



FEDERAL RESERVE BANK *of* NEW YORK

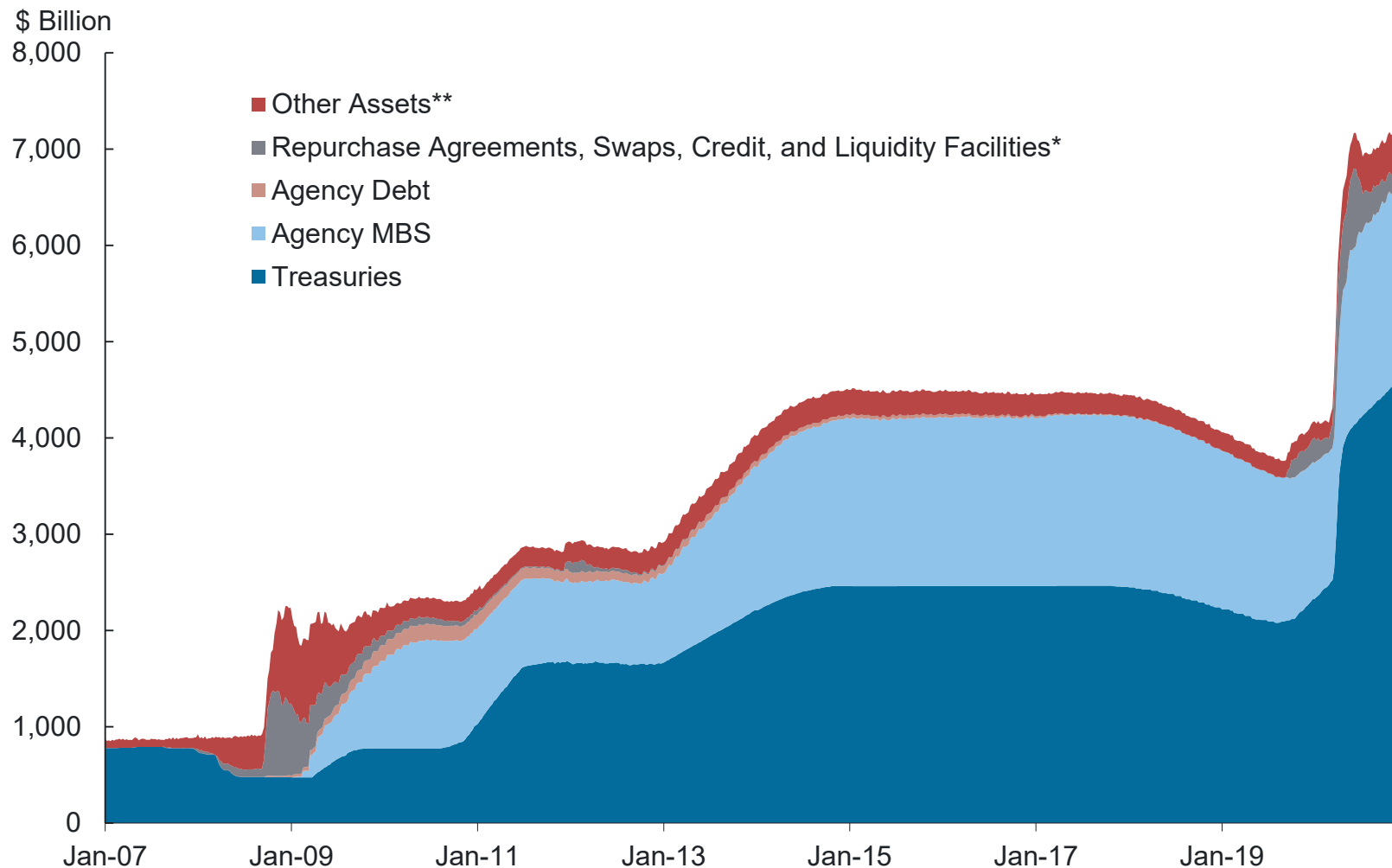
A Return to Operating with Abundant Reserves

Remarks before the Money Marketakers of New York University

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December 1, 2020

The views presented here are those of the author and do not necessarily reflect those of the Federal Reserve Bank of New York or the Federal Reserve System

