J.P.Morgan

North America
Fixed Income Strategy
15 June 2015

Short Term Market Outlook and Strategy

- During this week's FOMC meeting, it is likely that the Fed will lower its longer term Fed funds projections along with longer-term growth estimates
- The FOMC median view should still imply a September liftoff with an additional hike occurring before year-end, although some members may temper expectations to only one hike
- As far as the money markets are concerned, due to S&P's downgrades to their respective short-term ratings, Barclays and Deutsche Bank are now technically Tier 2 issuers
- Due to S&P fund rating rules, $22bn of cash currently invested in Barclays and Deutsche Bank paper will have to find a new home in higher quality credits or the Fed RRP
- We provide our prime MMF holdings update for May: Prime funds continue to shorten their maturity profiles, increasing holdings of bank paper maturing in less than 30d while decreasing holdings with longer tenors

US Fixed Income Strategy

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Money Market

Rates	1d	1w	1m	3m	6m	12m
T-Bills	-	-	0.01	0.01	0.10	0.26
Agency Disco	-	-	0.06	0.09	0.17	0.36
LIBOR	-	-	0.19	0.28	0.45	0.79
ABCP	0.16	0.17	0.18	0.26	-	-
AA Fin CP	0.08	0.07	0.11	0.20	-	-
AA Non-Fin	0.08	0.09	0.08	0.09	-	-
Tier 2 CP	0.35	0.37	0.48	-	-	-
GC Repo	0.20	0.18	0.23	0.25	-	-
MBS Repo	0.22	0.20	0.26	0.29	-	-

2a-7 Funds (6/11/15)	AUM ($bn)	Gross Yield
Prime Instit	959	0.23%
Prime Retail	465	0.20%
Gvt/Agcy Instit	346	0.11%
Gvt/Agcy Retail	113	0.11%
Treas Instit	402	0.09%
Treas Retail	68	0.08%
Total Taxable	2352	
Total Tax Exempt	245	
Total MMF	2597	

Spreads	1y	2y	3y
Agency swap spread	-	-16	-14
JULI (HG fixed) z-spread	45	49	56
FRNI (HG floating) DM	36	49	50
AAA prime auto ABS (fixed) swap spread	25	25	30
AAA CC ABS (fixed) swap spread	-	23	27

Fed	
Fed Funds Target Rate	0 - 0.25%
RRP Rate	0.05%
RRP Usage (6/12)	$81.75bn
RRP 1w Usage Change	-$1.9bn (-2%)
Next FOMC Meeting	Jun 16th-17th, 2015

Upcoming Bill Auctions	Announce	Auction	Settle	Size
1m	6/15	6/16	6/18	TBD
3m	6/11	6/15	6/18	$24bn
6m	6/11	6/15	6/18	$24bn

Economic Calendar: Data	Date	Time
Empire manufacturing	6/15	8:30am EST
Housing starts	6/16	8:30am EST
CPI	6/18	8:30am EST

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Market commentary

In an otherwise uneventful week, the biggest news in the short-term markets came on Tuesday when S&P concluded its review on various global banks and banking groups. As far as the money markets are concerned, the short-term ratings of Barclays and Deutsche Bank were both downgraded by S&P to A-2, effectively making them Tier 2 issuers. This will further complicate matters for investors, especially for AAA S&P-rated funds who cannot buy Tier 2 securities. As such, as much as $22bn of paper currently invested with BCLY and DB may have to find a new home. We discuss the implications of these ratings actions in more detail below.

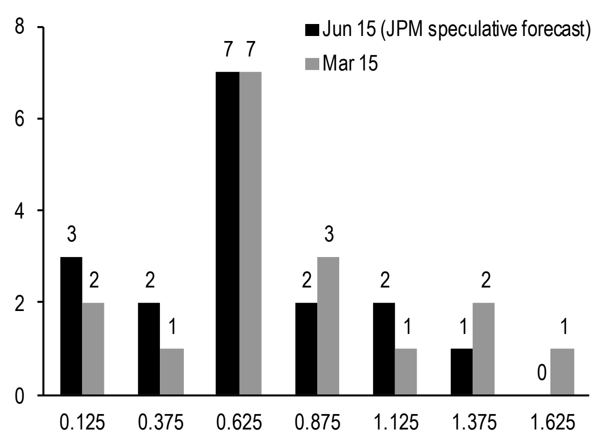
In our prime MMF holdings update (also below), we note that money market fund reform related outflows remained absent during May, as prime fund AuM increased by 2%. However, our data shows that fund managers continue to build liquidity in order to hedge against a Fed liftoff and to meet potential reform driven outflows. Prime funds have shortened tenors of bank paper, primarily increasing exposures concentrated in the 30 day and in space. We expect this trend to continue, further supporting our thesis of wider libor bases in the months to come.

Looking ahead, this week will bring June's highly anticipated FOMC meeting on Tuesday and Wednesday. The meeting will be accompanied by a press conference as well as updated economic and interest rate projections ("dots"). We have removed the possibility of a hike at the meeting, and think that the Fed will keep its longer term employment and inflation views relatively unchanged, while slightly adjusting down its growth forecasts. As for its interest rate projections, we believe that the committee's revised dots will prove to be pivotal in giving markets more color around the timing and pace of a tightening cycle.

