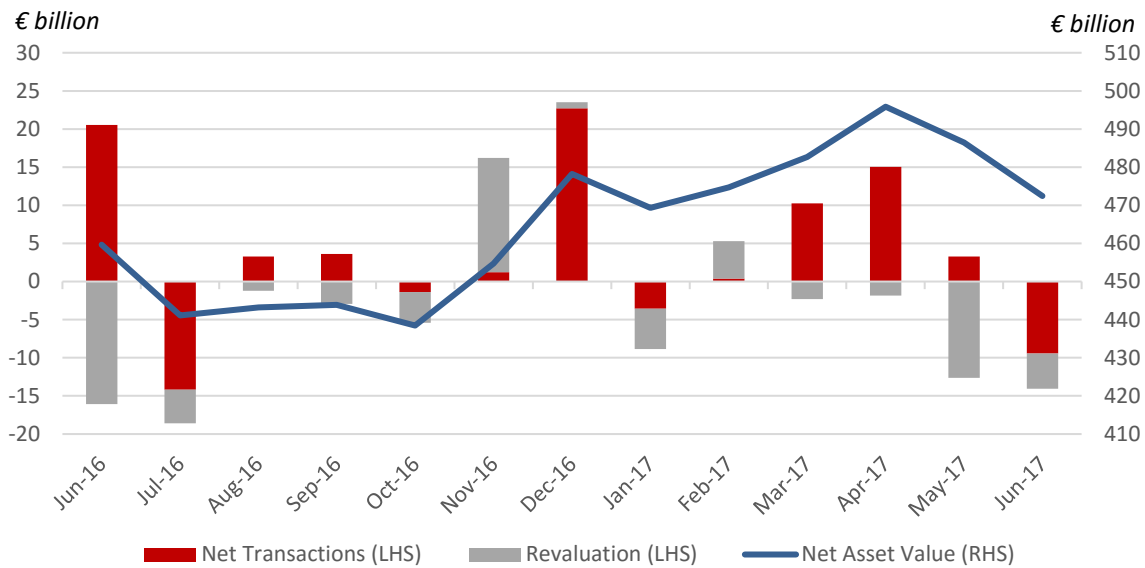


Money Market Fund Statistics – Q2 2017

Value of Money Market Shares Issues



Source: Money Market Fund Statistics, Central Bank of Ireland

- The net asset value of Irish money market funds (MMFs) fell to €472.4 billion at end-June 2017, from €482.6 billion at end-March 2017. The decrease was driven by negative revaluations of €19.1 billion.
- Total debt securities held by MMFs at end-June 2017 amounted to €350 billion, down from €383 billion in the previous quarter. Of this €33 billion decrease, €21 billion relates to holdings of US debt securities.
- Across sectors, central government and bank debt saw the largest quarter-on-quarter reductions in their holdings: €11.1 billion and €13.9 billion respectively. Central government debt security holdings have decreased by 35 per cent since end-December 2016.

The net asset value (NAV) of MMFs resident in Ireland at end-June 2017 was €472.4 billion, down from €482.6 billion at end-March 2017. Despite positive net transactions of €8.9 billion, negative revaluations of €19.1 billion drove a €11.2 billion decrease in NAV over the quarter.

Total debt securities held by MMFs at end-June 2017 amounted to €350 billion, 9 per cent lower than the previous quarter. The decrease consisted of €19 billion in net sales of debt securities and a €14 billion negative revaluation. The decrease was driven by holdings of US debt securities: they account for 84 per cent of net sales and 36 per cent of negative revaluations (Table 1).

Table 1: - Debt Securities Assets – Selected Issuer Countries (June 2017)

€ billion

Country	€ billion	Percentage change since Mar-17
Euro Area	106	-3
United States	80	-21
United Kingdom	72	-1
France	54	3
Germany	22	-6
Sweden	20	-3
Australia	17	-10
Canada	17	-25
Belgium	13	-7

The trend of net sales and negative revaluations of debt securities was consistent across most issuer countries. The most notable exception was France, which had a €1.6 billion increase in holdings of its debt securities despite negative revaluations of €1.4 billion. The increase was driven by €4.7 billion in purchases of French bank debt.