Figure 1: Assets of the Federal Reserve



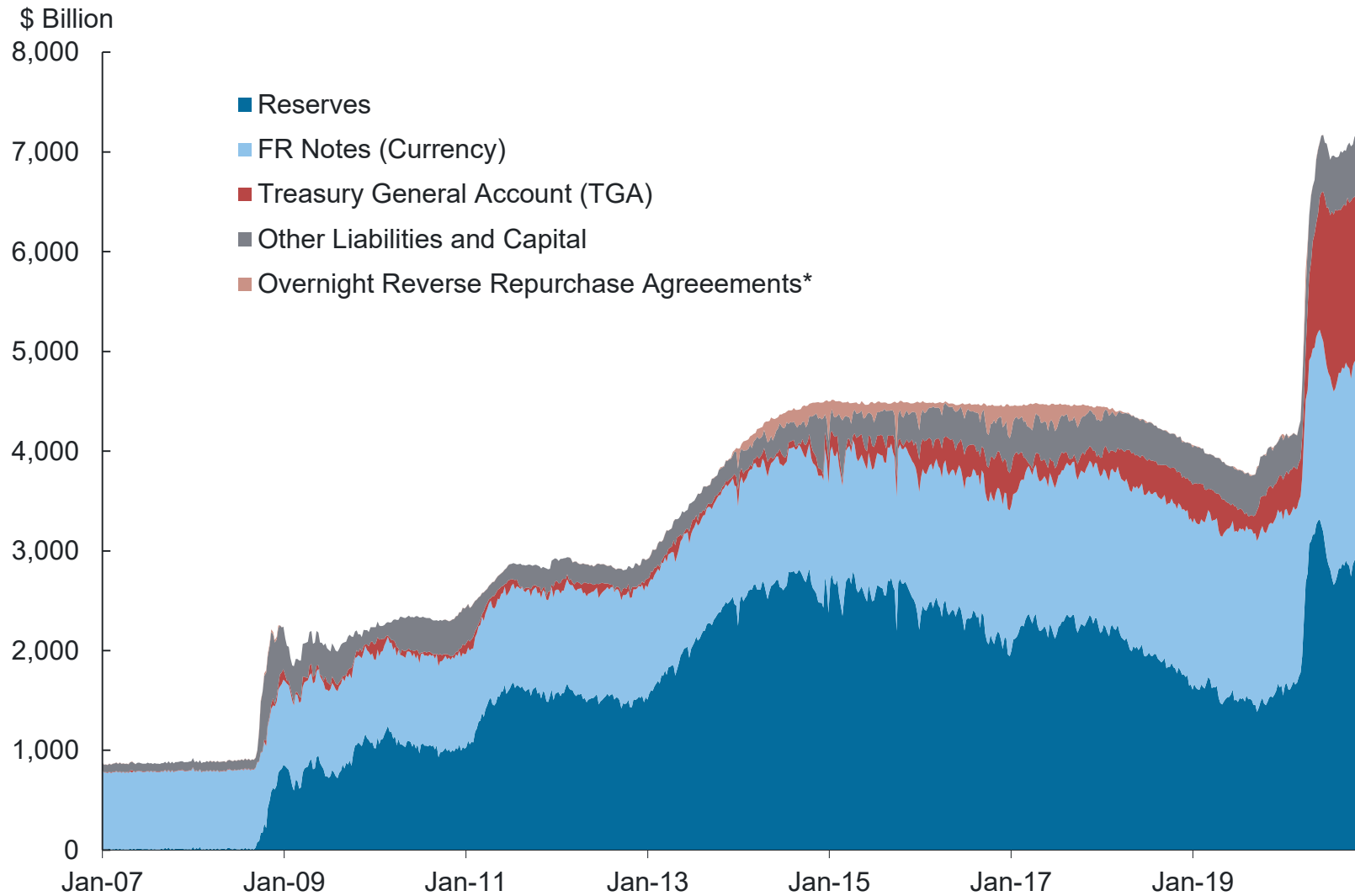
* Includes repurchase agreements, central bank liquidity swaps, primary and secondary credit, Primary Dealer Credit Facility, Money Market Mutual Fund Liquidity Facility, Paycheck Protection Program Liquidity Facility, and net portfolio holdings of the Commercial Paper Funding Facility, Corporate Credit Facilities, Main Street Lending Program, Municipal Liquidity Facility and Term Asset-backed Securities Loan Facility

** Includes gold certificates, special drawing rights, coin; foreign currency denominated assets, bank premises, unamortized premiums and discounts on securities held outright, accrued interest, net portfolio holdings of the Maiden Lane LLC, and other accounts receivables.

