

Global Money Dispatch

To complement our flagship Global Money Notes publication, we are launching Global Money Dispatch. Unlike the periodic deep-dives of Global Money Notes, Global Money Dispatch will review price action and flows in funding markets at least every two weeks – and more frequently if necessary – and will provide “real-time” updates on large, globally systemically important banks’ (G-SIBs) balance sheets, capital ratios, liquidity (HQLA) portfolios and G-SIB scores as new information becomes available during the bank earnings season and the subsequent filing of call reports, Y-9C and Y-15 reports and LCR disclosures.

In designing Global Money Dispatch, we chose not to replicate what other dealers do: our aim is to add value by offering a cross-funding market perspective and to provide information on large banks faster and in more detail than others.

Initially, our dispatches will cover the U.S., Japan and Switzerland, and will expand to include money markets and banks in several other regions over time.

Unless events force us to focus elsewhere, the additional regions will be the Eurozone, the U.K. and Canada first – to cover all of the markets where the U.S. Libor panel banks are headquartered – followed by Norway, Sweden, Australia and Hong Kong, and then Brazil and Mexico and ultimately China.

Conceptually, our coverage will span all dollar funding markets that are covered by FRBNY’s recently expanded swap line network. Where the Fed goes, we go.

Like our Global Money Notes publication, the target audience of our dispatches is STIR traders, fixed income traders, bank equity investors and policymakers.

But unlike Global Money Notes, Global Money Dispatch will be light on analysis and heavy on charts: each issue will include an opening essay that’s no longer than this cover page, and will review markets “pictorially”. Our plan isn’t to have the same charts in every dispatch, but to highlight only what’s new and what’s relevant – blowouts in spreads, deviations from trends and tracking various balance sheet constraints for large, global banks. We’ll pay special attention to the FX swap market, a market that’s underserved by the research community.

Our target day for publication will be Monday mornings, Eastern Standard Time, and “real-time” updates on G-SIB’s bank balance sheet releases will follow the bank earnings calendar and the calendar of regulatory filings and disclosures.

Our Global Money Notes publication will continue to offer periodic deep-dives and their frequency won’t be affected by the launch of Global Money Dispatch.

As with any new product, our clients’ comments and feedback are welcome.

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CONTRIBUTORS

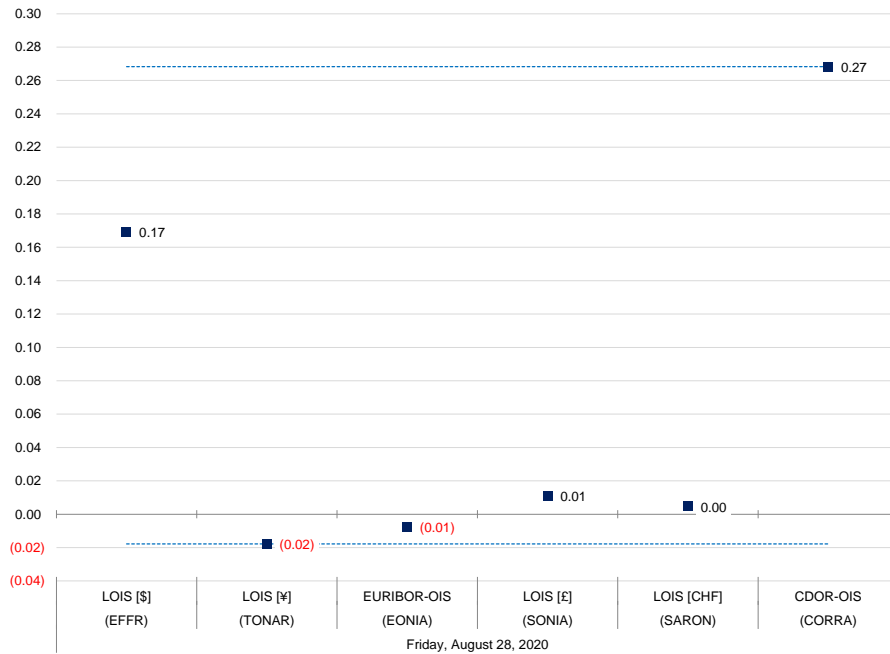
Zoltan Pozsar

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zoltan.pozsar@credit-suisse.com

[Daily]: Interbank Funding Spreads

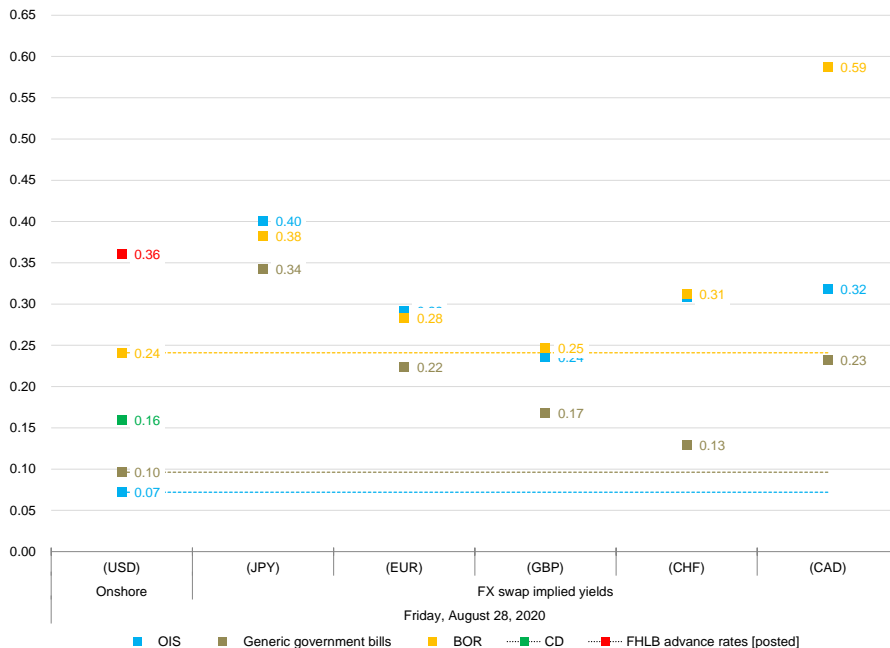
Percent, three month, dashed lines show minimum and maximum spreads



