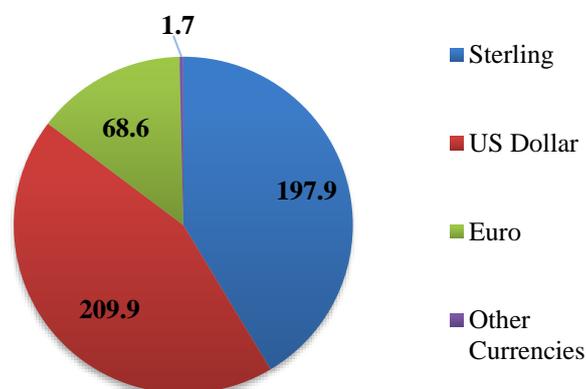
	Sep-16	Dec-16
Less than 1 month	126	126
Over 1 month and less than 3 months	106	136
Over 3 months and less than 6 months	74	83
Over 6 months and up to 1 year	30	27
Over 1 year and up to 2 years	0	0
Over 2 years	0	0

The stock of debt with negative yield to maturity increased by €5 billion to €59 billion at the end of the quarter. As a percentage of total assets it remained unchanged from September, at 12 per cent (and 16 per cent of total debt). Holdings of debt issued by euro area residents account for the largest amount of the negative yielding debt, with its share representing approximately 50 per cent of the total.

The US Dollar overtook sterling as the predominant currency accounting for the largest share of net asset value, at 44 per cent (€210 billion) (Chart 2). This was driven by a €18 billion inflow into dollar denominated funds, and an €11 billion revaluation, making up 85 per cent of the €35 billion increase in net asset value recorded over the quarter.

Chart 2: - Net Asset Value – By fund currency denomination (December 2016)

€ billion



The publication tables are published [here](#).

Further information

Money Market funds statistics are collected on the basis of monthly security by security reporting. The reporting population is comprised of those money market funds resident and authorised in Ireland. The reporting form and notes on compilation are also available on the website [here](#).

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