Source: Federal Reserve Board H.4.1 Statistical Release



Figure 2: Liabilities of the Federal Reserve

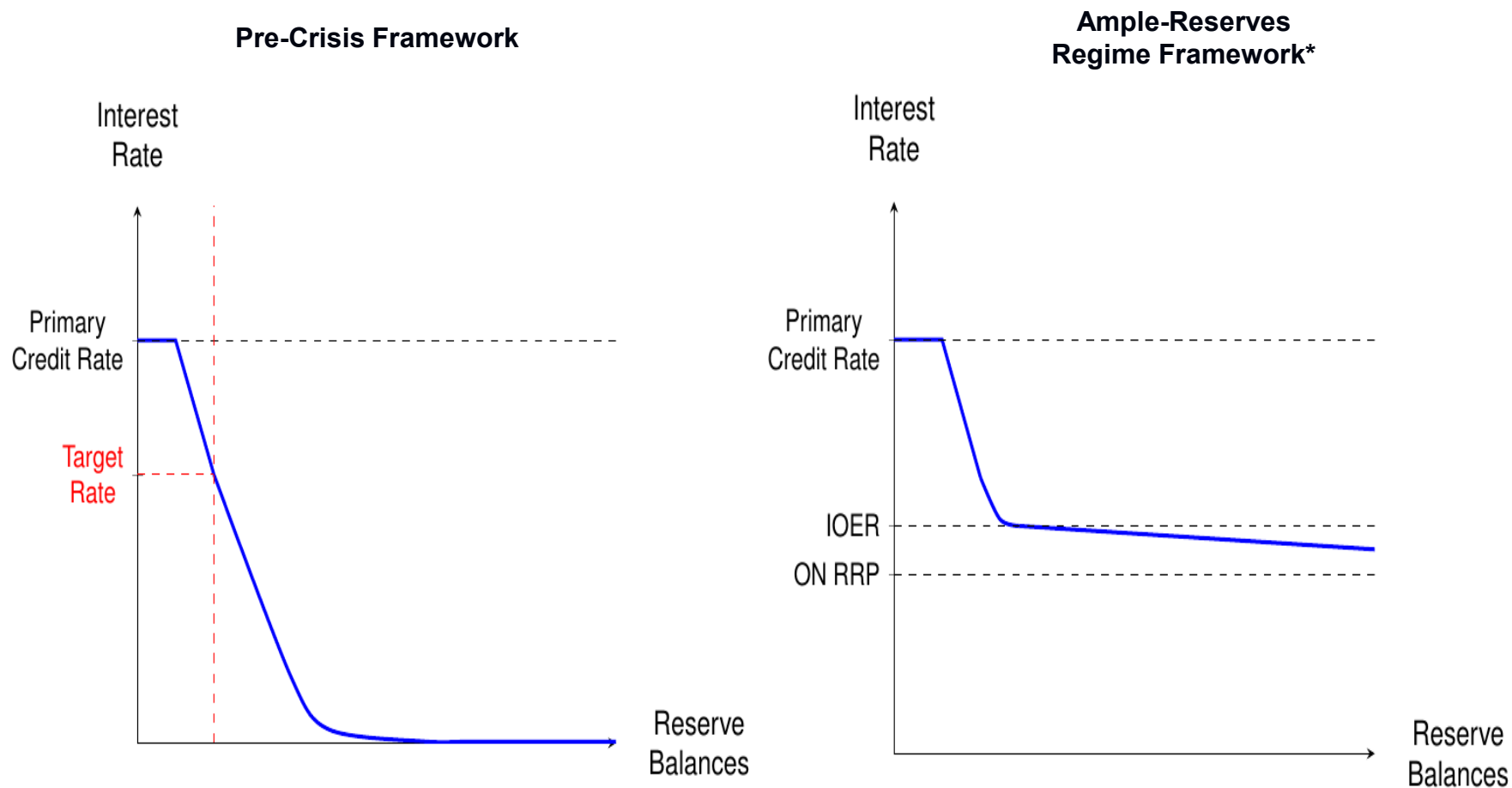


* Includes small volumes of term reverse repurchase agreements exercises in 2015

Source: Federal Reserve Board H.4.1 Statistical Release