Source: the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

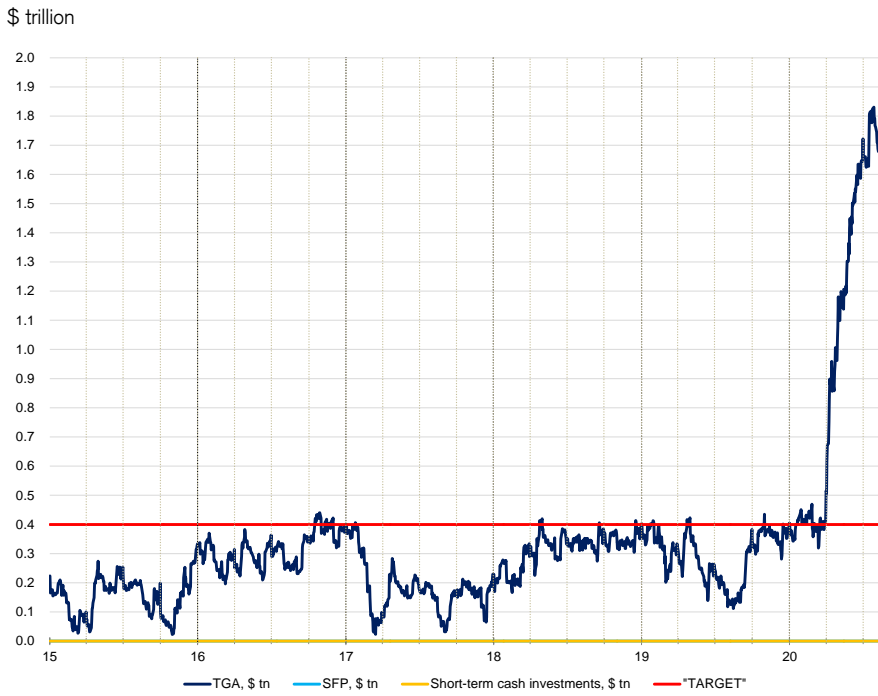
[Daily]: Onshore and FX Swap Implied U.S. Dollar Yields

Percent, three month, dashed lines show the level of onshore OIS and U.S. Treasury bill yields and the level of U.S. dollar Libor



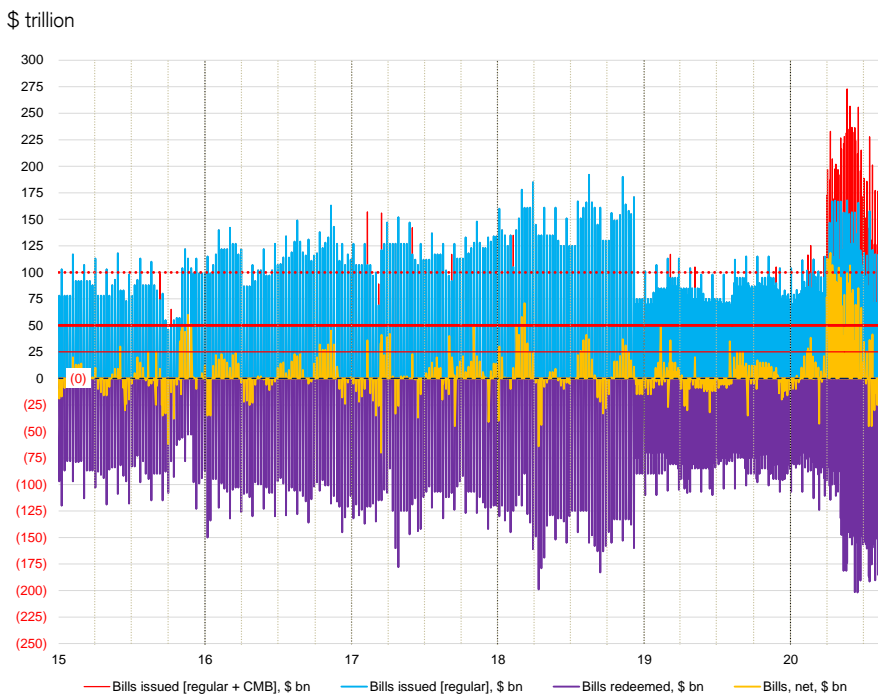
Source: the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

