

Source: Central Bank of Ireland, Money Market Fund Statistics

- The net asset value of money market funds (MMFs) resident in Ireland increased by €5.3bn to €491bn in Q2 2019, reflecting investor inflows of €16.4bn plus a net negative revaluation effect of €11.1bn;
- Debt security holdings of MMFs decreased by €12.5bn to €337.7bn in Q2 2019, driven mainly by decreases in holdings of US Government securities (€11.4bn);
- The average maturity of debt held by MMFs increased in the quarter, with a movement into holdings maturing in over three months.

Net Asset Value

The net asset value of money market funds resident in Ireland amounted to €491bn at end-June 2019, an increase of €5.3bn over the quarter. The decrease was driven by net investor inflows of €16.4bn, offset by net negative revaluations of €11.1bn.

Debt Securities

Total debt securities held by MMFs amounted to €337.7bn at end-June 2019, a decrease of €12.5bn from €350.2bn at end-March 2019. The decrease was mainly caused by drops in holdings of US issues, which saw a decrease of 22 per cent (€17.3bn) (Table 1).

Table 1: Debt Securities Assets – Selected Issuer Countries

Country	€ billion	Percentage change in Q1
Euro Area	118	7
France	50	21
Germany	22	-5
Netherlands	15	-6
United States	61	-22
United Kingdom	65	-6
Canada	26	10
Australia	13	-16
Japan	14	17
Sweden	11	3

Holdings of debt issued by euro area institutions showed an increase of €8.1bn, rising from €113.7bn to €121.8. This was

caused primarily by increases in holdings of French debt (€8.7bn).

Across all sectors, government saw the largest drop in sales of their debt issuances. Outflows were largest in US (€11.1bn) and UK (€3.6bn) issuances. Banks was the sector with the largest increase of holdings (€10.3bn), with issues from French banks showing the greatest increase (€7.6bn)

MMF holdings of Euro denominated debt securities increased by €6.6bn in Q2, mainly in French (€3bn) and German (€2bn) issues. US Dollar denominated holdings dropped by €8.8bn, with the large decrease in US issues (€18bn) outweighing increased issues from countries such as Canada (€2.7bn) and France (€2.7bn). UK Pound denominated holdings declined by €10.4bn, with the largest drops seen in issues from the UK (€6.7bn), Germany (€3.5bn) and Australia (€2.4bn). Increases were observed in issues from France (€3bn) and Finland (€1.7bn).

Residual Maturity

There was a lengthening in the average maturity of debt held by MMFs in Q2 2019. Holdings of debt securities with a residual maturity greater than 3 months rose by €6bn, while holdings of shorter term debt fell by €19bn (Table 2).

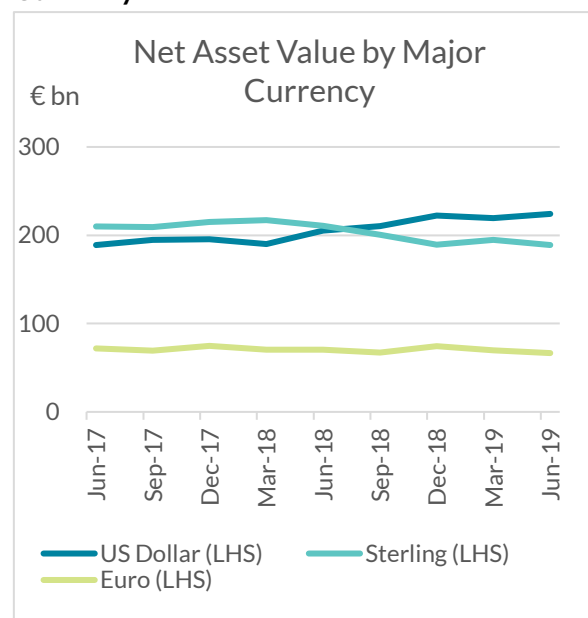
Table 2: Debt Securities Assets – Residual Maturity Buckets

€ billion	Mar-19	Jun-19
Less than 1 month	110	103
1 to 3 months	113	101
3 to 6 months	83	88
6 months to 1 year	41	42
1 year up to 2 years	2	3
Over 2 years	1	0

Negative yielding debt

Almost all Euro denominated debt (95% or €56.5bn) is negative yielding, a situation that has been remarkably stable over the past two years. This contrasts with GBP and USD denominated debt, which is almost entirely positive yielding.

Chart 2: NAV – Closing Position by Currency



Investor Flows

Net investor outflows from MMFs amounted to €16.4bn in Q2 2019. US Dollar denominated funds saw the largest net issue of their equity over the quarter of €11.3bn, followed by Euro denominated funds with net redemptions of €5.9bn. GBP denominated funds experienced a drop in subscriptions of €728.7m during the quarter, with redemptions of €4.9bn in April outweighing issues in May and June.

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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