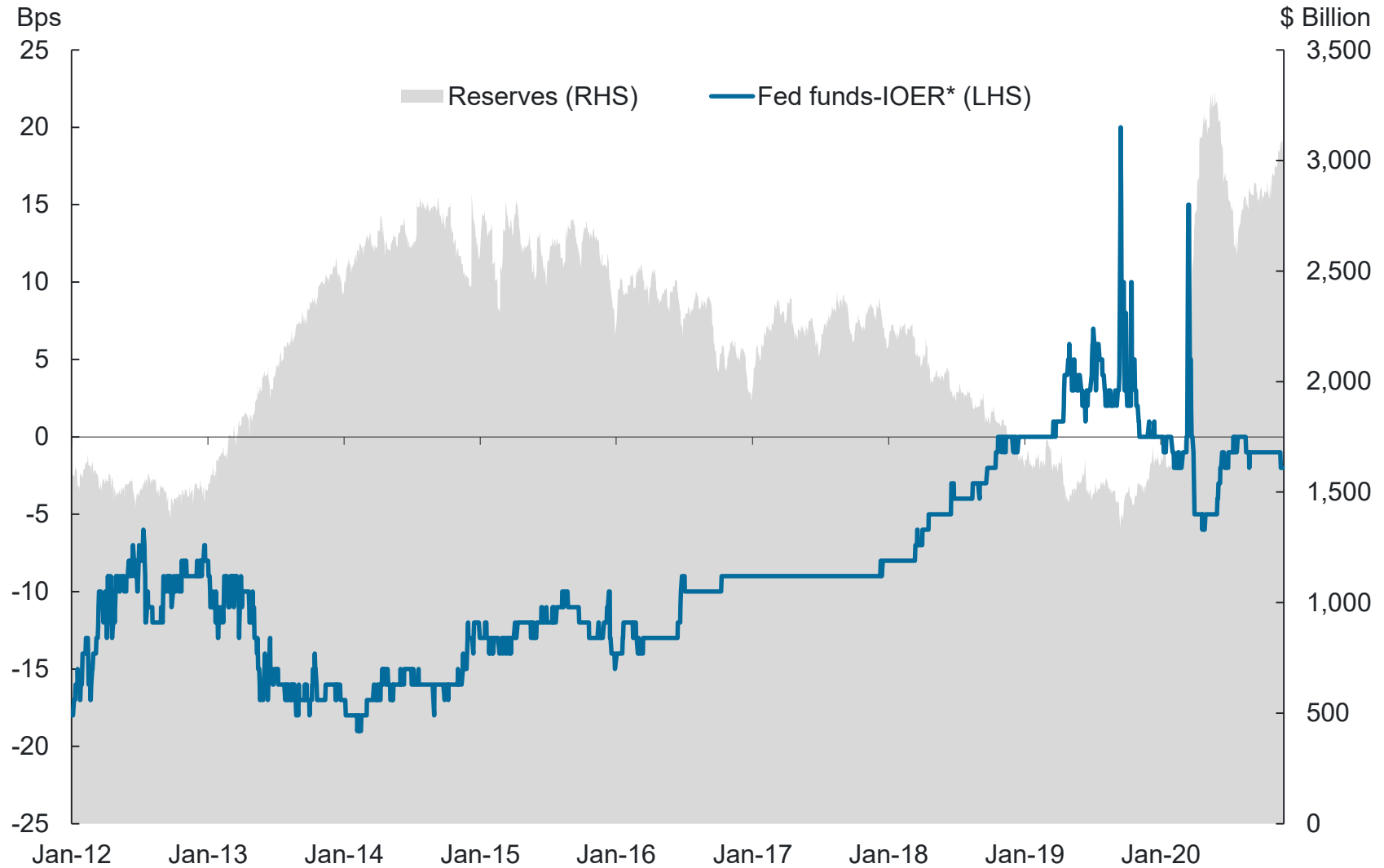
Figure 3: Stylized Bank Demand for Reserves



* The ample-reserves regime framework reflects a much broader span of potential reserve levels and is not drawn to scale relative to the pre-crisis graphic.