[Daily]: U.S. Treasury's Cash Balances at FRBNY



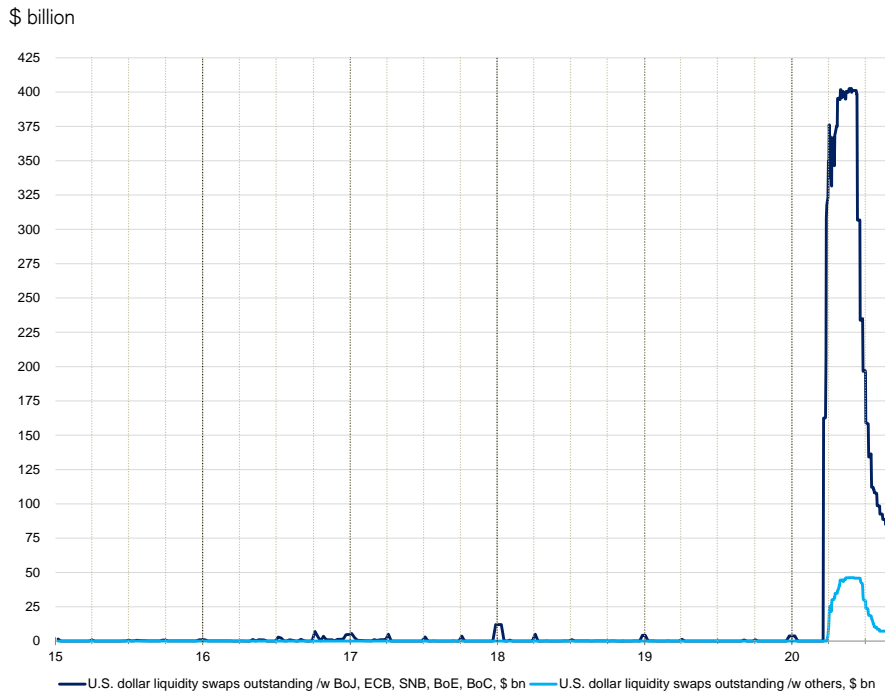
Source: U.S. Treasury, Credit Suisse

[Daily]: U.S. Treasury Bill Supply



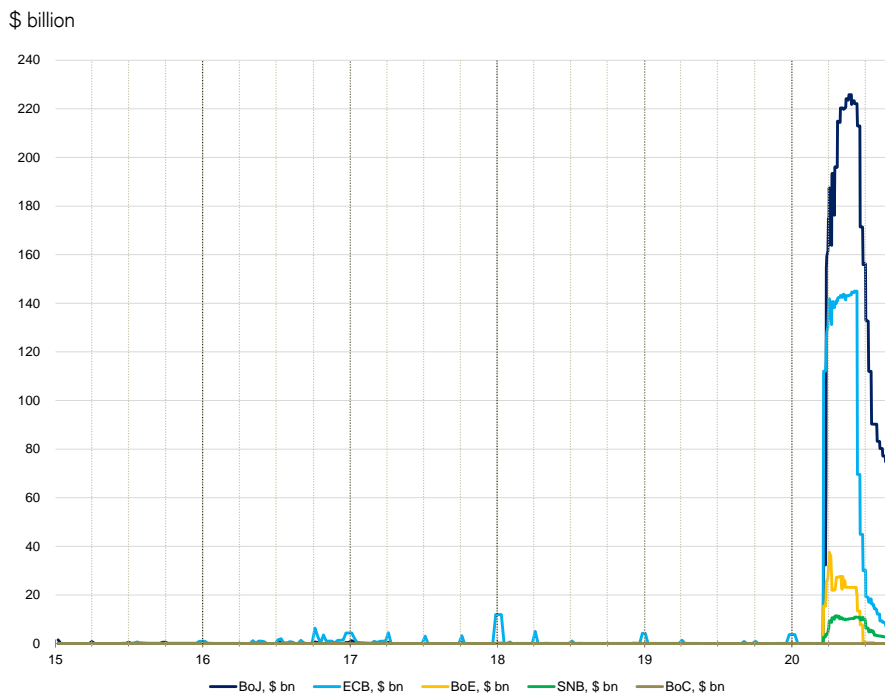
Source: U.S. Treasury, Credit Suisse

[Daily]: U.S. Dollar Liquidity Swaps Outstanding (1)



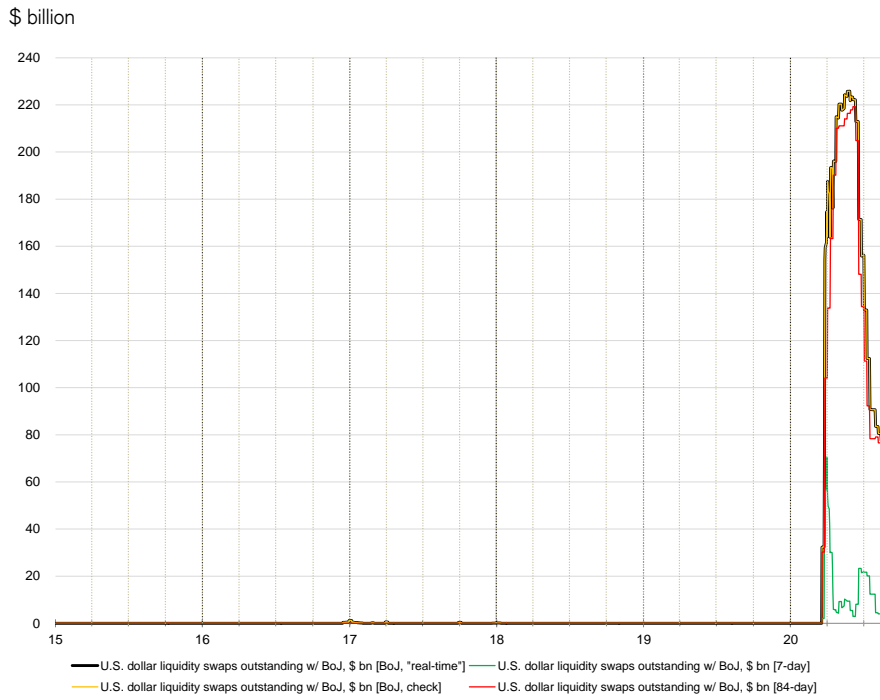
Source: FRBNY, Credit Suisse

[Daily]: U.S. Dollar Liquidity Swaps Outstanding (2)



