



# THE PURPLE

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Q3 2024 IN REVIEW

# **EQUILEND**

DATA &  
ANALYTICS

ISSUE XVI

**GLOBAL**

**\$2,490,532,346**

**-6% YOY**

**AMERICAS**

**\$1,537,755,354**

**-6% YOY**

**ASIA PACIFIC**

**\$560,341,482**

**-7% YOY**

**EMEA**

**\$392,435,510**

**-3% YOY**

# **SECURITIES FINANCE Q3 2024 REVENUE**

*Figures represent lender to broker activity only.*





### **Nancy Allen**

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Head of Data & Analytics Solutions  
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I thought I would be sitting in my hotel room in sunny Naples, Florida, writing this introduction. Instead, I'm looking out on the now chilly streets of New York City. We were all very disappointed to miss the inaugural ISLA Americas conference this year due to Hurricane Milton, but hopefully *The Purple* can bring you all up to speed on revenue and trends in our market. Revenue across every region was down relative to Q3 2023. The pages ahead will dive into why.

September 9 was a big day for the Data & Analytics team at EquiLend – and for our clients! We launched DataLend's highly anticipated new data visualization platform with new functionality, including greater flexibility and customization. Our Real-Time Data product was also enhanced to include lifecycle events including rerates, returns and recalls. Client feedback so far has been extremely positive. If you haven't logged in recently, do so today!

Finally, if you are not already signed up, be sure to check out our Orbisa short interest indicators and financing data – now available with a simple click on the Bloomberg App Store!  
<https://blinks.bloomberg.com/screens/apps%20orbisa>



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# AMERICAS

Figures displayed represent lender to broker activity only from July 1 to Sept 30, 2024. Deltas represent year on year change. All currency values are in USD and fees in bps.

## LENDABLE

\$28.49 Trillion +20.5%

## ON LOAN

\$1.84 Trillion +10.2%

## REVENUE

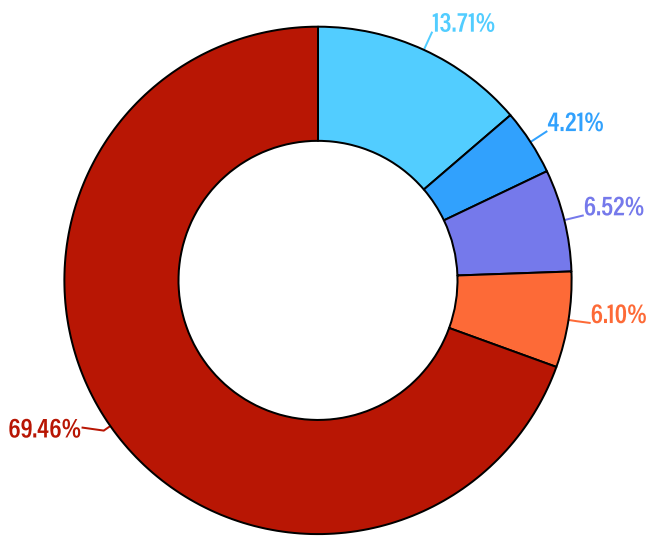
\$1.54 Billion -6.5%

## FEE

31.32 bps -18.1%

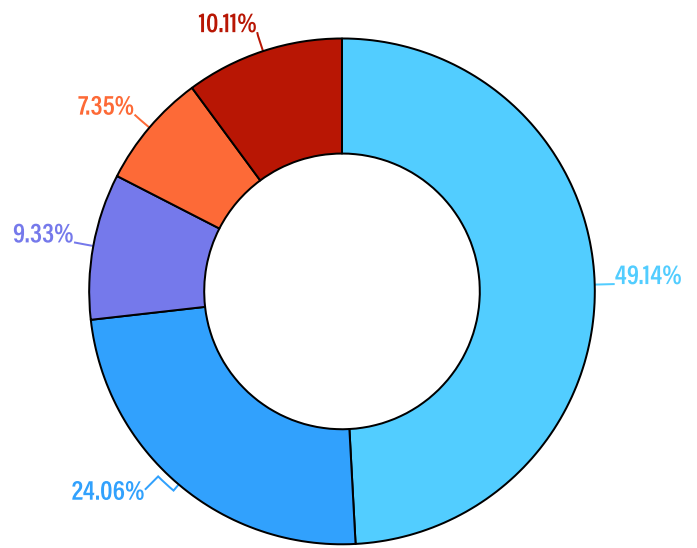
### Equity Revenue By Fee Band

0-25 bps 25-50 bps 50-250 bps 250-500 bps 500+ bps



### Fixed Income Revenue By Fee Band

0-25 bps 25-50 bps 50-250 bps 250-500 bps 500+ bps



### Top Equity Earners

	Security	Revenue (USD)
	SIRIUS XM HOLDINGS INC COM	138,025,869
	BEYOND MEAT INC COM	30,194,789
	TEMPUS AI INC COM CL A	29,938,141
	CASSAVA SCIENCES INC COM	27,804,166
	LUCID GROUP INC COM CL A	27,563,047
	CHOICE HOTELS INTERNATIONAL INC COM	17,927,178
	NIKOLA CORPORATION COM (POST SPLIT)	13,565,694
	NUSCALE POWER CORPORATION COM	13,222,542
	ARBOR REALTY TRUST INC COM	11,302,575
	CANOO INC COM (POST SPLT) A	11,225,526