Figure 4: Fed Funds – IOER Spread

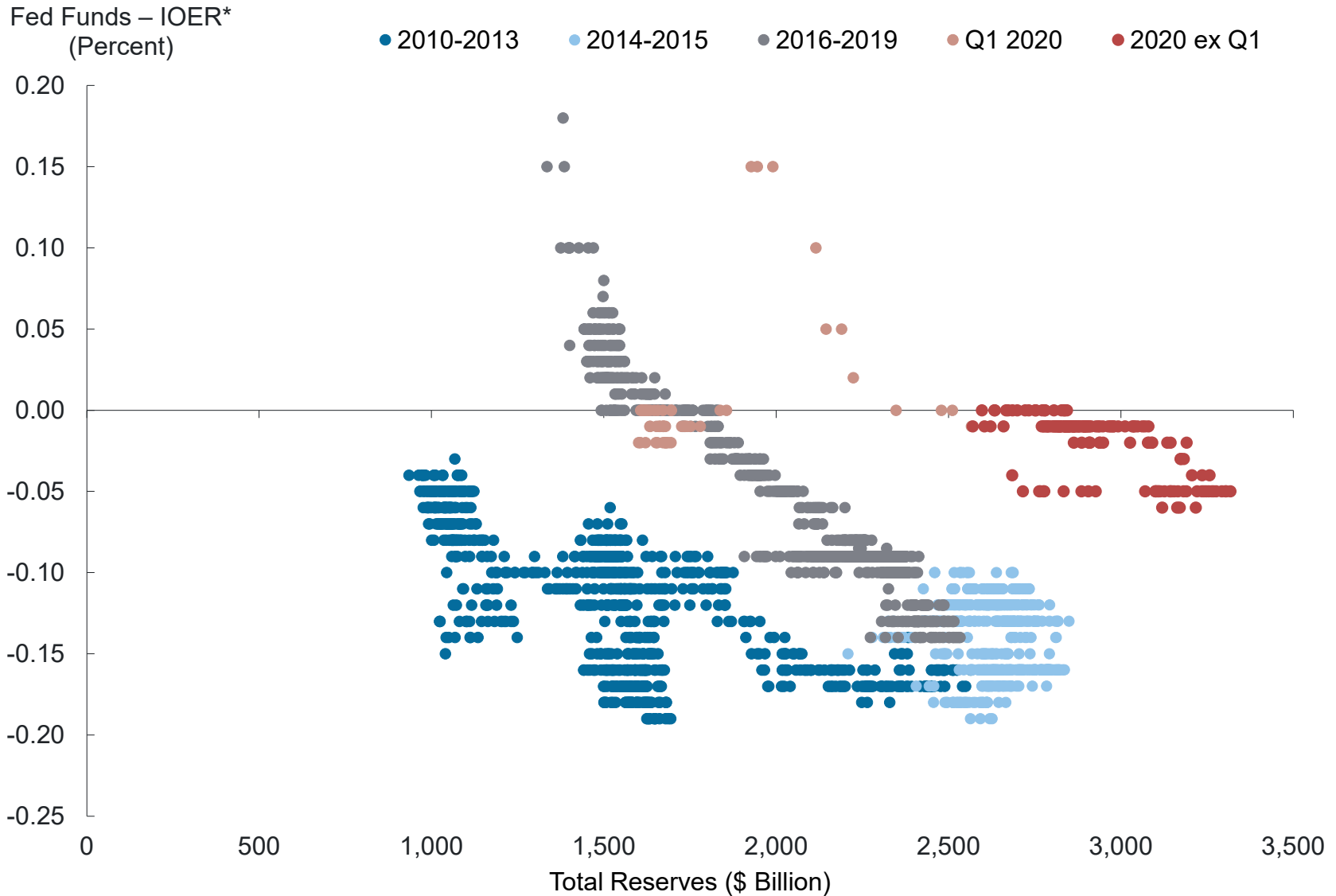


* Effective federal funds rate, excludes month- and quarter-ends