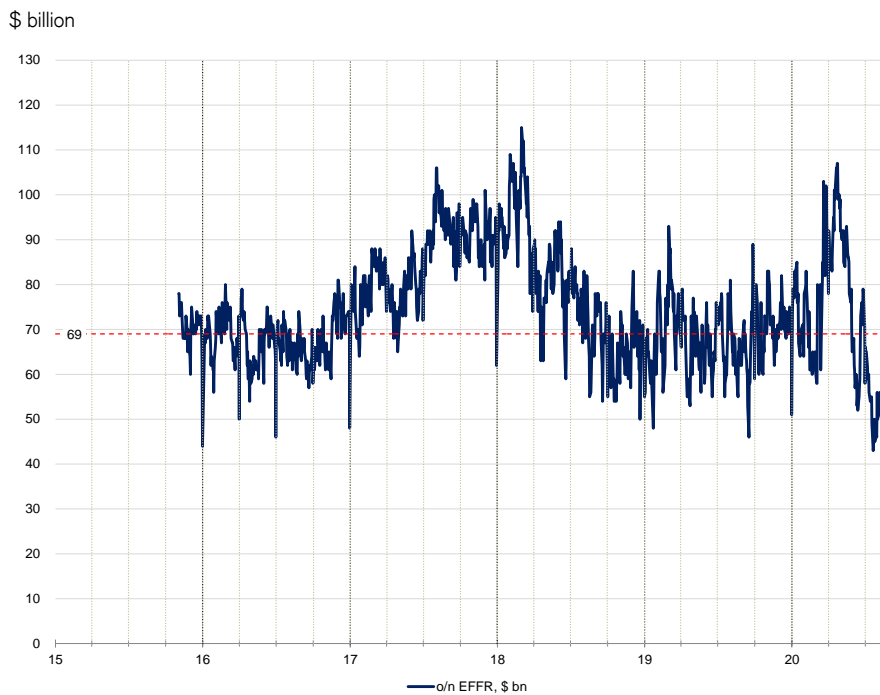
Source: FRBNY, Credit Suisse

[Daily]: U.S. Dollar Liquidity Swaps with the Bank of Japan



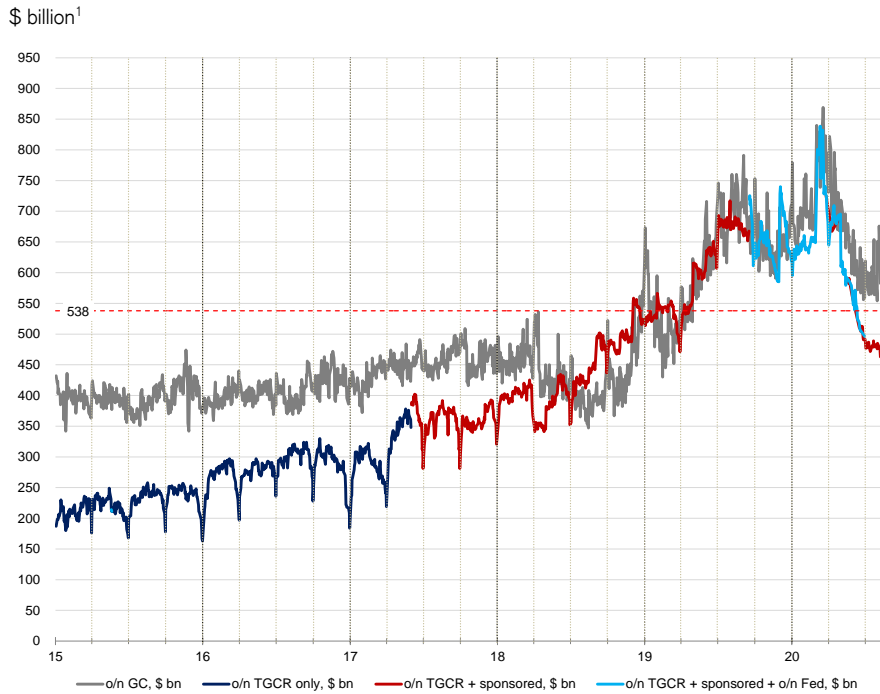
Source: Bank of Japan, Credit Suisse

[Daily]: Fed Funds Volumes Soaring on the Back of Falling Repo Rates



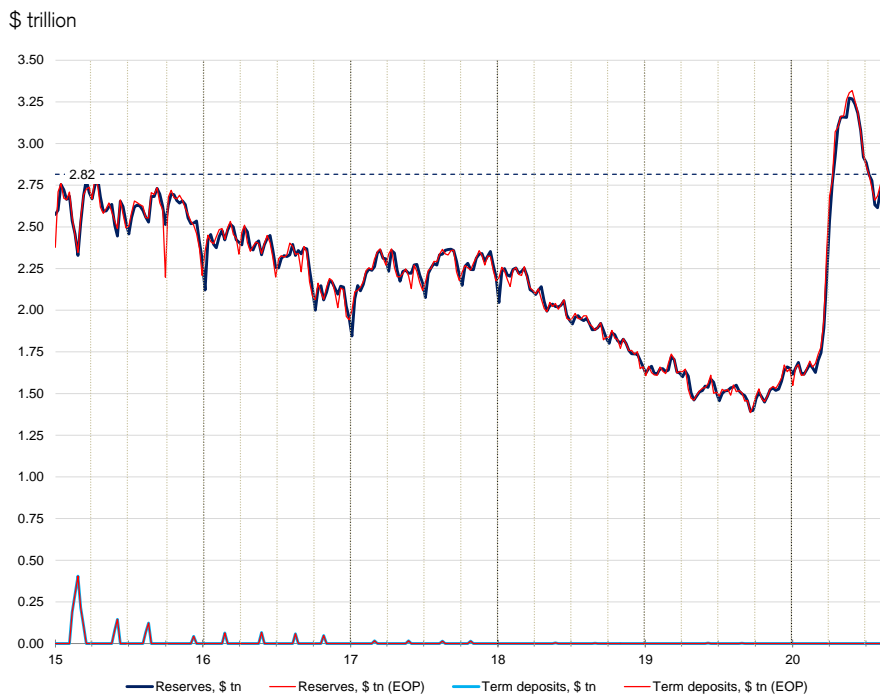
Source: FRBNY, Credit Suisse

[Daily]: U.S. G-SIBs Clear the GC Market as Money Funds Step Back



Source: FRBNY, OFR, Credit Suisse

[Weekly]: Banks' Reserve Balances at the Fed

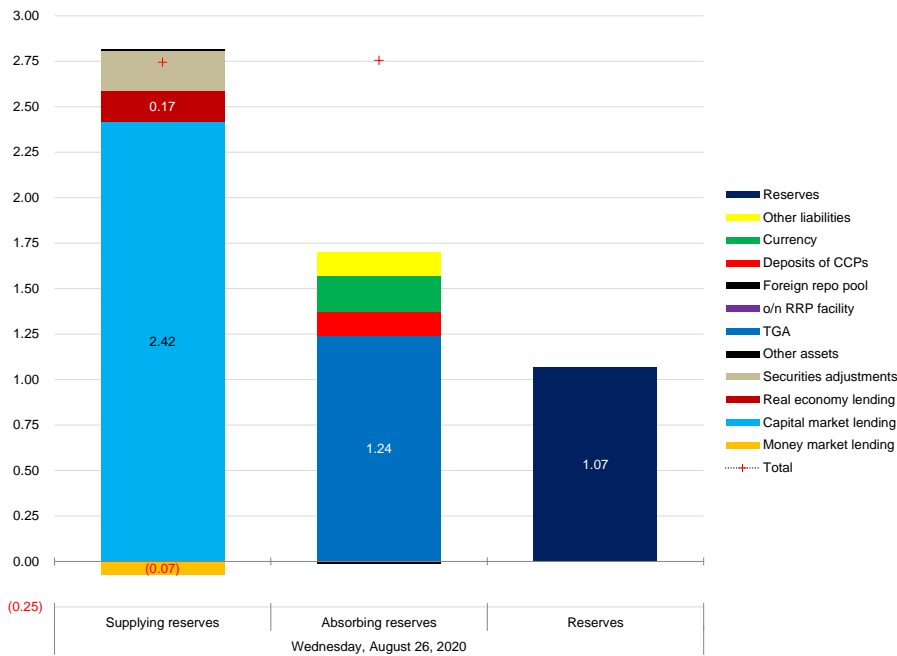


Source: Federal Reserve, Credit Suisse

¹ The degree to which large U.S. banks act as marginal lenders in the o/n GC market is shown by the gap between the grey line and the velvet line. Money funds hold less o/n repo as bill yields are superior.