Ahead of this week's FOMC meeting, our US economists expect the FOMC to be inclined towards lowering its Fed funds projections for 2016, 2017, and the longer-run, in conjunction with downward revisions to its growth forecasts[1]. For 2015, we anticipate the FOMC consensus should still imply a September liftoff with an additional hike taking place before the end of the year. However, based on weak 1Q GDP, some members could shift their expectations to reflect only one hike during 2015. Our economists only expect 2 members to do so (Exhibit 1), with the majority still forecasting 2 hikes. That said, our

Exhibit 1: The FOMC's June dots should still imply two hikes to occur during 2015, with a few members shifting their expectations into the less than two hike camp

Distribution of Fed SEP projections for midpoint of Fed funds target range: year-end 2015. March FOMC meeting vs JPM forecast for June FOMC meeting; number of participants



Source: Federal Reserve, J.P. Morgan

[1] M. Feroli, "FOMC Preview", June 12, 2015

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September call faces considerable downside risk should more participants move into the less than two hike camp.

S&P concludes its bank rating reviews

Not to be outdone by Moody's, this past Tuesday S&P also concluded its reviews on various global banks and banking groups domiciled in the UK, Germany, Austria, and Switzerland. The reviews were initiated in February as part of its efforts to reflect new resolution regimes put in place in these countries. Rating actions were taken based on S&P's assessment of the amount of extraordinary government support regulators would provide and the amount of bail-in capital banks currently hold or expected to hold. Exhibit 2 is a summary table of selected rating actions.

To be sure, not every bank was downgraded as part of the review. Some were affirmed at the current level with a stable outlook in spite of their being on negative watch/outlook previously (e.g., HSBC, CS, UBS). Others were affirmed at the current level with a negative outlook (e.g., Santander UK). One was upgraded at the holding company (e.g., Lloyds). Still, there were a handful of banks that were downgraded, including BCLY and DB. In particular, they were downgraded at the operating company level to A-/A-2 and BBB+/A-2 respectively, effectively becoming Tier 2 issuers in the money markets.

For investors, the step into Tier 2 territory for BCLY and DB matters a great deal. This is

Exhibit 2: S&P concluded its reviews on global banks and banking groups domiciled in the UK, Germany, Austria, and Switzerland

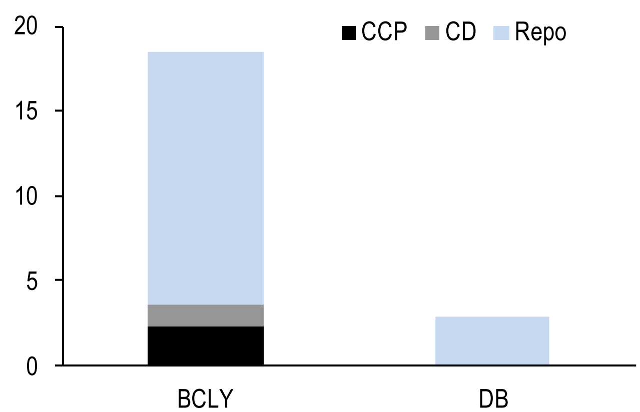
Summary of selected bank rating actions

Country of Domicile	Bank	Hold Co (Parent) LT / ST / Outlook	Op Co (e.g., Bank) LT / ST / Outlook
UK	**Barclays**		
	New	BBB / A-2 / Stable	A- / A-2 / Stable
	Former	BBB / A-2 / Stable	A / A-1 / Watch Negative
	HSBC		
	New	A / A-1 / Stable	AA- / A-1+ / Stable
	Former	A / A-1 / Stable	AA- / A-1+ / Watch Negative
	Lloyds		
	New	BBB+ / A-2 / Stable	A / A-1 / Stable
	Former	BBB / A-2 / Positive	A / A-1 / Watch Negative
	Nationwide		
	New	A / A-1 / Stable	
	Former	A / A-1 / Watch Negative	
	RBS		
	New	BBB- / A-3 / Stable	BBB+ / A-2 / Stable
	Former	BBB- / A-3 / Stable	A- / A-2 / Watch Negative
	Standard Chartered		
	New	A- / A-2 / Stable	A+ / A-1 / Stable
	Former	A- / A-2 / Stable	A+ / A-1 / Watch Negative
	Santander UK		
	New	BBB / A-2 / Stable	A / A-1 / Negative
	Former	BBB / A-2 / Stable	A / A-1 / Watch Negative
Germany	**Deutsche Bank**		
	New	BBB+ / A-2 / Stable	BBB+ / A-2 / Stable
	Former	A / A-1 / Watch Negative	A / A-1 / Watch Negative
Switzerland	**Credit Suisse**		
	New	BBB / NR / Stable	A / A-1 / Stable
	Former	BBB / NR/ Stable	A / A-1 / Negative
	UBS		
	New	BBB+ / A-2 / Stable	A / A-1 / Stable
	Former	BBB+ / A-2 / Stable	A / A-1 / Negative

Source: S&P, J.P. Morgan

Exhibit 3: We estimate there were $22bn of exposures to BCLY and DB in S&P rated MMFs as of May month-end

BCLY and DB exposures in S&P rated MMFs ($bn)



