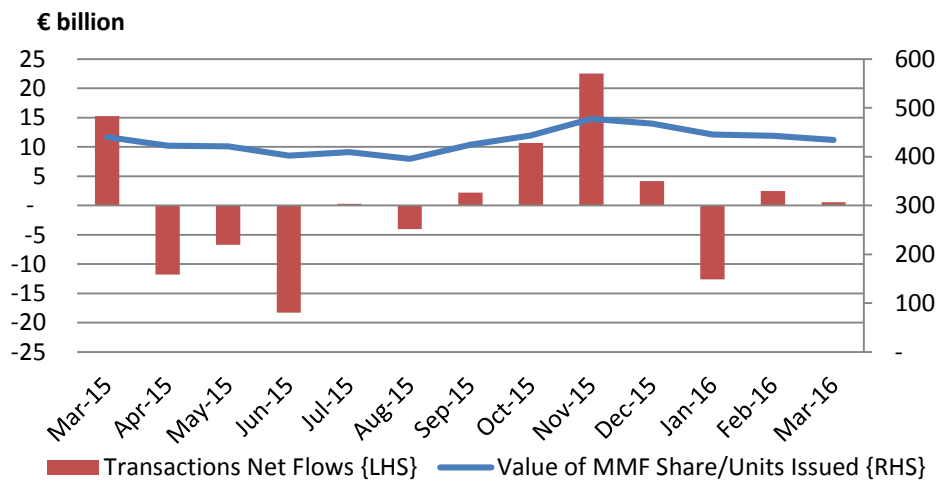


Money Market Fund Statistics – Q1 2016

Value of Money Market Shares Issues



In September 2015, there was a reclassification of funds from Open Bond to Money Market funds resulting in an increase of €30 billion in Money Market Funds net asset value.

- The net asset value of money market funds (MMFs) declined by €40 billion to €434 billion in Q1 2016, driven mainly by currency movements though investor outflows amounted to €9.5 billion;
- US dollar denominated funds saw the largest investor outflows at €15 billion, while MMFs withdrew €7.9 billion from US securities, the majority of which was government issued debt;
- MMFs continued a long-run trend of gradual maturity extension, with holdings of money market instruments maturing in 3 to 6 months increasing, in contrast to a decline in shorter-term assets.

The net asset value of money market funds (MMFs) resident in Ireland decreased by €40 billion, or 7 per cent, to €434 billion at end-March from €474 billion at end-December. This decrease was driven mainly by the impact of euro appreciation on US dollar and sterling denominated funds. Investors withdrew €9.4 billion over the quarter, with outflows of €12.5 billion occurring in January 2016 only partially offset by inflows in February and March.

Total debt securities held by MMFs at end-March amounted to €344 billion, from €371 billion at end-December. Apart from exchange rate effects, the main outflows were €7.8 billion from US debt securities, mostly concentrated in US government debt. Nevertheless, US Treasuries still accounted for 52 per cent (€75 billion) of MMF holdings of government debt at the end of March.

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

€ billion

Country	€ billion	Percentage change since Dec-15
Euro area	106	-4
United States	86	-12
United Kingdom	59	-8
France	41	2
Germany	25	-3
Australia	24	12
Canada	23	-6
Netherlands	19	-5
Sweden	17	-19

While most countries saw outflows from debt securities over the quarter (Table 1), holdings in Australian debt securities increased by €4 billion. This likely reflects the

somewhat higher return available on Australian short-term debt. MMF holdings of Australian debt at end-March yielded an average annualised rate of 0.55 percent, compared, for example, to an equivalent rate of 0.33 percent on euro area debt.

MMFs continued a long-run trend of gradually increasing the average maturity of their portfolios in Q1 2016, likely driven by a search for yield. MMF debt security holdings with residual maturities of 3 to 6 months increased significantly while debt with lower maturities declined by €31 billion (Table 2). This was mainly driven by portfolio reallocations within US debt securities, as the 6 month US money market rates moved from 0.85 to 0.90 per cent. While there were continuing negative yields for most euro area short-term debt, the UK 6 month money market rate remained relatively stable at 0.79 per cent.

Table 2: - Debt Securities Assets – Residual Maturity
€ billion

Residual Maturity	Dec-15	Mar-16
> 1 Month	145	128
1 - 3 Months	122	108
3 - 6 Months	66	76
6 - 12 Months	37	31
1 - 2 Years	0	1
Over 2 years	0	0
Total	371	344

Net flows into UK debt securities remained relatively subdued across the quarter (outflows of €0.8 billion), showing little impact from the approaching referendum on EU membership. Nevertheless, within UK debt holdings, there was a shift from government to bank debt, with the latter increasing in euro terms even

allowing for euro appreciation against sterling (Chart 1). Euro denominated funds recorded outflows of €1.7 billion in holdings of UK issued debt securities. In contrast there was a €1.3 billion inflow into UK issued debt securities by US dollar denominated funds.

Equity liabilities stood at €434 billion in March 2016. Equity liabilities issued by sterling denominated funds made up the largest contribution, at 47 per cent (€206 billion). The largest outflow over the quarter was €15 billion out of US dollar denominated funds. In contrast, sterling denominated funds saw inflows of €1.2 billion over the quarter (Chart 2).

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](#).

For queries contact: Central Bank, Press Office at press@centralbank.ie or (01) 224 6299

Chart 1: - Debt Securities Assets – By UK Issuer
€ billion

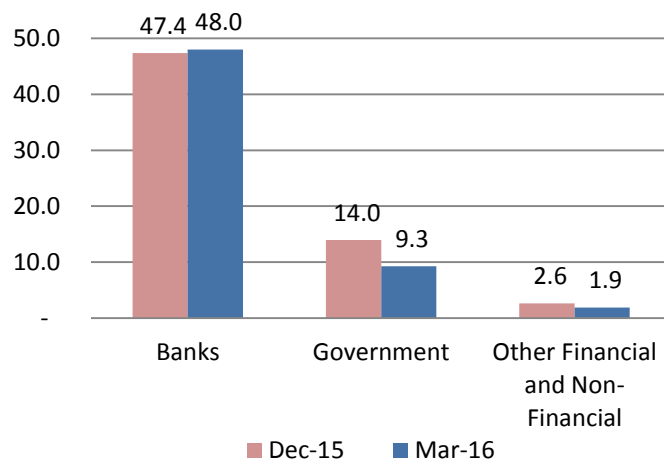


Chart 2: - Equity Liabilities by currency