[Weekly]: The Fed's Balance Sheet Response to Covid-19

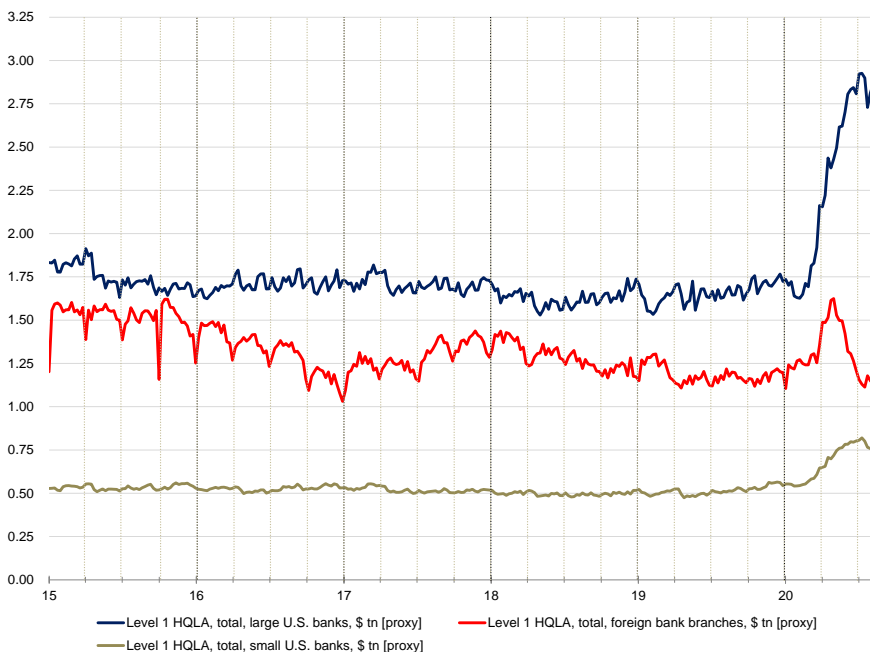
\$ trillion, change in the Fed's balance sheet since March 11, 2020²



Source: Federal Reserve, Credit Suisse

[Weekly]: Bank HQLA Portfolios

\$ trillion

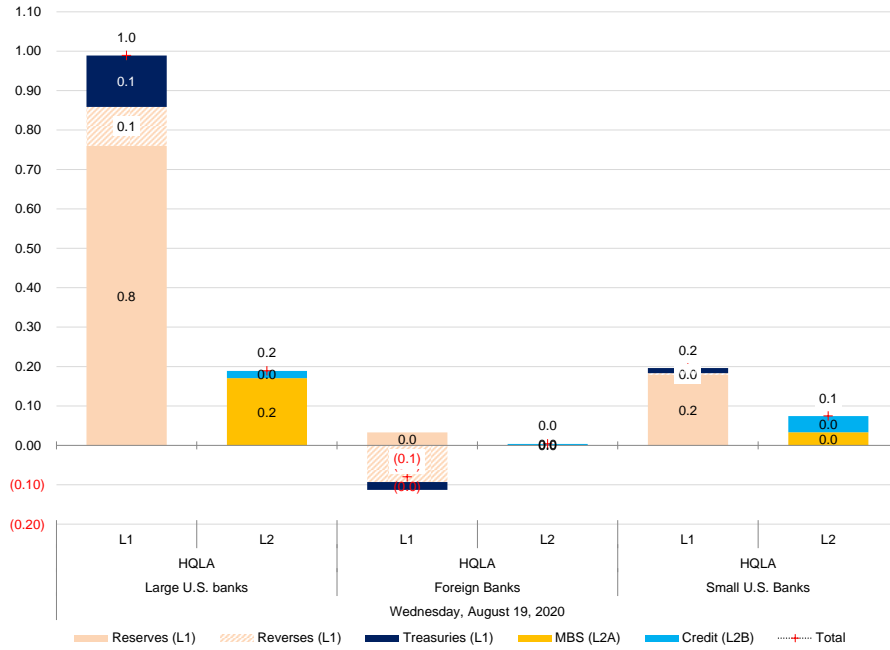


Source: Federal Reserve, Credit Suisse

² Money market lending refers to standing liquidity facilities and bill purchases. Capital market lending refers to purchases of notes, bonds and agency MBS. Real economy lending includes everything else.

[Weekly]: Bank HQLA Portfolios Since Covid-19

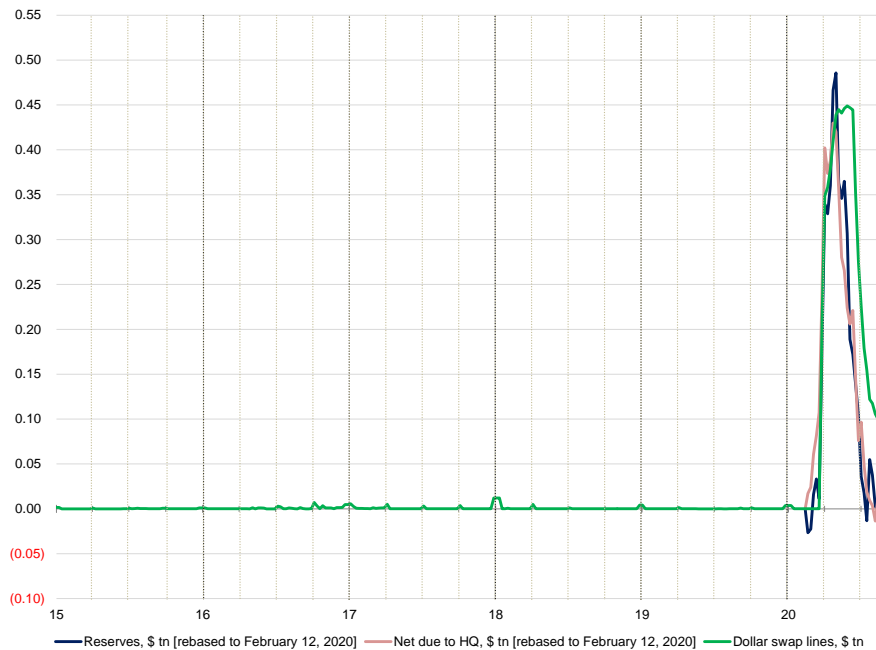
\$ trillion, change in banks' HQLA portfolios since March 11, 2020