*$22bn of exposures also includes ABCP
Source: Crane Data

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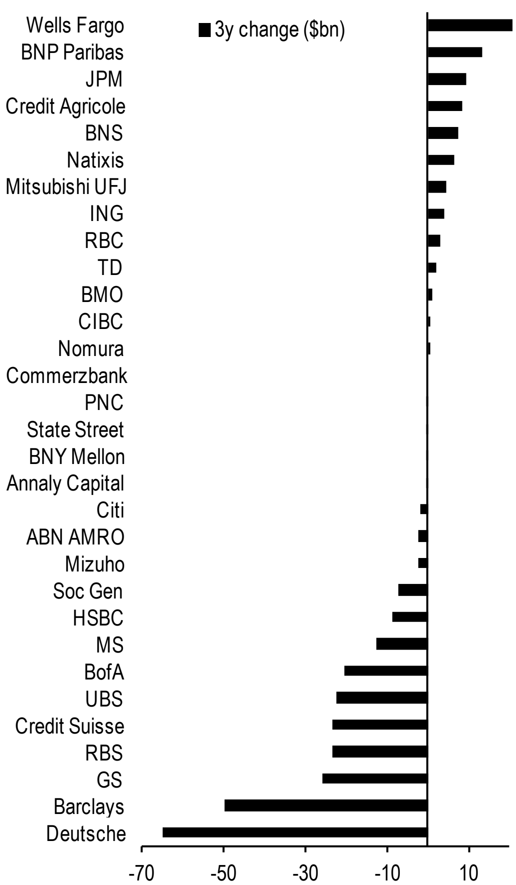
true particularly for S&P AAA-rated MMFs whose investment guidelines prohibit them from investing in securities that have a short-term rating of A-2 and below. This would apply to CP, CCP, ABCP, as well as traditional and non-traditional repo. To the extent that they want to engage in trades with an A-2 counterparty, those would be considered "higher-risk investments" which would then put the funds to be BB-rated. As of May month-end, we estimate there were $22bn of exposures to BCLY and DB in S&P rated MMFs, most of which is in repo but all of which would need to be divested in order for the funds to maintain their AAA rating (Exhibit 3)[2].

All told, the bank rating downgrades are yet another force that is widening the supply and demand gap in the money markets. Not only are banks issuing less short-term funding due to a variety of regulations, but rating agencies are also shrinking the pool of investible supply in which rated MMFs could invest. In the meantime, the demand for short-term high quality assets continues to grow via money fund reform and banks shedding non-operational deposits, creating capacity issues for MMFs. Anecdotally, we have heard that some MMFs are actively considering removing their S&P rating, perhaps as a way to enlarge their pool of investible supply. Currently, S&P rates about 75% and 45% of the assets under management in government and prime MMFs respectively.

From a markets perspective, fund managers will need to find alternatives to replace the

Exhibit 4: Over the past three years, there has been more shrinkage than growth among dealers in tri-party repo balances with MMFs

Change in US MMF dealer repo holdings by counterparty ($bn)



Source: Crane Data

Exhibit 5: Prime fund assets recouped a portion of outflows experienced YTD during May

Prime MMF AuM ($bn)

Source: iMoneyNet

[2] S&P allows a cure period for investments that are downgraded below A-1. The length of the cure period varies according to the size of the position.

investments affected. Based on data this past week, it appears some of it went into the Fed's ON RRP facility as balances grew by $14bn two days following the S&P downgrade, reversing a steady decline that was taking place the prior two weeks. To a lesser extent, we suspect some of it was also replaced with higher-rated counterparties in the repo space, though it's unclear how much additional capacity other dealers absorbed given balance sheet constraints in the overall marketplace. Over the past three years, there has been more shrinkage than growth among dealers in tri-party repo balances with MMFs (Exhibit 4).

It is worth noting that given recent bank rating changes at S&P and Moody's, DB is now officially a Tier 2 issuer rated A-2/P-2. BCLY is a split Tier 1 issuer rated A-2/P-1. Even outside of MMFs, most money market investors would likely be averse to investing with DB and to a lesser extent BCLY due to their non-Tier 1 counterparty ratings. Assuming the size of their balance sheets remains unchanged, we suspect the banks will likely rely more on the GCF interdealer repo market for funding, which could bias GCF repo rates higher. That said, given all the focus to shrink balance sheets in light of the high cost of capital, it's unclear how much of the $22bn will actually be moved into the GCF repo market. As Exhibit 4 also demonstrates, BCLY and DB have been pulling back balances for some time now. Ultimately, the impact may be more marginal than expected.

Prime MMF holdings update for May[3]

Prime MMF assets under management increased by $27bn or 2% during May, recouping a portion of the outflows experienced during tax season and YTD (Exhibit 5). Prime institutional funds received the majority of inflows with +$25bn, while prime retail funds increased modestly by $2bn. At the end of the month, prime fund assets totaled $1,408bn. Furthermore, government MMFs witnessed a modest $4bn or +0.5% in inflows, and currently stand at $933bn.

Most sector allocations remained relatively stable over the course of the month (Exhibit 6). Holdings of US Treasuries decreased by $12bn while RRP usage increased by $12bn. While Treasury holdings did drop during May, we suspect that prime fund buying of UST will pick up going into quarter-end. Furthermore, we look for prime funds to become increasingly larger buyers of short-term Treasuries in the months to come as money market fund reform pushes funds to build liquidity.