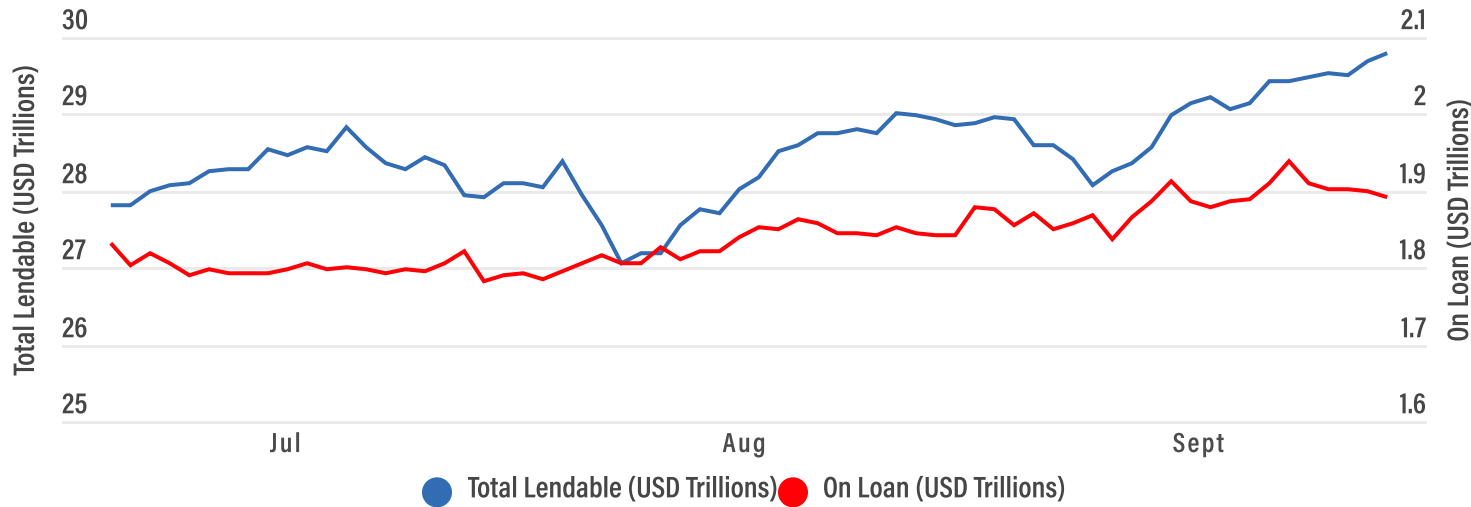
### Top Corporate Debt Earners

	Security	Revenue (USD)
	HANES 9% 15/02/31	3,134,532
	NEW F 8.75% 15/03/2029	2,296,683
	HERTZ 5% 01/12/29	1,997,344
	FLORI 1.258% 01/07/2025	1,963,195
	BIOMA 1.25% 15/05/27	1,569,407
	AVIS 8% 15/02/31	1,464,370
	MPT O 5.25% 01/08/26	1,274,431
	WALGR 4.8% 18/11/2044	1,249,463
	B & G 5.25% 15/09/27	1,170,095
	RAND 8.5% 15/02/2030	1,040,015

# AMERICAS

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## On Loan Vs Lendable



## Top Sectors By Revenue

Health Care	Communication Services	Consumer Discretionary	Industrials	Financials	Information Technology
192.60M	\$173.67M	\$138.37M	\$130.71M	\$109.18M	\$84.58M
\$71.81B	\$33.63B	\$91.71B	\$74.07B	\$107.57B	\$93.09B
105.66 bps	208.21 bps	59.19 bps	69.41 bps	41.66 bps	35.43 bps

Revenue (USD)

Loan Value (USD)

Fees (bps)

## Market Breakdown

EQUITY								
Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
UNITED STATES	\$21.45T	24.2%	\$652.66B	3.4%	60.48	-17.1%	\$1.00B	-12.2%
CANADA	\$789.73B	8.7%	\$49.88B	-11.2%	82.22	21.2%	\$95.57M	2.1%
LATIN AMERICA	\$40.45B	-35.1%	\$2.38B	2.0%	199.41	55.5%	\$11.92M	58.1%

FIXED INCOME								
Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
UNITED STATES	\$5.12T	11.4%	\$996.66B	18.9%	11.79	-13.8%	\$379.68M	10.6%
CANADA	\$885.17B	9.2%	\$126.62B	-2.7%	10.99	-14.8%	\$35.51M	-16.4%
LATIN AMERICA	\$205.35B	15.5%	\$11.29B	-7.5%	36.45	-18.5%	\$10.38M	-24.6%

# EMEA

Figures displayed represent lender to broker activity only from July 1 to Sept 30, 2024. Deltas represent year on year change. All currency values are in USD and fees in bps.