Source: Federal Reserve, Credit Suisse

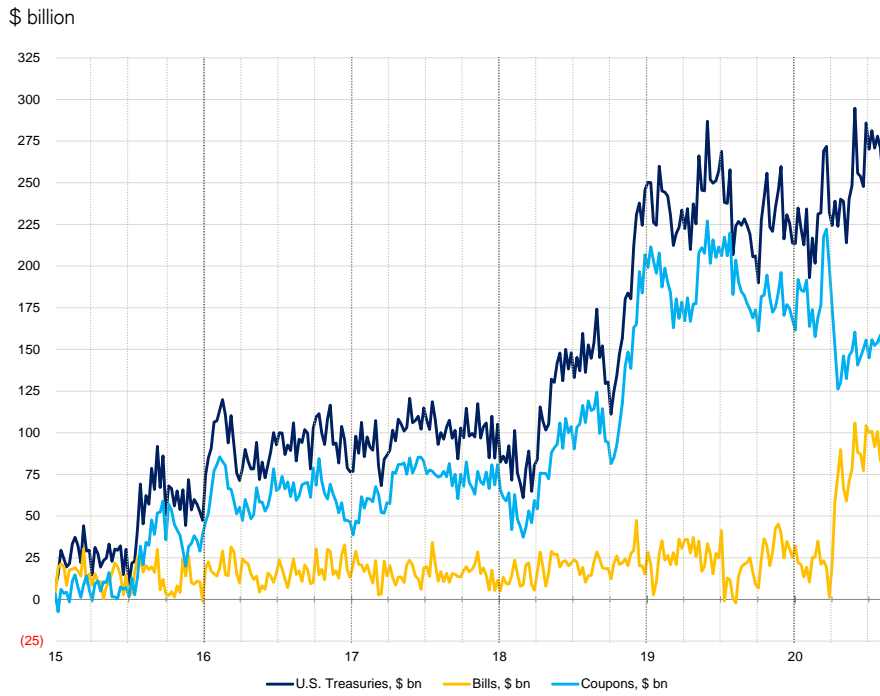
[Weekly]: Foreign Banks Precautionary Use of the Dollar Swap Lines

\$ trillion



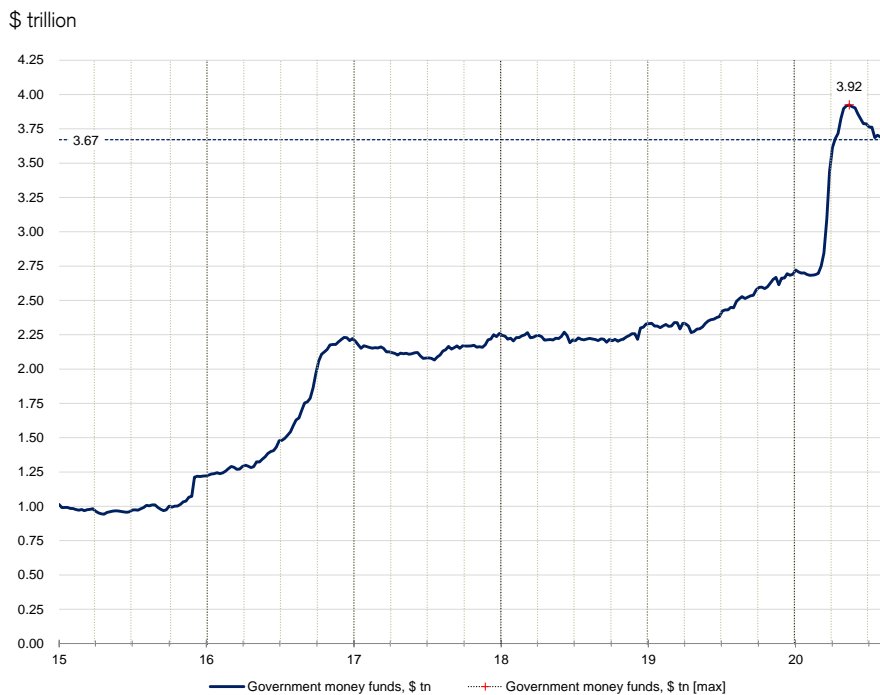
Source: Federal Reserve, Credit Suisse

[Weekly]: Primary Dealers' Inventory of U.S. Treasuries



Source: FRBNY, Credit Suisse

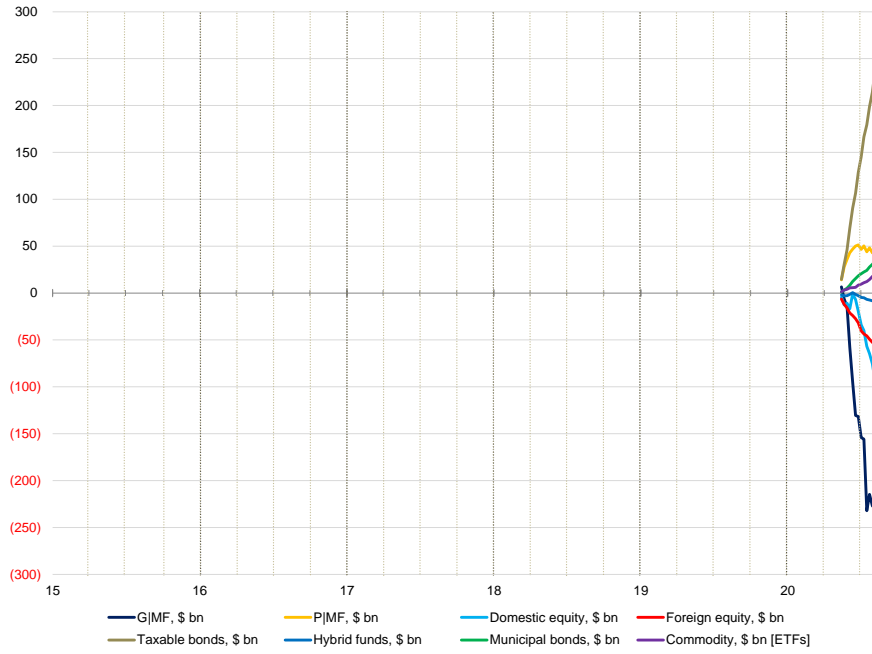
[Weekly]: Outflows from Government Money Funds Continue



Source: ICI, Credit Suisse

[Weekly]: Outflows from Government Money Funds = Inflows to IG Funds (1)