Source: Bloomberg, Federal Reserve Board, FR2900



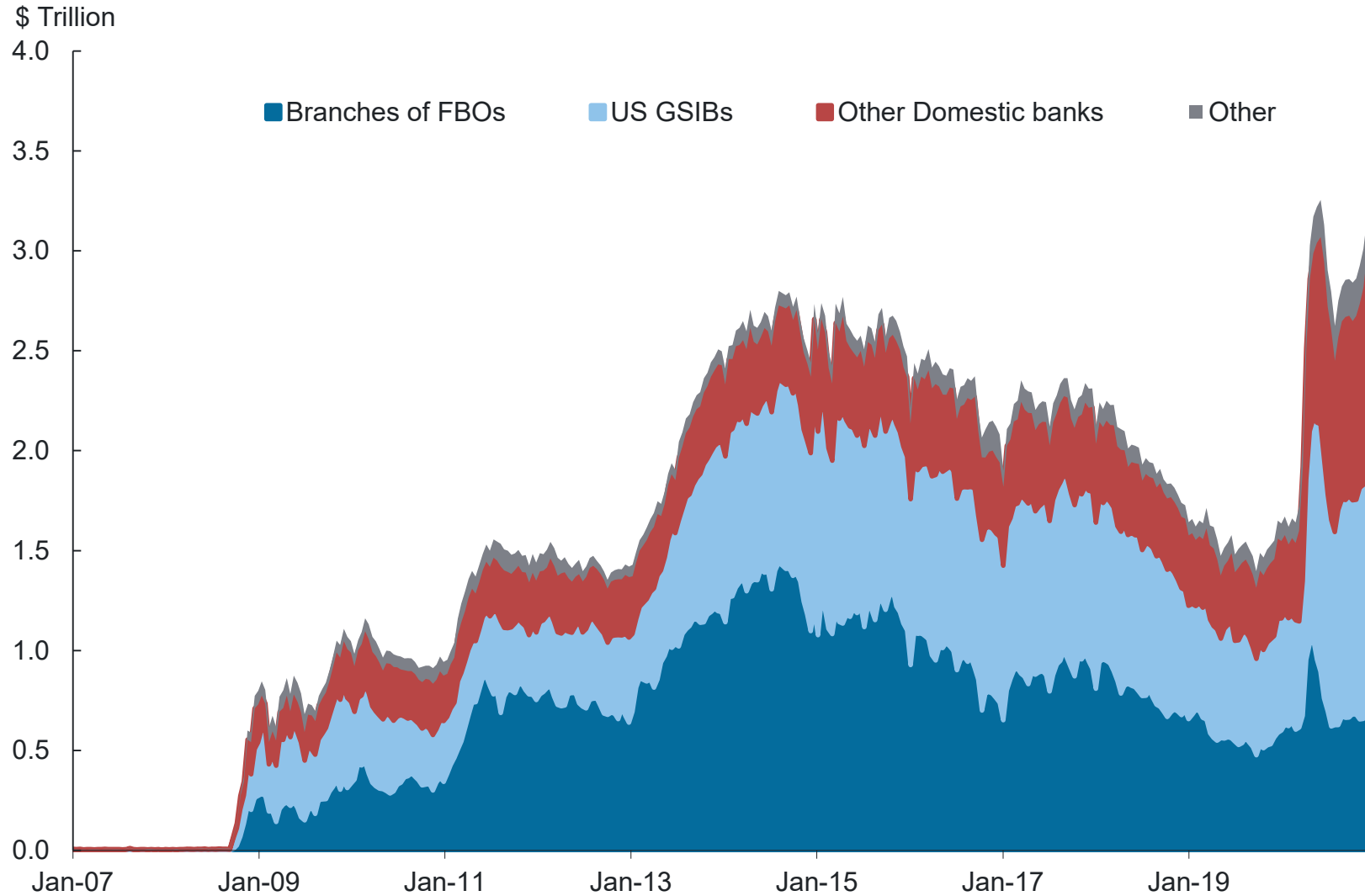
Figure 5: Fed Funds – IOER Spread vs. Total Reserves