## LENDABLE

\$5.70 Trillion +10.2%

## ON LOAN

\$546.16 Billion +11.9%

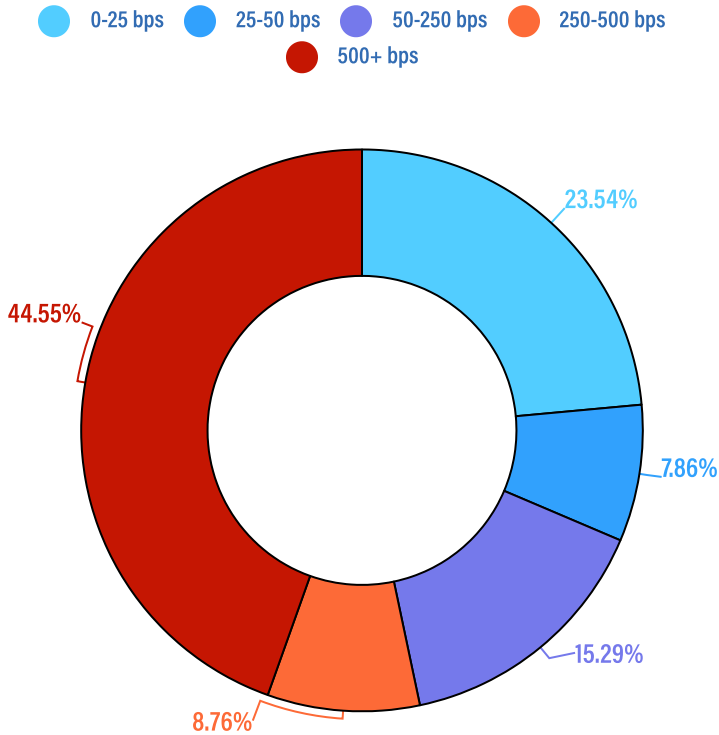
## REVENUE

\$392.44 Million -3.4%

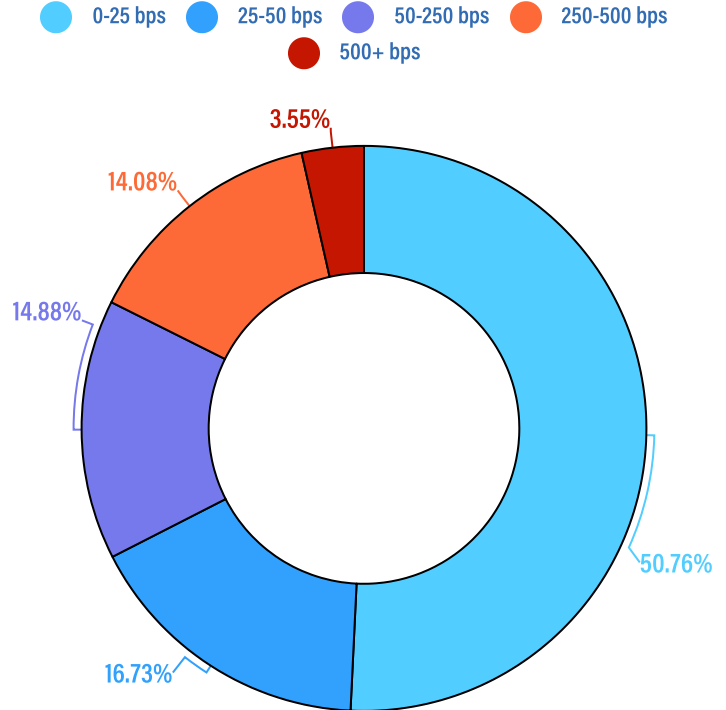
## FEES

28.39 bps -14.3%

### Equity Revenue By Fee Band



### Fixed Income Revenue By Fee Band



### Top Equity Earners

	Security	Revenue (USD)
	IDORSIA LTD	6,944,633
	EUTELSAT COMMUNICATIONS	6,868,615
	PETROFAC ORD	6,124,938
	ATOS SE	4,119,409
	INTRUM AB NPV	2,659,844
	SSE PLC	2,494,244
	EQUINOR ASA	2,491,287
	GOLD FIELDS LTD	2,276,724
	VUSIONGROUP	1,960,341
	STANDARD BANK GROUP LIMITED	1,869,399

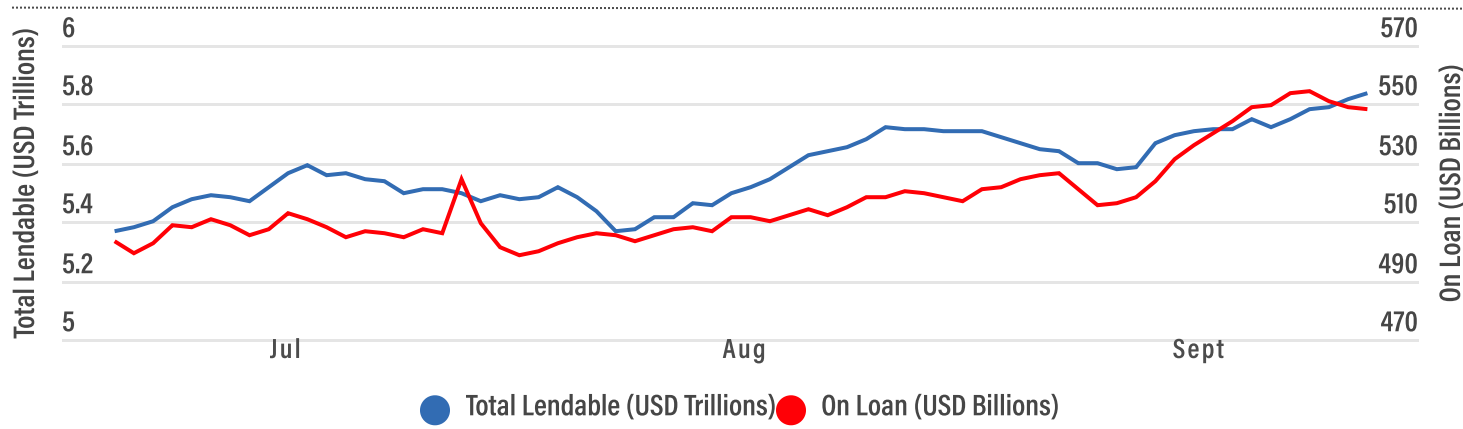
### Top Corporate Debt Earners

	Security	Revenue (USD)
	GRIFO 4.75% 15/10/2028	1,257,072
	VISTA 7.875% 01/05/27	760,652
	NEXI 2.125% 30/04/2029	669,956
	ENGIN 5.875% 30/09/26	625,393
	ARDAG 4.125% 15/08/2026	588,714
	TELEP 5.75% 22/11/31	557,013
	VISTA 6.375% 01/02/30	544,377
	VICTO 3.625% 24/08/2026	486,901
	ARDAG 5.25% 15/08/27	481,236
	MEDIOB 12/31 EUR	477,877







# EMEA

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## On Loan Vs Lendable



## Top Sectors By Revenue

Industrials	Health Care	Financials	Information Technology	Communication Services	Energy
					
\$31.73M	\$20.38M	\$18.89M	\$18.65M	\$18.48M	\$17.66M
\$28.83B	\$12.49B	\$24.43B	\$8.87B	\$13.70B	\$9.00B
43.67 bps	64.51 bps	30.80 bps	83.13 bps	53.95 bps	79.07 bps
Revenue (USD)	Loan Value (USD)	Fees (bps)			

## Market Breakdown

EQUITY								
Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
United Kingdom	\$962.53B	10.3%	\$33.83B	34.7%	39.44	-1.3%	\$34.20M	31.4%
France	\$571.15B	-0.8%	\$22.31B	-16.2%	55.86	49.9%	\$31.32M	27.6%
Germany	\$389.59B	12.2%	\$19.80B	-21.5%	43.16	-19.7%	\$21.65M	-36.6%
Sweden	\$178.29B	18.0%	\$14.15B	9.3%	46.33	-39.5%	\$16.58M	-33.9%
Switzerland	\$447.32B	9.5%	\$15.22B	-6.3%	42.92	8.7%	\$16.36M	3.3%
FIXED INCOME								
Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
France	\$357.07B	10.6%	\$90.90B	21.8%	22.04	-20.0%	\$51.01M	-2.0%
United Kingdom	\$504.22B	11.8%	\$88.29B	21.0%	18.42	-18.4%	\$41.16M	-1.2%
Germany	\$265.04B	9.0%	\$66.09B	-3.7%	20.42	0.7%	\$34.25M	-3.1%
Italy	\$137.24B	9.5%	\$26.55B	25.3%	19.82	-16.3%	\$12.86M	0.5%
Luxembourg	\$107.60B	26.0%	\$26.26B	87.4%	18.76	1.1%	\$12.53M	89.8%