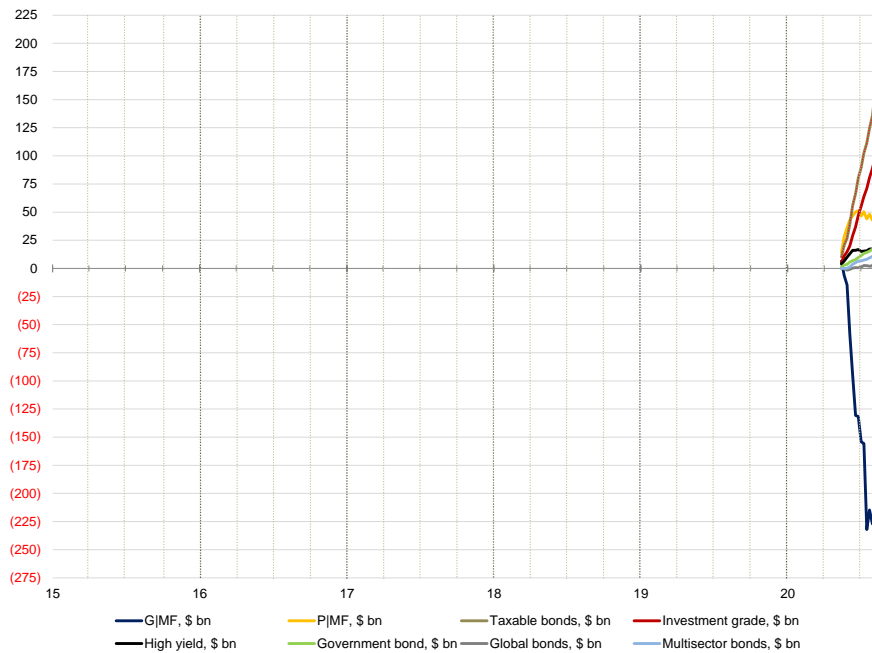
\$ billion, mutual funds and ETFs



Source: ICI, Credit Suisse

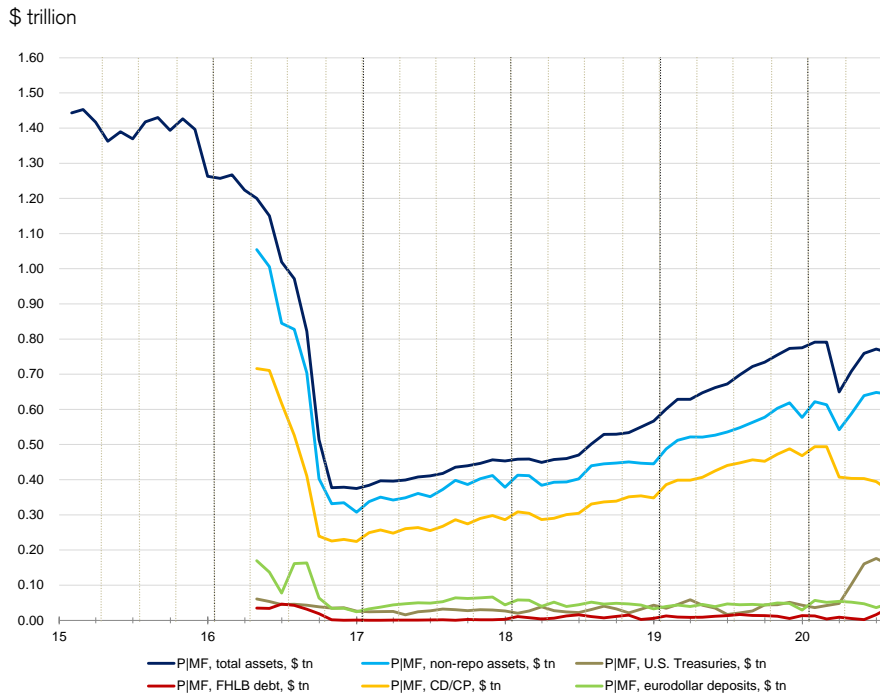
[Weekly]: Outflows from Government Money Funds = Inflows to IG Funds (2)