* Volume-weighted average federal funds rate, excludes month- and quarter-ends
 Source: FRED, FRBNY, Federal Reserve Board, FR2420, FR2900



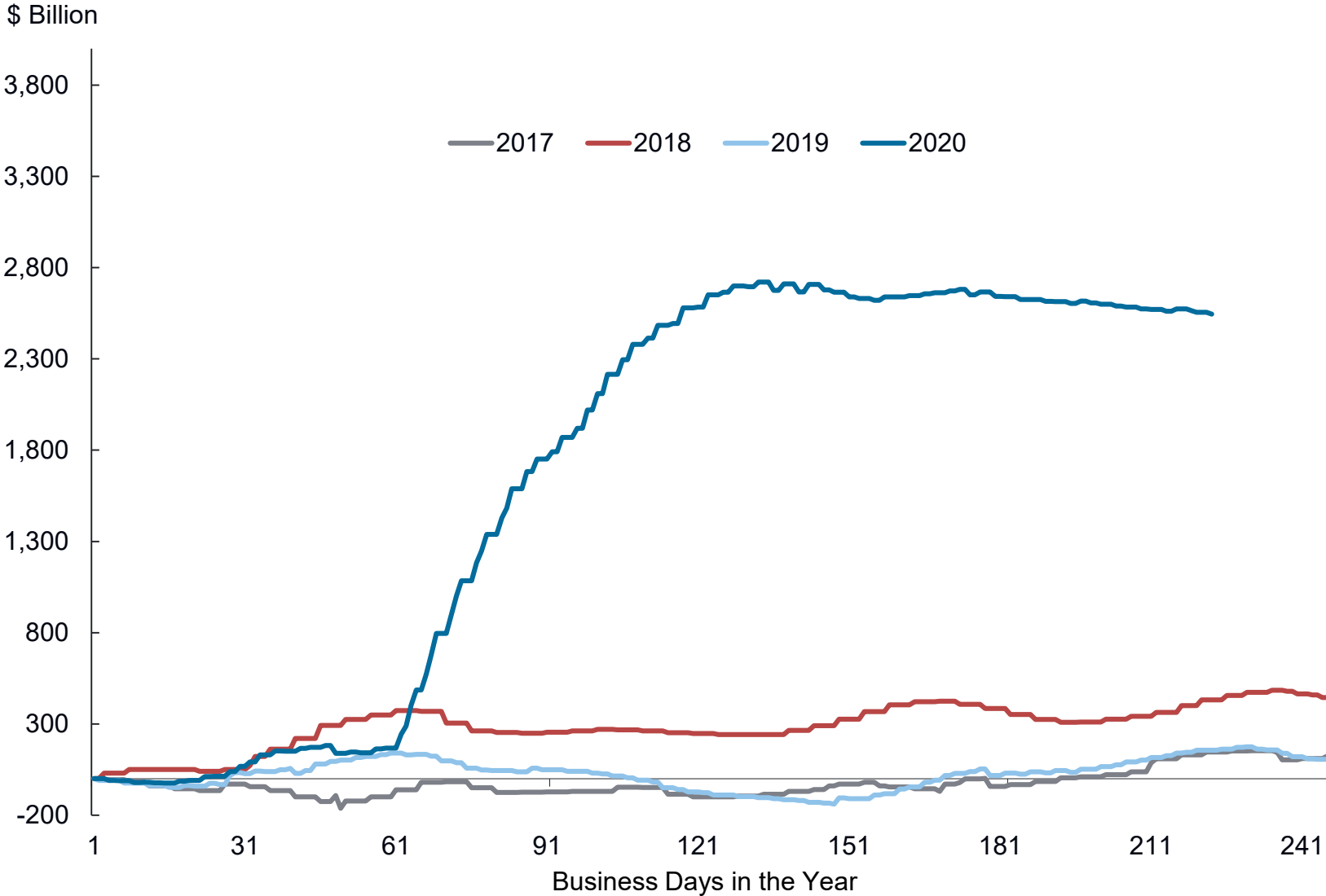
Figure 6: Reserves by Bank Type



Source: Federal Reserve Board, FR2900



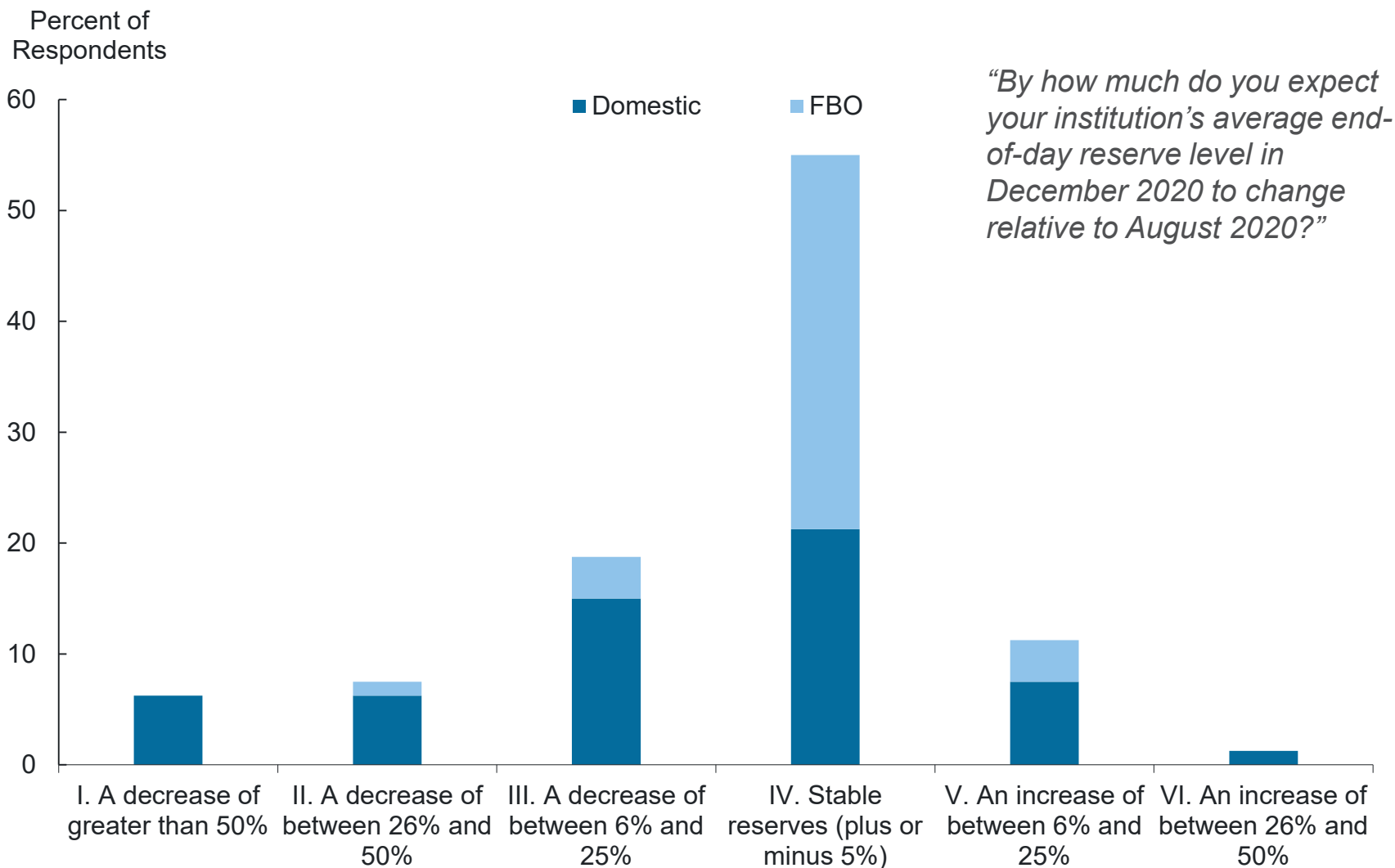
Figure 7: Cumulative Net Bill Issuance



Source: FRBNY