# ASIA PACIFIC

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## LENDABLE

\$3.25 Trillion +8.3%

## ON LOAN

\$268.04 Billion +2.5%

## REVENUE

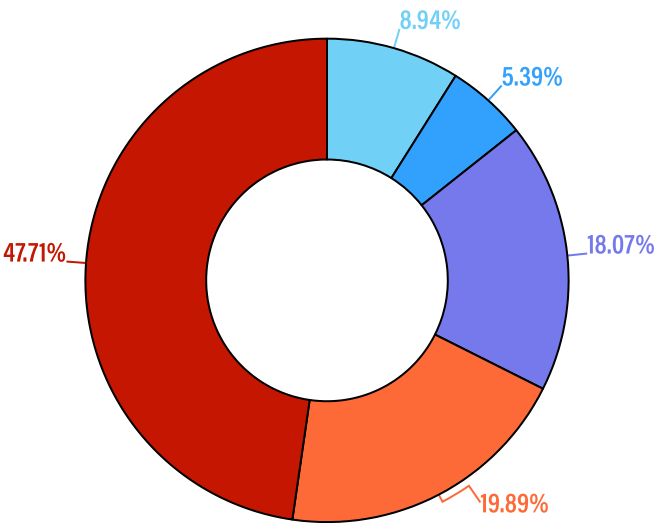
\$560.34 Million -7.2%

## FEES

82.39 bps -9.5%

### Equity Revenue By Fee Band

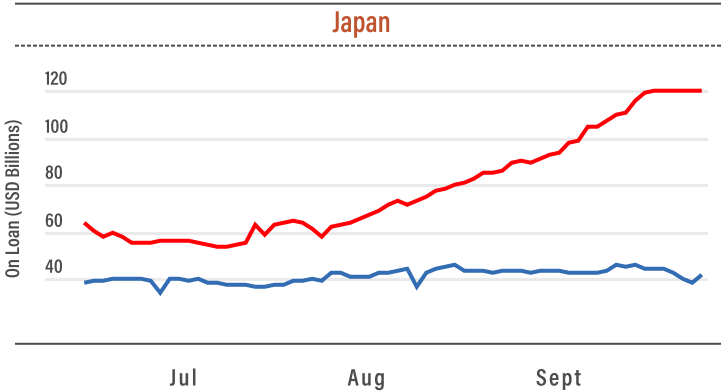
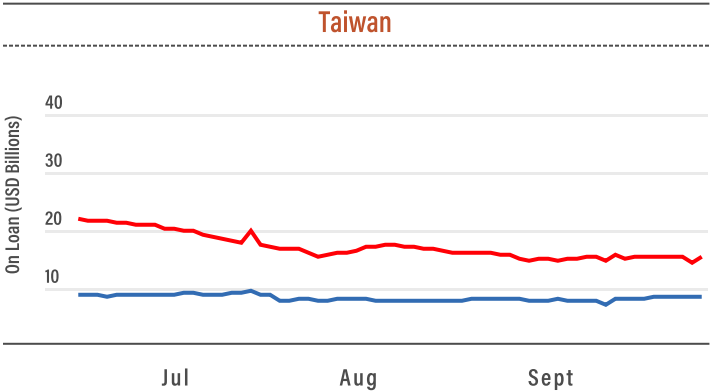
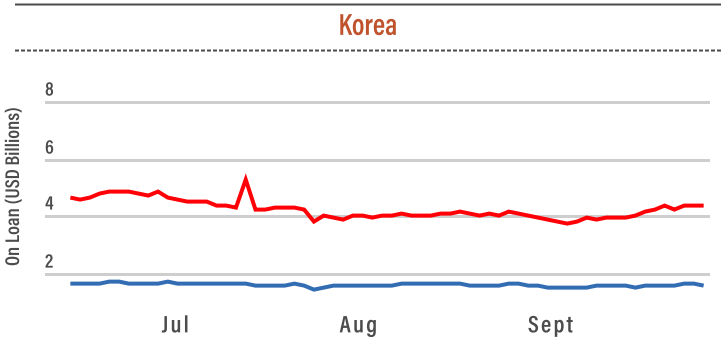
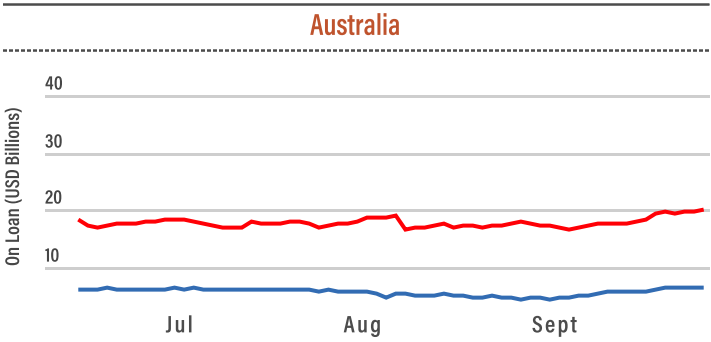
0-25 bps 25-50 bps 50-250 bps 250-500 bps 500+ bps



### Top Equity Earners

	Security	Revenue (USD)
	VANGUARD INTERNATIONAL	9,665,442
	GIGA-BYTE TECHNOLOGY CO	8,197,312
	NOVATEK MICROELECTRONICS	7,638,730
	EAST BUY HOLDING LIMITED	5,321,389
	JINAN ACETATE CHEMICAL CO.	4,861,799
	GANFENG LITHIUM GROUP	4,645,242
	CHINA TOURISM GROUP	4,463,029
	FORTUNE ELECTRIC CO LTD	3,448,525
	WIWYNN CORPORATION	3,155,489
	KASUMIGASEKI CAPITAL	3,152,530