In total, prime funds increased their exposure to bank paper by $18bn month-over-month (Exhibit 7). CD and time deposit balances were responsible for the increase, going up by $18bn and $19bn respectively mostly across European issuers. Conversely, holdings of dealer repo decreased by $10bn.

Funds continued to focus on keeping short maturity profiles during May (Exhibits 8 & 9). WAMs and WALs remained near multi-year low levels and finished May at 37 and 64 days respectively. We attribute this enduring maturity-shortening trend to two main drivers: 1) Federal Reserve rate hike expectations and 2) liquidity building meant to meet potential redemptions stemming from seasonal factors and money market fund reform. Notably, throughout the month we noticed a sustained focus on positioning around the September FOMC meeting, with investors preferring fixed product maturing before 9/17 and floaters spanning over 9/17. Furthermore, we have anecdotally heard that investors are beginning to factor in money fund reform while making decisions on longer dated paper.

Money market funds bought $1.9bn in Treasury floaters during May. MMFs now own $53bn, or 23% of the 2-year Treasury FRN market (Exhibit 10). Treasury funds have been the largest buyers of Treasury floaters to date, and hold $36bn, while government agency funds hold $2bn and prime funds hold $15bn.

[3] This is a reprint of our previous research note: "Prime money market fund holdings update: May 2015", June 11th, 2015

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Exhibit 6: Holdings of UST decreased by $12bn while usage of Fed RRP increased by $12bn

Prime MMF exposures by sector ($bn)

Issuer Type	May-15	% of total	m/m chg	chg since Dec-14	m/m % chg	% chg since Dec-14
Banks (US)	154	11%	(10)	(14)	-6%	-9%
Banks (Eurozone)	209	15%	5	41	2%	25%
Banks (Other Yankee)	678	48%	24	51	4%	8%
ABCP/CCP (Banks)	62	4%	0	(6)	1%	-8%
ABCP (Non-banks)	16	1%	(1)	0	-3%	2%
ABS issuers	1	0%	(1)	(0)	-58%	-34%
Corporates (Financial)	12	1%	2	(2)	16%	-13%
Corporates (Non-financial)	47	3%	1	11	2%	31%
US Treasuries	60	4%	(12)	(17)	-16%	-22%
US Agencies	87	6%	8	(10)	10%	-10%
US S&L Govt/Munis	13	1%	(1)	1	-7%	7%
Foreign SSA	42	3%	0	8	1%	23%
Central Banks (Fed RRP)	36	3%	12	(144)	48%	-80%
Other	1	0%	(0)	(3)	-28%	-76%
Total	**1,417**	**100%**	**27**	**(83)**	**2%**	**-6%**

*Includes bank sponsored, non-bank sponsored, and government/agency sponsored conduits.
Source: J.P. Morgan estimates, fund holdings reports, iMoneyNet
Note: J.P. Morgan estimates of exposures in prime money market funds are based on a sample of large funds including funds managed by Fidelity, BlackRock, JPMorgan, Vanguard, Federated, Dreyfus, Wells Fargo, Goldman Sachs, Morgan Stanley, UBS, Schwab, SSgA, American Funds, BofA, First American, Northern, RBC, Western Asset Management. Sample represents 85% of US prime MMF in terms of AUMs. Allocation %s are calculated from the sample and then applied to the period's total prime fund AUMs. Banks include unsecured CP, ABCP, CD, time deposits, repo, and other notes. Corporates include CP and other notes. US Treasuries include T-bills and coupons. US Agencies include discount notes and fixed/floating notes. US S&L Govt/Muni include muni CP, notes, and VRDNs. Foreign SSA includes CP, CDs, ad other notes. Central banks include repo. Other includes investments in funds including other MMFs and tax-exempt preferreds.
**Actual total amount used for "Central Banks (Fed RRP)", causing difference between iMoneyNet total AUM of $1,408bn for 5/31 vs. total AUM of $1,417bn in table.

Total usage of the Fed RRP at the end of May registered $160bn. Of this amount, MMFs accounted for $138bn in usage or 86%. Prime MMFs took down $36bn of RRP while government funds took down $102bn. Additionally, on May 20th, the Fed announced its plans to conduct term RRP operations over each quarter-end through the remainder of 2015[4]. For the end of Q2, the Fed further indicated that it plans to offer at least $200bn in two term RRP operations to supplement its overnight facility, whose current cap is set at $300bn. The operations will take place on June 25th and 29th, and their respective size and offering rates will be announced later this month.

On balance, we think that the continuation of term RRP offerings around quarter-ends is beneficial for the money markets. During the two quarter-ends where the term facility has been offered by the Fed, it has proved to be a viable source of backstop supply to money market funds while also providing them an option to get cash invested earlier. Hence, we anticipate the term operations to draw healthy demand, especially from government funds.

Coming Attractions

- The FOMC will conduct its June meeting from 6/16 to 6/17. The meeting will be accompanied by a press conference and updated economic projections.

