

Source: Central Bank of Ireland, Money Market Fund Statistics

- The net asset value of Irish resident money market funds (MMFs) increased by €8.2bn to €487.9bn during Q4 2018, reflecting investor inflows of €7.2bn and a net positive revaluation effect. The decreases in October and November were offset by the large increase in December. (see chart above)
- MMF debt security holdings of UK bank issued securities decreased by €10.5bn in Q4. This offset an increase in total debt securities holdings of €4.8bn to €351.7bn in Q4 2018, driven mainly by an increase in holdings of North American government and bank issued debt of €11.1bn;
- The average maturity of debt held by MMFs decreased in the quarter, with a significant movement into holdings maturing under three months from holdings maturing between three to six months, reversing the Q3 movement.
- The Central Bank of Ireland today publishes additional charts and data on Money Market Funds, including a high-level asset breakdown, debt securities held by country and sector, and equity holders by country and sector. This information can be found [here](#).

Net Asset Value

The net asset value of Irish resident money market funds amounted to €487.9bn at end-December 2018, an increase of €8.2bn in the quarter. The increase was driven by net investor inflows of €7.2bn, plus a net positive revaluation of €1bn.

Debt Securities

Total debt securities held by MMFs amounted to €351.7bn at end-December 2018, an increase of €4.8bn from €346.9bn at end-September 2018. Holdings of debt securities issued by UK institutions decreased by €14.9bn while debt issued by US and euro area institutions (excluding Ireland) increased by €9.2bn to €84.2bn and €2.3bn to €103.9bn, respectively. (Table 1).

Table 1: Debt Securities Assets – Selected Issuer Countries

Country	€ billion	Percentage change in Q4
Euro Area	104	2
United Kingdom	63	-19
United States	84	12
France	44	-1
Canada	25	31
Netherlands	15	-21
Sweden	14	-26
Australia	20	29
Japan	14	-3
Germany	18	27

Holdings of debt securities issued by US and Canadian entities drove an overall increase

in debt securities, with a net increase of €15.1bn in Q4 2018. These purchases were concentrated in debt securities issued by the US Government (€5.3bn) and Canadian banks (€5.9bn).

MMF holdings of GBP denominated debt securities fell by €7.8bn in Q4, with GBP holdings of UK and French bank issuances decreasing by €7.4bn and €4.6bn respectively. The decrease in GBP denominated holdings was softened by increases in the stock of Australian (€2.6bn) Canadian (€2.5bn) GBP denominated bank debt securities held. This seems to highlight the continued importance of cross-currency issuance in securing market based finance.

Residual Maturity

There was significant shortening in the average maturity of debt held by MMFs in Q4 2018. The residual maturity of debt securities held that matured between three to six months fell by €34bn while holdings of shorter term debt rose by €35bn (Table 2).

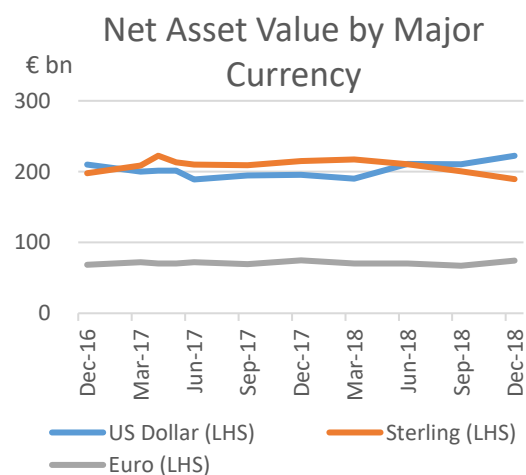
Table 2: Debt Securities Assets - Residual Maturity Buckets

€ billion	Sep-18	Dec-18
Less than 1 month	90	118
1 to 3 months	122	129
3 to 6 months	99	65
6 months to 1 year	33	37
1 year up to 2 years	2	3
Over 2 years	0	0

Investor Flows

Net investor inflows to MMFs amounted to €7.2bn in Q4 2018. Euro denominated funds saw net inflows of €7.4bn and US dollar denominated funds saw net inflows of €9.6bn in Q4 2018. These increases offset the net outflow from sterling denominated funds (€9.8bn).

Chart 2: NAV - Closing Position by Major Currency



The MMF 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 money market funds resident and authorised by the Central Bank in Ireland. The reporting form and notes on compilation are also available on the website [here](#).

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