### Offshore Vs Onshore Loan Balance



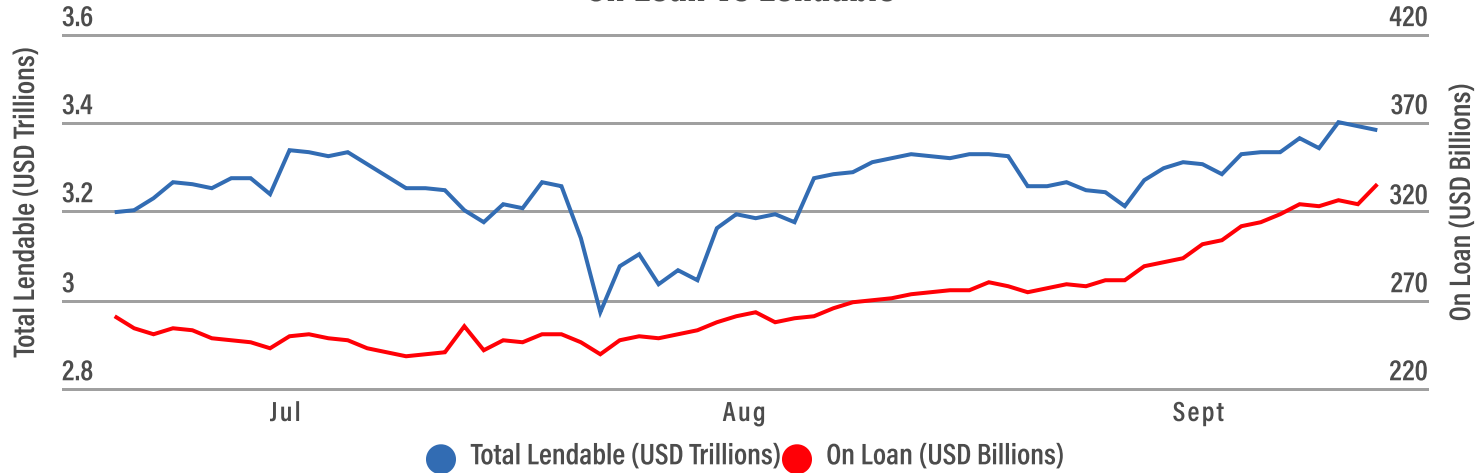
Onshore Offshore









# ASIA PACIFIC

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## On Loan Vs Lendable



## Top Sectors By Revenue

Information Technology	Industrials	Consumer Discretionary	Materials	Health Care	Financials
					
\$178.11M	\$84.00M	\$59.75M	\$45.08M	\$40.91M	\$30.30M
\$35.21B	\$39.42B	\$32.63B	\$19.14B	\$12.91B	\$22.44B
201.41 bps	84.41 bps	72.36 bps	92.83 bps	125.36 bps	52.82 bps
Revenue (USD)	Loan Value (USD)	Fees (bps)			

## Market Breakdown

Market	Lendable	Delta	On Loan	Delta	Fees	Delta	Revenue	Delta
Taiwan	\$223.58B	43.9%	\$25.41B	29.5%	321.45	11.5%	\$205.38M	44.0%
Japan	\$1.39T	11.5%	\$122.82B	-4.0%	55.86	8.6%	\$173.32M	4.8%
Hong Kong	\$446.88B	-13.5%	\$21.11B	-12.9%	152.58	0.0%	\$80.84M	-13.3%
Australia	\$530.62B	21.2%	\$24.02B	51.4%	42.66	-24.8%	\$26.72M	17.8%
Thailand	\$25.54B	-16.7%	\$2.34B	60.6%	286.28	-17.9%	\$16.91M	31.7%
Korea, Republic of	\$159.02B	-10.7%	\$5.83B	-69.5%	91.51	-63.2%	\$13.48M	-88.8%
Malaysia	\$12.45B	22.5%	\$861.14M	93.5%	464.27	-4.7%	\$10.09M	84.3%
Singapore	\$60.52B	4.3%	\$2.81B	31.8%	59.88	-21.4%	\$4.22M	4.0%

# Asia Pacific Markets: Q3 2024 In Review



By Cameron Cole & Thomas Ashton, Data Specialists, Data & Analytics

The Asia-Pacific (APAC) region saw the steepest decline in lending revenue in Q3 2024, with revenue dropping by 7.2% YoY to \$560 million. This was followed by North America, which posted a 6.7% YoY decrease to \$1.5 billion, and EMEA, where revenue fell by 3.41% YoY, generating \$392 million. Across all three regions, a common trend emerged: fees were markedly down, dropping 9.5% in APAC, 18.4% in North America, and 14.3% in EMEA. However, this was partially offset by a rise in on-loan balances, which grew 2.5%, 10.3% and 12% respectively. Despite global sluggish performance, Taiwan continues to be a hot topic, with the market generating impressive lending returns relative to the wider APAC region.

In APAC, the bulk of revenue was generated by equities, contributing \$532 million, representing a 6.3% YoY decline, with fees and on loan balances down 3.9% and 2.6% respectively. Revenue from APAC fixed income lending activity also experienced a steep decline in Q3 2024, earning \$29 million and down 21% YoY, while fees

decreased by 38% over the same period.

## Taiwan in Focus

Among the APAC markets, Taiwan remains a critical focal point, defying broader regional trends and solidifying its position as the leading securities lending market in APAC for Q3 2024. Taiwanese equities generated \$205 million in lending revenue, up 44% YoY and driven by a 30% increase in on loan balances and 12% uptick in fees. Japan followed second in the region, earning \$173 million over Q3 2024. This represents a 4.8% increase compared to the same period last year, primarily driven by an 8.6% uptick in fees. Lending of Hong Kong equities contributed a further \$81 million in revenue, placing the market as the third highest in region from a revenue perspective. However, of the top three spots, Hong Kong is the only market to experience a decline in revenue in Q3 2024, down 13.3% YoY, driven by a 13% decrease in on loan balances while fees remained flat compared to Q3 2023.

## APAC Sector Performance

Taiwan's impressive growth has drawn attention from market participants, particularly considering the ongoing short selling ban in South Korea, which has shifted the spotlight to Taiwan. The Information Technology (IT) sector has been the primary driver of this growth, fuelled by the surging demand for AI-related applications and semiconductor manufacturing. Regionally, the highest performing sector was the IT field where lending activity produced \$178 million in revenue. As a global hub for semiconductor production, Taiwan faces concerns about a potential AI bubble. These concerns, alongside fears of a U.S. recession and rising geopolitical tensions across the Taiwan Strait, have contributed to the country's robust securities lending performance. Most of Taiwan's revenue stemmed from the Hardware and Semiconductor sectors, contributing \$69 million and \$60 million, respectively.