[4] http://www.newyorkfed.org/markets/opolicy/operating_policy_150520.html

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Exhibit 7: CDs and time deposits were behind May's $18bn increase in prime fund bank holdings

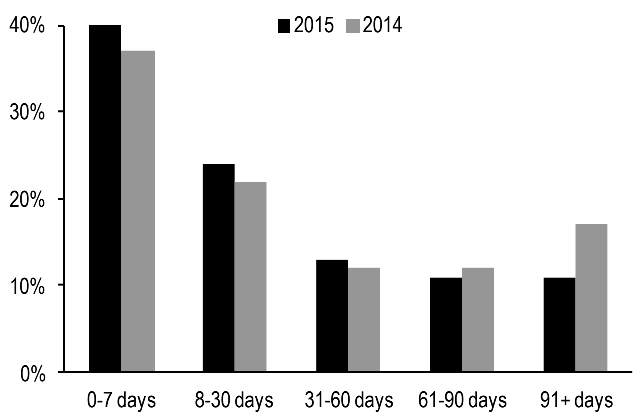
J.P. Morgan estimate of prime MMF exposures to banks ($bn)

		May-15										m/m change										Change since Dec-14									
	Issuer # / Top 3	CP	CD	TD	ABCP	CCP	Agy RP	Tsy RP	Oth RP	Other	Total	CP	CD	TD	ABCP	CCP	Agy RP	Tsy RP	Oth RP	Other	Total	CP	CD	TD	ABCP	CCP	Agy RP	Tsy RP	Oth RP	Other	Total
Total	**75 / 13%**	**170**	**514**	**178**	**45**	**16**	**40**	**13**	**85**	**40**	**1,101**	**0**	**18**	**19**	**(2)**	**0**	**(5)**	**1**	**(6)**	**(9)**	**18**	**6**	**(8)**	**93**	**(10)**	**2**	**1**	**(0)**	**(8)**	**(6)**	**71**
Eurozone	**15 / 51%**	**25**	**101**	**54**	**13**	**2**	**11**	**6**	**9**	**2**	**224**	**3**	**1**	**7**	**(1)**	**0**	**(2)**	**(0)**	**(0)**	**(2)**	**4**	**0**	**10**	**37**	**(4)**	**(0)**	**(3)**	**(0)**	**(3)**	**0**	**37**
Belgium	1 / 100%	-	5	5	-	-	-	-	-	-	10	-	0	(0)	-	-	-	-	-	-	(0)	-	4	5	-	-	-	-	-	-	9
France	5 / 78%	13	58	42	10	2	9	5	6	1	148	2	0	3	(1)	0	(2)	(1)	(0)	(2)	0	(1)	9	29	(2)	(0)	(1)	(0)	(2)	1	32
Germany	5 / 91%	2	11	2	1	-	-	1	1	-	17	(0)	1	(0)	(1)	-	-	0	0	-	(0)	(1)	2	(1)	(1)	-	(1)	(0)	(1)	(0)	(3)
Luxembourg	1 / 100%	1	-	-	-	-	-	-	-	-	1	0	-	-	-	-	-	-	-	-	0	1	-	-	-	-	-	-	-	-	1
Netherlands	3 / 100%	9	27	5	1	-	2	0	2	1	49	1	(0)	4	(0)	-	(0)	0	0	(0)	4	1	(5)	4	(1)	-	(0)	0	(0)	(0)	(1)
Other Europe	**13 / 40%**	**45**	**76**	**105**	**8**	**1**	**3**	**3**	**19**	**7**	**266**	**2**	**12**	**12**	**(1)**	**(0)**	**(5)**	**1**	**(4)**	**(2)**	**16**	**7**	**7**	**61**	**(2)**	**1**	**3**	**1**	**(1)**	**(1)**	**76**
Norway	1 / 100%	5	7	23	-	-	-	-	-	1	36	(1)	3	3	-	-	-	-	-	(1)	4	(4)	4	20	-	-	-	-	-	1	21
Sweden	4 / 85%	15	19	63	-	-	-	-	-	5	102	3	5	8	-	-	-	-	-	(1)	15	(4)	(9)	39	-	-	-	-	-	(1)	25
Switzerland	2 / 100%	3	25	-	3	-	1	0	18	1	50	1	1	-	(1)	-	(2)	(0)	(4)	0	(4)	1	3	-	(2)	-	1	0	(0)	(1)	3
UK	6 / 83%	22	25	19	5	1	2	2	1	0	78	(1)	2	1	0	(0)	(2)	2	(0)	(1)	1	14	8	2	0	1	2	1	(1)	(0)	27
Other Regions	**47 / 22%**	**100**	**337**	**19**	**25**	**12**	**26**	**4**	**57**	**32**	**611**	**(4)**	**6**	**0**	**0**	**0**	**2**	**0**	**(2)**	**(4)**	**(2)**	**(1)**	**(24)**	**(5)**	**(3)**	**1**	**1**	**(1)**	**(4)**	**(4)**	**(42)**
Australia	6 / 77%	59	19	5	-	-	-	-	-	4	88	0	1	2	-	-	-	-	-	(1)	2	2	(2)	(4)	(0)	-	-	-	-	(2)	(6)
Canada	7 / 70%	14	127	3	8	6	4	0	7	6	174	(0)	4	1	(1)	(0)	(0)	(0)	0	(0)	3	6	(5)	(2)	(1)	2	(1)	(0)	(1)	(1)	(4)
Chile	4 / 89%	1	2	-	-	-	-	-	-	-	3	0	0	-	-	-	-	-	-	(0)	0	0	0	-	-	-	-	-	-	(0)	0
China	3 / 100%	1	2	1	-	-	-	-	-	-	4	0	(0)	1	-	-	-	-	-	-	1	(0)	(2)	(0)	-	-	-	-	-	(0)	(3)
Japan	8 / 70%	7	133	3	8	-	3	-	5	1	159	(2)	(0)	2	0	-	1	-	(0)	0	2	(1)	(4)	(1)	(1)	-	1	-	(0)	0	(6)
Kuwait	1 / 100%	-	1	1	-	-	-	-	-	-	2	-	1	(1)	-	-	-	-	-	-	(0)	-	1	0	-	-	-	-	-	-	1
Singapore	3 / 100%	7	2	2	-	-	-	-	-	1	13	(0)	(0)	2	-	-	-	-	-	(2)	(1)	(6)	(2)	(1)	-	-	-	-	-	0	(9)
US	14 / 73%	11	50	5	9	7	19	4	46	19	169	(2)	(0)	(7)	1	0	1	0	(2)	(1)	(9)	(2)	(11)	3	(2)	(1)	0	(1)	(2)	(2)	(17)