\$ billion, mutual funds only



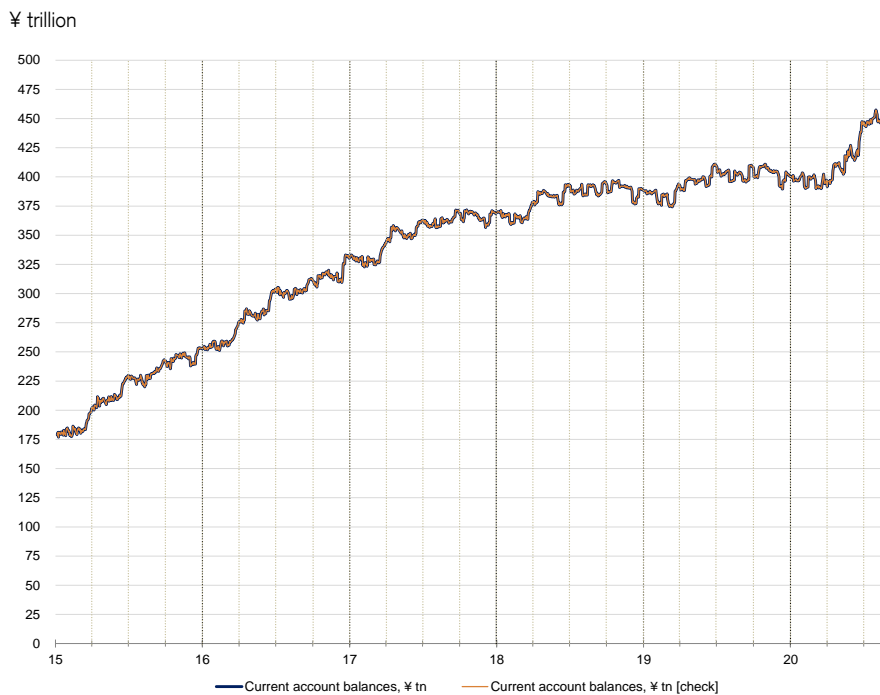
Source: ICI, Credit Suisse

[Monthly]: Vanguard’s “Stealth” [Conversion](#) Drove Prime Funds’ Bid for Bills



Source: ICI, Credit Suisse

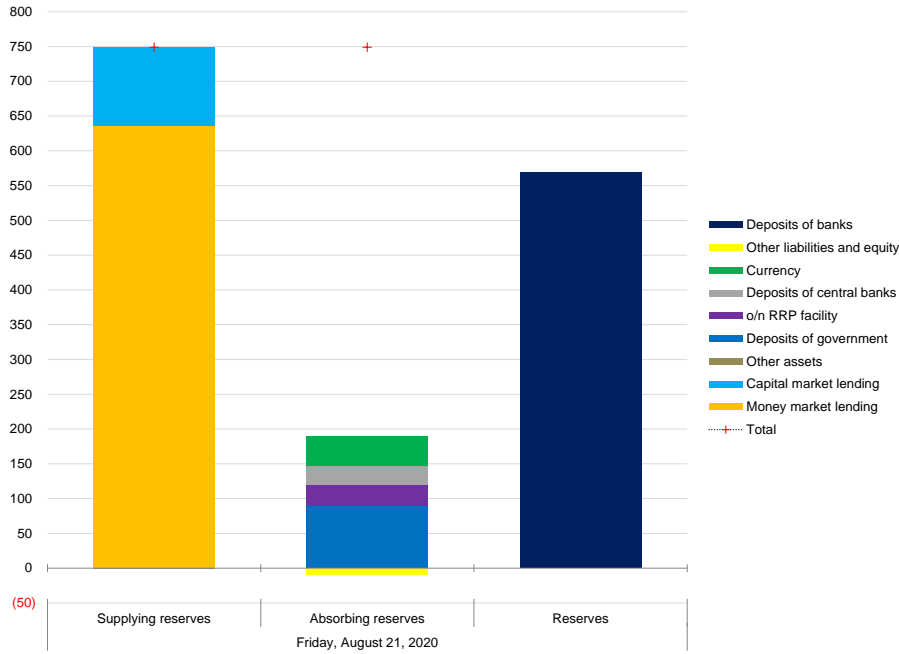
[Daily]: Banks’ Reserve Balances at the BoJ



Source: Bank of Japan, Credit Suisse

[Weekly]: The BoJ's Balance Sheet Response to Covid-19

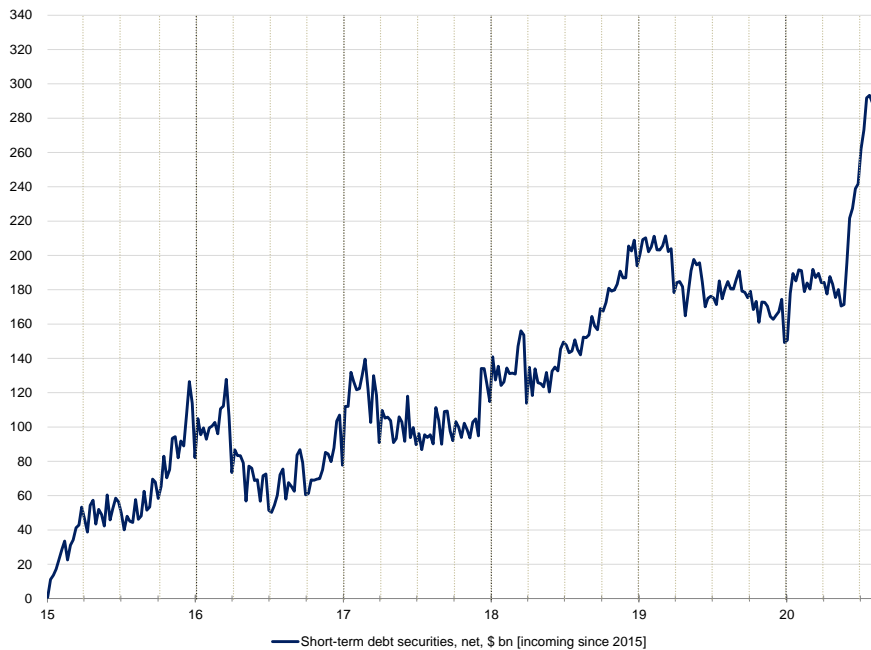
\$ billion, change in the BoJ's balance sheet since March 11, 2020³



Source: Bank of Japan, Credit Suisse

[Weekly]: Foreign Investors' Holdings of Japanese Government Bills

\$ billion, cumulative net purchases since 2015, proxy for foreign non-banks' lending of U.S. dollars via FX swaps

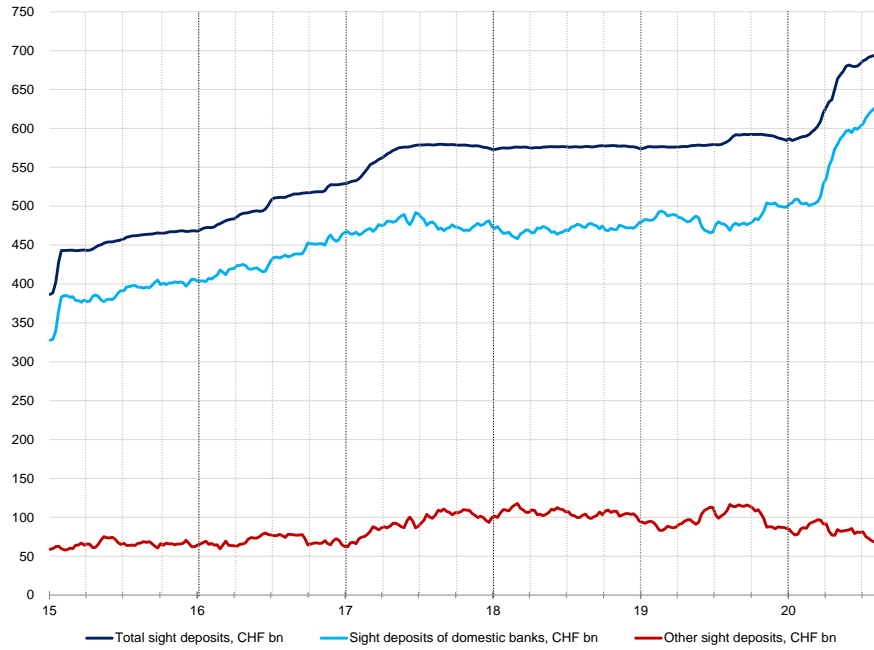


Source: Ministry of Finance, Credit Suisse

³ Money market lending refers to liquidity facilities and bill purchases. Capital market lending refers to purchases of notes and bonds as well as purchases of stocks, ETFs, J-REITs and corporate bonds.

[Weekly]: Banks' Reserve Balances at the SNB

CHF billion



Source: SNB, Credit Suisse

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