## Top Performing APAC Securities

The top three highest-revenue-generating securities in APAC for Q3 2024 all originated from Taiwan, within the IT industry. Leading the way in Taiwanese equity lending was Vanguard International Semiconductors (5347 TT), a manufacturer of integrated circuits. This security saw its on-loan balances rise by 227% YoY, while fees increased by 134%, earning \$9.7 million in revenue in Q3 2024 and securing its position as the top earning equity in the APAC region.

Giga-Byte Technology Co (2376 TT) generated \$8.2 million in Q3 2024, placing as the second-highest revenue generating security in the region. While on-loan balances remained relatively flat YoY, fees for Giga-Byte were up 32%. While macro trends may be involved in Giga-Byte's performance, a large lender in the region points towards demand driven by convertible bond arbitrage opportunities.

Other notable performers included Novatek Microelectronics (3034 TT), which brought in \$7.6 million in lending revenue. This placed the security among the top 3 revenue-generating securities in Taiwan and in APAC for the quarter. This trend has also boosted lending returns for semiconductor

ETFs; for example, lending revenue for iShares Trust Semiconductors (SOXX) was up over 200% in Q3 2024, generating just over \$500,000.

While the global securities lending market exhibited sluggish performance in Q3 2024 with declining revenues across all major regions, Taiwan emerged as a bright spot within APAC, driven by strong performance in the Information Technology and Semiconductor sectors. Despite global fee pressures and economic headwinds, Taiwan's equity markets outperformed, bolstered by rising demand for AI-related applications and semiconductor production. As geopolitical and macroeconomic concerns persist, Taiwan's resilience underscores its pivotal role in the region's securities lending landscape. With continued market volatility over concerns of an AI bubble, U.S. recession and fears of a selloff in Asian chipmakers due to geopolitical tensions, Taiwan remains a key securities lending market of focus throughout 2024.





# DataLend's Exciting New User Platform and Enhanced Real-Time Data

By Rebecca Branca & Keith Min, Data Specialists, Data & Analytics

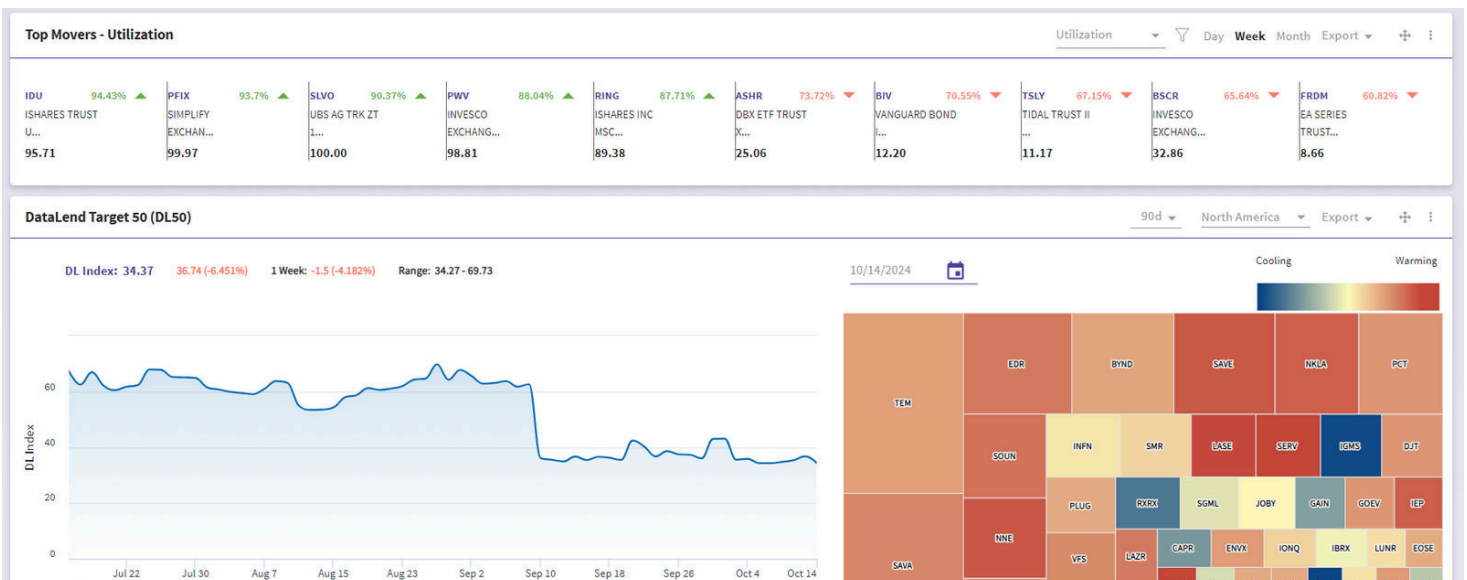
With diverse businesses and roles within the securities lending marketplace, all having unique data requirements, users need access to customizable and dynamic tools that cater to their needs. On September 9th, the EquiLend Data & Analytics team launched a new platform focused on delivering just that — personalized user experiences, simplified research capabilities, and a real-time data flow that brings more precision and efficiency to decision-making. Here's a breakdown of the most impactful changes:

## Dashboard: Tailor-Made for You

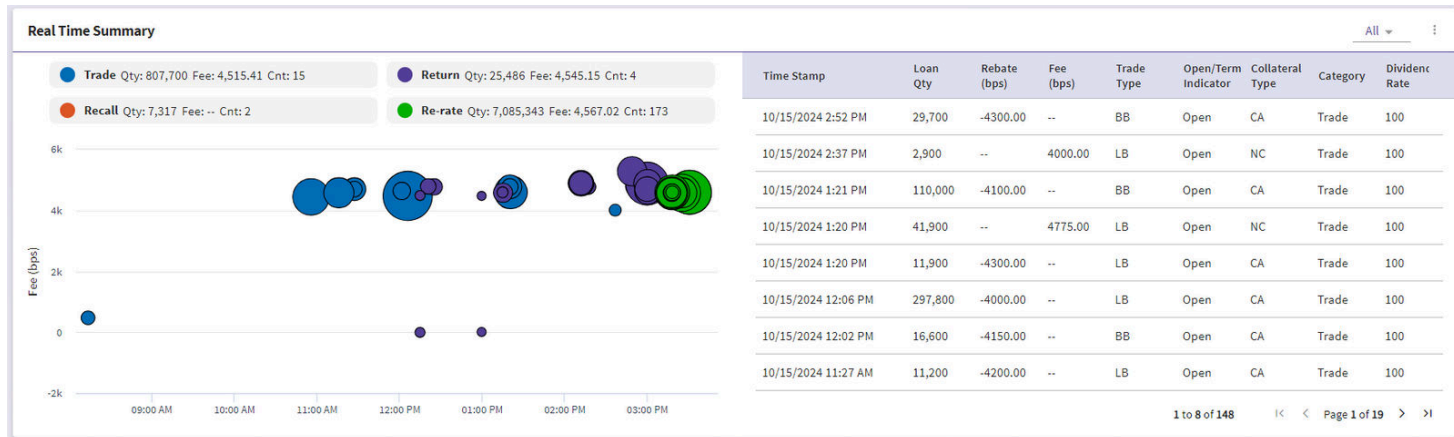
The updated home page allows each user to design multiple dashboards that reflect their unique needs.

Rather than being constrained by a one-size-fits-all layout, users can now adjust views to focus on what's most important to them.

For traders, this might mean focusing more on market movers, newly hot stocks and the DataLend50 (DataLend's proprietary index tracking the 50 most expensive names) heatmap rather than using screen real estate on a foreign market's utilization rates. Those interested in benchmarking can holistically view their aggregated data next to the industry data across multiple markets and asset classes in the same graph over a two-year time frame. This flexibility ensures that each user's dashboard displays exactly what they need, without distractions.







## Security Search: Expanded Metrics and Flexibility

The enhanced Security Search tab begins with a data ribbon now offering the full array of DataLend metrics at the top of the screen. Want to compare a corporate bond or a preferred share with its common stock? The enhanced “Other Issues” feature makes this comparison easier than ever by comparing all securities from the same issuer.

Additionally, corporate action notifications have expanded. Tender offers, takeovers, share repurchases, and others now join dividends and stock splits to provide more insight into a security.

On the visual side of Security Search, users have full customizability on the positioning and size of each widget. Improved graphing tools allow users to chart any data points together, analyze Price vs. Utilization or On Loan Quantity and Rebates or Fees vs. Short Interest Indicator, all comparisons previously unavailable to users.

## Real-Time Data: All Lifecycle Events for All Markets

EquiLend’s Real-Time Data product has received a major upgrade. Now, users can monitor returns, rerates and recalls with the global coverage and accuracy they’ve come to expect from DataLend. Moreover, the new market distinction feature allows for comparisons across average rates and industry totals not just for the lender-to-broker market, but also broker-to-broker, and a combined view of the entire industry.

The introduction of a new chart displaying full front-to-back intraday activity in Security Search ensures users can visually grasp intraday trends in an instant.

## Research: One Report When You Need It The Most

Gone are the days when users had to create multiple reports to see industry deltas and “my vs. the industry” data. Now, any data point in Research can be included in a single, consolidated report. Whether a user is utilizing the new Broker-to-Broker fee buckets (1, 5, 10, etc.), day-over-day active utilization changes, or my vs. the industry fields, everything can be incorporated into a single report.

Scheduled reports will also arrive up to three hours earlier, reaching inboxes by 5AM EDT, giving users more time to process and plan target securities. Sharing reports with colleagues has also been simplified. In addition to filters, the exact columns and sorting preferences are shared, ensuring that the whole team is operating with the same perspective.

The new DataLend UI was designed with flexibility, customization, and collaboration in mind. With enhanced dashboards, expanded research capabilities, and real-time data updates, users are better equipped to tailor their experience to what matters most. Whether the user is in trading, operations, or in relationship management, the new UI will empower the user to stay ahead in today’s securities lending market.





# Recapping Q3 Performance

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## A Mixed Bag for Securities Lending Participants

By Alec Rhodes, Data Specialist, Data & Analytics

### North American Equities

U.S. equities, which generated 44% of global securities finance revenue, continued to cool year-over-year. With a strong run for U.S. stocks, one that has seen a 20% return for the S&P 500 year-to-date, and inflation concerns beginning to abate, the “Specials” side of the U.S. securities lending market has been understandably quieter after an economically tumultuous 2023. U.S. equity revenue fell 12% year-on-year for the quarter, due to a 17% decline in the average fee lenders were able to command.

From a specials perspective, Sirius XM Holdings (SIRI US) was a major outlier, generating \$138 million in revenue during Q3 with average fees climbing 1552% in July. SIRI shares remained in demand as the result of an arbitrage opportunity with shares for holding company Liberty Sirius XM Group (LSXMA, LSXMB) trading at a significant spread.

The opportunity came to a head when parent company Liberty Media made a late August announcement proclaiming both a merger of Sirius XM Holdings and Liberty Sirius XM Group, and a 1-for-10 reverse stock split to occur on September 9th.

While the flurry surrounding SIRI was not enough to make up for an otherwise sleepy U.S. equity market, Canadian securities generated solid returns with 3% year-over-year revenue growth as fees climbed 29%.

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## APAC Equities

Returns for APAC equities in the lending market declined 6% year-over-year. Revenues in the region were largely improved, with the Taiwanese and Japanese markets continuing to see increased interest from short side investors. The continued short selling ban in Korea offset gains elsewhere in the region, though the country's National Assembly recently passed a bill that is set to lift the ban by the end of March 2025. Head over to our Q3 APAC performance update for a more in-depth breakdown.

## EMEA Equities

Revenue for EMEA equities fell by 5% year-over-year as fees ticked lower in the region. Performance across different markets varied widely, with UK and French equities, the top-two earning markets, seeing significant improvements over Q3 2023 with 31% and 28% growth respectively. In the UK, a 34% upswing in balances was largely responsible for the improvement, while in France, it was a 50% jump in average fees.

On the flip side, German and Swedish stocks, the third and fourth largest markets, saw a weighty 37% and 34% decline. Fees were the primary culprit with drops of 20% and 39% respectively.