Source: J.P. Morgan estimates, fund holdings reports, iMoneyNet. * Top 3 issuer concentrations by country. Note: Other category includes money market eligible notes/bonds. Table does not include exposures to VRDN credit/liquidity providers.

Exhibit 8: Funds continued to focus on maintaining shorter maturity profiles during May

Prime MMF maturity composition of bank holdings, May 2015 versus May 2014*



*Based on effective maturities
Source: Fund holdings reports

Exhibit 9: Prime fund managers have built more liquidity over the past year

Year-over-Year change in prime MMF holdings, by maturity bucket, for the 25 largest bank issuers ($bn)

		Year-over-year change across maturity buckets ($bn)					
	Total held by prime MMF @ 5/31/15 ($bn)	Total	0-7 days	8-30 days	31-60 days	61-90 days	91+ days
Credit Agricole	47	5	9	0	(7)	2	(0)
JPM	46	(2)	5	(1)	0	0	(5)
Wells Fargo	46	8	1	5	4	1	(3)
RBC	45	12	1	10	1	1	(0)
SMBC	41	(4)	(0)	6	(2)	(2)	(6)
BNS	40	(3)	(1)	(2)	(3)	4	(1)
Natixis	37	(2)	(1)	(0)	(1)	(2)	3
Credit Suisse	37	(3)	4	(0)	(1)	0	(6)
Toronto Dominion	37	6	1	7	1	1	(3)
DNB	36	8	13	1	(3)	(2)	(1)
BoTM	35	(5)	(2)	4	8	(0)	(14)
Mizuho	34	5	(4)	(1)	6	2	2
SEB	32	2	11	(0)	(1)	(6)	(2)
Swedbank	32	10	15	(1)	(2)	(2)	(0)
BofA	31	1	(2)	1	3	1	(2)
BNP Paribas	31	(9)	(7)	(2)	4	(2)	(2)
BMO	27	1	(1)	1	0	(1)	2
Barclays	24	(5)	(3)	(2)	(0)	(1)	0
Westpac	24	0	(1)	1	(1)	1	(0)
Lloyds	24	(3)	(1)	1	(2)	0	(1)
Rabobank	24	(5)	1	(0)	(2)	(1)	(2)
NAB	23	(1)	(0)	(3)	2	(0)	0
Svenska Handelsbanken	22	(5)	3	(2)	(1)	1	(7)
CIC	21	1	5	(1)	(3)	1	(1)
CBA	21	2	0	1	2	0	(1)
Top 25 Total Outs ($bn)		**817**	**335**	**201**	**105**	**93**	**82**
Top 25 % of Bank Outs (%)		**74%**	**74%**	**76%**	**73%**	**75%**	**69%**
Top 25 Total Outs YoY Change ($bn)		**14**	**43**	**20**	**4**	**(2)**	**(51)**
Top 25 Total Outs YoY Change (%)		**100%**	**301%**	**135%**	**31%**	**-16%**	**-351%**

Source: J.P. Morgan estimates, fund holdings reports, iMoneyNet
"Total" amount includes reported month-end reported balances for repo, time deposit, CD/CP, ABCP/CCP, and other debt

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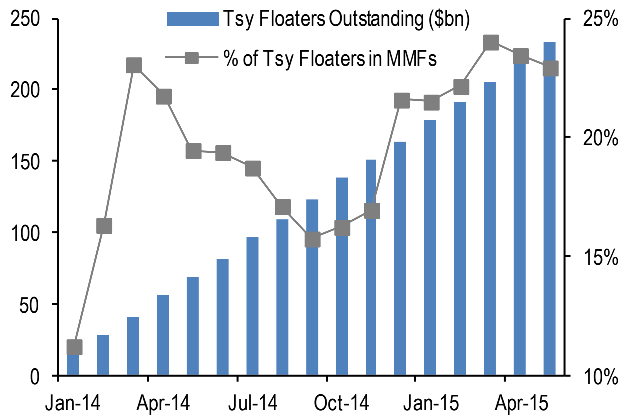
Exhibit 10: Money market funds own about a quarter of the Treasury floater market

Treasury Floater Outstanding versus % of Treasury Floaters in MMFs



Source: J.P. Morgan, Crane data

- May CPI data will be released on 6/18.
- The Fed will conduct two term RRP operations spanning Q2 quarter end on 6/25 and 6/29. Offering amounts and rates will be announced later this month.