Across sectors, central government and bank debt saw the largest reductions in their holdings: €11.1 billion and €13.9 billion respectively. Central government securities have seen a 35 per cent decrease in their holdings since end-December 2016, standing at €40.4 billion at end-June 2017.

The residual maturity of outstanding debt changed across maturity buckets. Net sales and negative revaluations of debt were concentrated in debt with residual maturity of *less than one month* and residual maturity between *3 to 6 months*. The net impact is a minor shortening of the average maturity (Table 2).

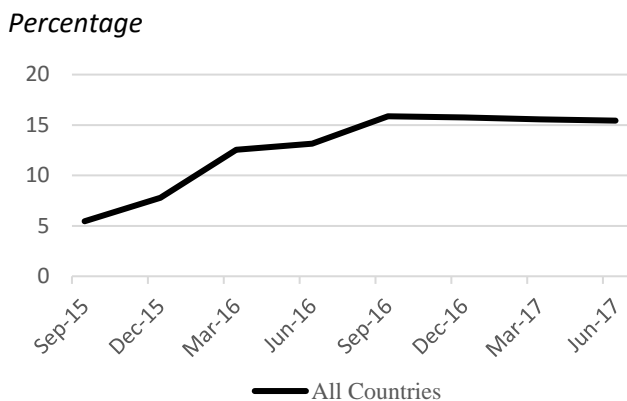
Table 2: - Debt Securities Assets – Residual Maturity Buckets

€ billion

	Mar-17	Jun-17
<i>Less than 1 month</i>	112	103
<i>1 to 3 months</i>	136	134
<i>3 to 6 months</i>	95	75
<i>6 months to 1 year</i>	38	37
<i>1 year up to 2 years</i>	2	1
<i>Over 2 years</i>	0	0

The stock of negative yielding debt decreased by €6 billion to €54 billion at end-June 2017. However, as a percentage of the total stock of debt it only declined by less than 0.2 per cent (See chart 1). Nearly all negative yielding debt is euro denominated, and correspondingly the overwhelming majority of euro denominated debt is negative yielding.

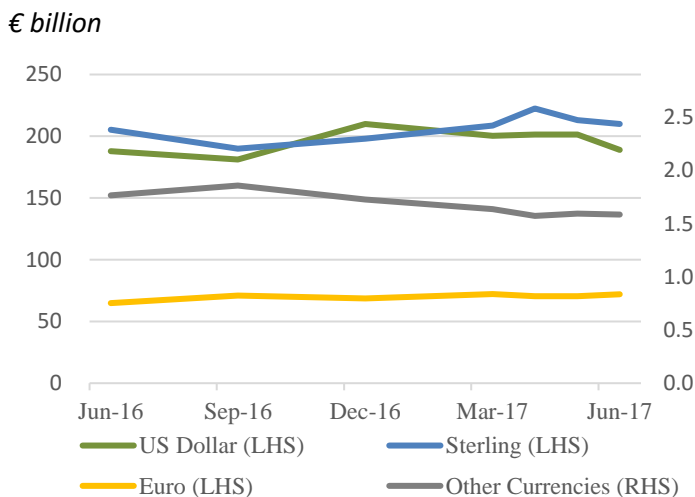
Chart 1: - Stock of Debt Negative Yielding Debt as Percentage of Total



Source: Money Market Fund Statistics, Central Bank of Ireland

The British Pound retained its status as the currency with the largest share of NAV (Chart 2). Net inflows of €7.2 billion exceeded negative revaluations of €6 billion, leading sterling denominated MMF equity to reach a net NAV of €210 billion. MMF equity denominated in USD experienced a negative revaluation of € 13 billion, to stand at €189 billion at end Q2.

Chart 1: - Net Asset Value – Closing Position by Currency (June 2017)



Source: Money Market Fund Statistics, Central Bank of Ireland

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