Swiss pharmaceutical researcher Idorsia Ltd (IDIA SWX) was the top earning security in the region, generating nearly \$7 million in revenue. The firm has been hit with analyst downgrades as poor sales have led to a 31% loss in stock price YTD.

Industrials, the largest equity sector in the

European lending market, stuck out as a laggard with revenue declining 27% due to a sharp 36% decline in fee year-over-year.

## Fixed Income

Lending for government issued bonds improved by 14% over Q3 2023. U.S. government bonds, which represented 59% of the sovereign lending market revenue, improved 22% year-over-year as balances climbed. Despite the increase in volumes, cost-to-borrow broadly fell as the Federal Reserve signaled and eventually executed an aggressive 50bps rate cut following their September meeting.

The U.S. 20-year bond issued on August 15th (US912810UD80) was the top earning debt instrument for the third quarter and the third highest earning security in September with nearly \$14 million generated, indicative of both the high demand for treasuries and the limited specials in the equity market. DataLend will continue to monitor government lending activity as the global economy shifts into a declining interest rate environment.

Revenue for corporate bonds fell 18% year-over-year as average fees declined by 29%. High-yield revenue fell by 17%, primarily due to a sharp 51% downturn for APAC names. In the investment-grade space, revenues declined roughly 30% across the board.

Despite the annual decline, corporate bond lending did see improved revenues over Q2, up 6%. As newly declining interest rates are likely to entice corporations who are waiting to issue or re-finance debt, lending dynamics have the potential to shift.



# Cash Reinvest Analysis Reflecting on the Federal Reserve Rate Cut in September 2024

By David Poulton, Data Specialist, Data & Analytics

September 19th, 2024, marked the first time the Federal Reserve cut interest rates since March 2020. They set the new target rate between 4.75% and 5.00%, a reduction of 50 bps from the previous level of 5.25% to 5.50%. Having previously analyzed the behavior of any trends associated with such rate changes, the team at EquiLend Data & Analytics have taken a fresh look back over the last five years.

Approximately 90% of all cash collateral received in the securities lending market is in U.S. Dollars which means that rate changes in the U.S. can have a significant impact on revenue earned from cash reinvestment as shown in the chart below.

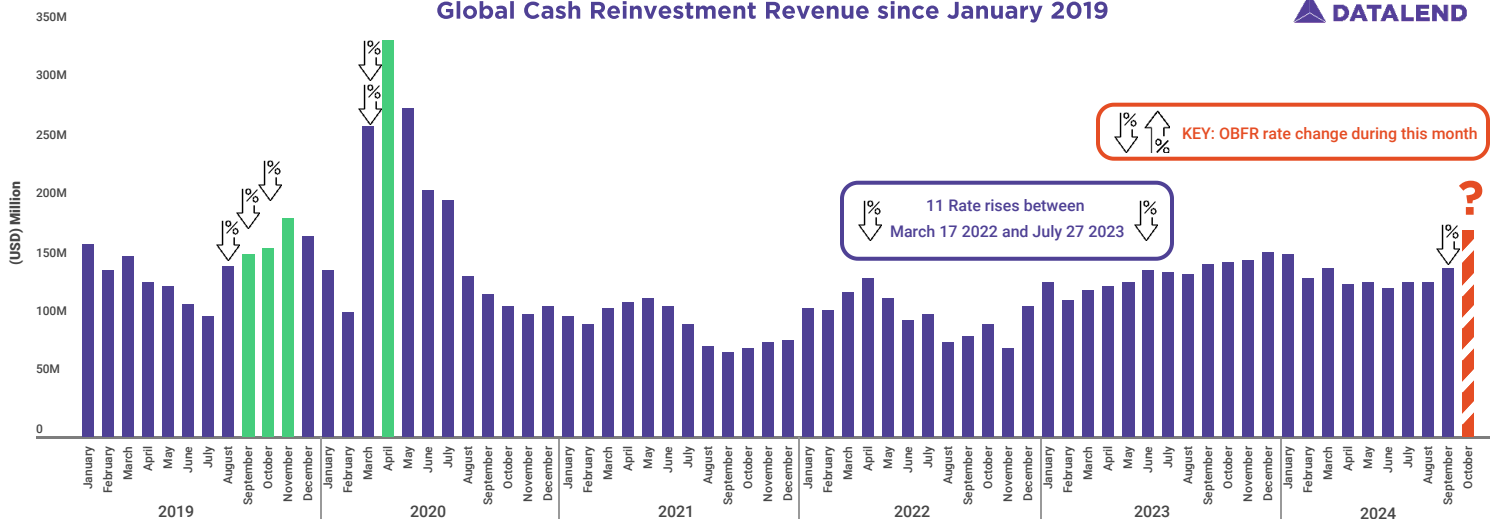
When cash is provided as collateral against lent securities, the borrower receives a rebate rate on this cash. The rebate is typically quoted in reference to a benchmark rate, which for

U.S. Dollars the industry widely accepts the Overnight Bank Funding Rate (OBFR). The more in demand a security is, the lower the rebate rate. Agents will reinvest the cash collateral received into reverse repurchase transactions or short-term money market instruments. The yield on the investment minus the rebate paid results in the return on the loan.

The loan leg of the transaction is typically overnight whereas cash collateral can be invested in a mix of instruments with varying maturity dates allowing for some duration mismatch between the loan and the cash re-investment legs. As a result of this, spreads tend to widen when rates are cut, as the rebate rate resets immediately while the yield on the cash reinvestment fund continues to benefit from longer dated investments and tighten when rates rise.

Global Cash Reinvestment Revenue since January 2019

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The corresponding impact on cash re-investment revenue can be seen in the chart above. The bars on the chart highlighted in green show an increase in cash reinvestment revenue in the month after a rate cut, the largest increase being in April 2020 followed by two separate rate cuts announced in March 2020. There were eleven rate increases between March 2022 and July 2023 which led to a mixed bag of results. November of 2022 saw one of the worst months of reinvestment returns following back-to-back 75 bps rate hikes.

With the first rate cut in four years, it is anticipated that October will see an increase in reinvestment revenue as investors take advantage of the duration mismatch. The team here will continue to monitor how this plays out for real.

Federal Funds rate changes sourced from:  
<https://www.federalreserve.gov/monetarypolicy/openmarket.htm>





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