Trading Themes

We expect short-term rates to drift upwards in 2015 in response to the beginning of a Fed tightening cycle. However, the details of how monetary policy is implemented and impact of regulations will have different effects on the various short term interest rates.

Additionally, given the immense demand for short-term product and the lack of investible supply, we do not foresee spreads on money market instruments widening significantly this year, and hence do not expect high returns to be found in the money market space in general. With the prospect of rising front-end rates, we believe that floating rate instruments will perhaps offer the best relative value as the year progresses.

- **Overweight Treasury coupons versus bills**

  In spite of the immense demand for high-quality liquid assets, Treasury coupons continue to trade cheap to bills. Although the current spread is only 1-3bp, it's possible that this spread could widen as a large amount of Treasury coupons are expected to roll into the 2a-7 space. In the coming year, we expect 2a-7 Treasury coupon balances to increase by $191bn while bills to increase a moderate $17bn.

- **Overweight collateralized CP versus bank unsecured CP and ABCP**

  Collateralized CP programs are structured such that CP notes issued are guaranteed by the sponsoring bank. This asset class is an attractive way to gain direct bank exposure than they would otherwise via CP/CDs and ABCP while picking up 2-7bp in yield.

- **For Moody's matrix considerations, overweight partially supported ABCP programs with long-term sponsor ratings below Aa3. Conversely, overweight fully supported ABCP with long-term sponsor ratings above Aa3 versus partially supported programs.**

  Under the Moody's matrix MMF rating methodology, funds are rated on the basis of the tenor and credit rating assigned their portfolio's underlying assets. In the case of ABCP, partially supported programs by default receive a Moody's LT rating of Aa3, whereas fully supported programs receive the LT rating of the program's sponsor.

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- **Overweight front-end floating versus fixed rate instruments**

  We believe that floating rate instruments offer better relative value over their fixed rate counterparts as Libor and other short-term rates begin to drift upwards in response to MMF reform-related flows and a Fed tightening in 2015.

- **Overweight Financial bonds vs. Non-Financials**

  We expect bank spreads to outperform non-Bank in 2015 as rising rates is a positive for bank earnings. Also, banks are not at risk for M&A and higher leverage, they are actually de-leveraging to meet capital requirements. We believe these factors will more than offset the increased bank bond supply that will be issued in the next few years to meet Total Loss Absorbing Capital (TLAC rules). (*See High Grade Outlook*)

- **Overweight 1-3y AAA credit card ABS versus agencies**

  Both asset classes are rated AAA, but ABS trade much wider than agencies do. Currently, AAA-rated 2y credit card ABS is offered at the equivalent of swaps +25bp versus 2y agency at swaps -15bp. Furthermore, our Agency strategists note that losses on credit card ABS master trusts are at record lows, while credit support levels are at record highs. The credit card ABS sector is fundamentally cheap and least vulnerable to technical volatility. Consequently, ABS should provide a safe haven to investors looking for relatively higher-yielding cash surrogates. (See *ABS Outlook*)

- **Consider senior tranches from off-the-run subprime auto ABS issuers for spread pick-up**

  Senior tranches from off-the-run subprime auto ABS issuers offer spreads of up to 100bp for very short (<2y WAL) bonds that are highly rated (from AAA down to A). That is a significant concession versus comparable short high investment grade credits. Additionally, our Agency strategists believe these senior bonds are very well protected structurally and investors are being very well compensated for the illiquidity and credit risk. (See *ABS Outlook*)

- **Front-end steepeners are likely to perform well over a range of probabilities across spanning interest rate scenarios, as are intermediate belly-cheapening flys**

  Our framework for identifying trades that are "convex" over a range of probability distributions on Fed rate hike scenarios suggest that front-end steepeners (2s/5s, 3s/5s, White/ Blues, Reds/Greens, and Reds/Blues) and intermediate belly-cheapening flys (2s/5s/10s, 3s/7s/10s) are likely to do well early next year. (See *Interest Rate Derivatives Outlook*)

- **Look for wider swap spreads across the curve; front and intermediate spreads are likely to lead the widening**

  Spreads across the curve appear tight; front-end spreads should widen as a result of lower front-end Treasury supply and regulatory demand. Intermediate spreads should widen on the back of increasing yields and a widening mortgage basis. Long-end spreads will likely widen given our forecasts for reduction in hedging needs from VA accounts and a flattening yield curve. (See *Interest Rate Derivatives Outlook*)

- **Buy Libor basis wideners and FF/Libor tighteners; be aware of the impact of new reserve draining initiatives and regulations**

  A range of reforms like NSFR and MMF rules are likely to result in wider Libor bases over the course of next year. While many reforms and Fed initiatives point to tightening of the FF/Libor basis, the Fed is still tinkering with various reserve-draining mechanisms—the efforts bear watching as they could have a big impact on this basis. (See *Interest Rate Derivatives Outlook*)

- **Maintain 1Yx1Y FF/Libor basis narrower hedged with FRA/OIS spreads**

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– Continue to pay Libor in $1bn notional of a 1Yx1Y Fed Funds/Libor basis swap and stay long $4bn notional of Sep 2015 FRA-OIS spreads as a hedge to the trade. (US Fixed Income Markets Weekly, 4/10/15, hedge added on 5/29). P/L since inception: loss of 1.2bp of yield.