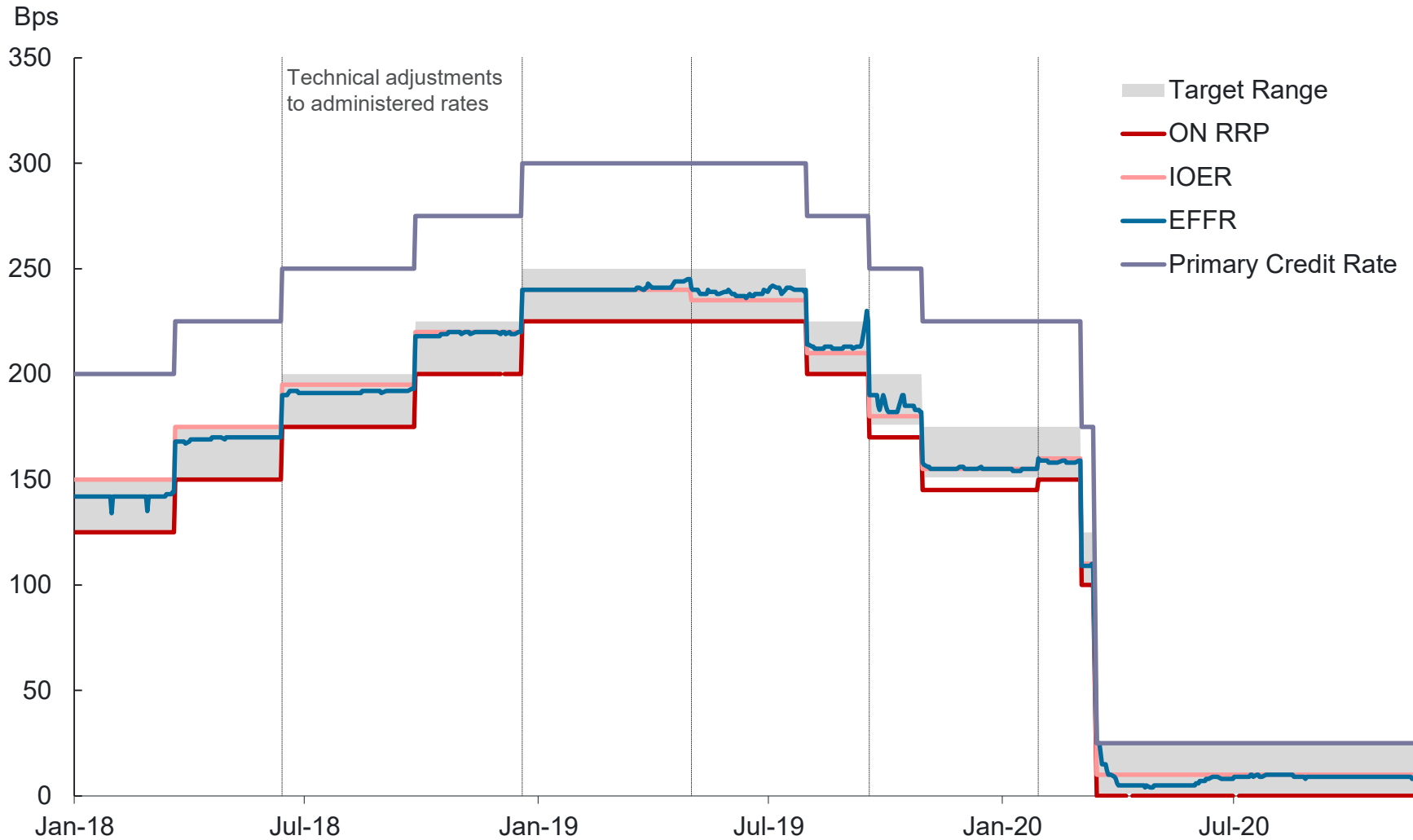
Figure 8: Senior Financial Officer Survey - Banks' Expectations for their Reserve Balances in Q4



Source: Senior Financial Officer Survey Fall 2020



Figure 9: Policy Target Range and Administered Rates



* The Desk also conducts daily, large-scale overnight repo operations, currently at a fixed rate of five basis points above IOER
Source: FRED, FRBNY