- **Maintain EDM5/Z5 steepeners**

– Stay long1000 EDM5 contracts versus staying short 1000 EDZ5 contracts (*Interest Rate Derivatives*, 12/19/14). P/L since inception: loss of 11.5bp of yield.

- **Maintain synthetic 2Yx1Y forward Treasury/OIS narrowers**

– Stay $1bn notional of 1% Mar 2018s, sell $1bn notional of 0.5% Mar 2017s and continue to pay fixed in $982mn notional of a 3/31/2017x3/15/2018 OIS swap (*Interest Rate Derivatives*, 3/27/15). P/L since inception: profit of 6.2bp of yield.

- **Over the next quarter, overweight short-lockout, short-maturity callables versus duration-matched bullets to enhance yield**

  Short-dated callables offer the highest call probability and largest rate and rate volatility breakevens. However, a sell-off in front-end yields ahead of the Fed hike and pickup in volatility in the front end of the curve could lead to underperformance beyond 1Q15. (*See Agencies Outlook*)

- **Remain neutral on European SSAs versus Agencies**

  USD-denominated EIB/KfW issues have outperformed US Agencies on asset swap over the last month. However, this outperformance is unlikely to reverse given ECB QE and the eventual Fed rate hike. Given competing factors, we turn neutral on USD-denominated EIB/KfW debt versus US Agencies on asset swap.

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Forecasts

Interest Rates

	Current 6/12/2015	1m ahead 7/12/2015	3Q15 9/30/2015	4Q15 12/31/2015
Rates				
Fed Funds Effective	0.13	0.13	0.35	0.60
3m Libor*	0.29	0.29	0.50	0.80
1m bills	0.01	0.04	0.03	0.10
3m bills	0.01	0.05	0.05	0.12
UST 2y	0.72	0.75	1.05	1.25
UST 3y	1.12	1.15	1.50	1.65
UST 5y	1.73	1.75	2.00	2.15
UST 7y	2.14	2.15	2.30	2.40
UST 10y	2.38	2.40	2.50	2.55
UST 30y	3.10	3.10	3.15	3.20
2y swap	0.97	0.99	1.28	22
5y swap	1.85	1.89	2.15	16
10y swap	2.45	2.49	2.62	13
30y swap	2.88	2.92	3.00	-12
Spreads				
3m TED	28	24	45	68
2y Swap Spread	25	24	23	22
5y Swap Spread	12	14	15	16
10y Swap Spread	7	9	12	13
30y Swap Spread	-22	-18	-15	-12

*Libor estimates are based on the current BBA Libor panel formulation and don't account for pending UK FSA reforms.

Economics

%ch q/q, saar, unless otherwise noted

	14Q2	14Q3	14Q4	15Q1	15Q2	15Q3	15Q4	16Q1	2015*	2016*
Gross Domestic Product										
Real GDP	4.6	5.0	2.2	-0.7	2.0	2.5	2.5	2.5	1.6	2.5
Final Sales	3.2	5.0	2.3	-1.1	2.4	2.6	2.5	2.6	1.6	2.5
Domestic Final Sales	3.4	4.1	3.3	0.8	2.2	3.0	2.9	2.9	2.2	2.7
Business Investment	9.7	8.9	4.7	-2.8	0.6	5.4	4.6	4.9	1.9	4.9
Net Trade (% contribution to GDP)	-0.3	0.8	-1.0	-1.9	0.2	-0.4	-0.4	-0.3	-0.6	-0.2
Inventories (% contribution to GDP)	1.4	-0.1	-0.1	0.3	-0.4	-0.1	0.0	-0.1	0.0	0.0
Prices and Labor Cost										
Consumer Price Index	2.4	1.2	-0.9	-3.1	3.3	2.5	2.0	2.0	1.1	2.0
Core	2.2	1.4	1.5	1.7	2.5	2.0	2.0	2.0	2.1	2.0
Producer Price Index	2.2	1.2	-0.6	-4.8	2.2	2.0	2.0	2.0	0.3	2.0
Core	1.8	2.0	1.6	-0.5	1.3	1.5	1.7	1.7	1.0	1.7
Employment Cost Index	3.0	2.7	2.0	2.6	2.8	2.8	2.8	2.9	2.7	3.2
Unemployment Rate (%, sa)	6.2	6.1	5.7	5.6	5.4	5.2	5.1	4.9	-	-

* Q4/Q4 change

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Forecasts (continued)

Money Market Supply

($bn)	YE 2013 12/31/2013	YE 2014 12/31/2014	Latest 5/31/2015	YE 2015* 12/31/2015	2015 Y/Y Exp. $ Change
T-Bills	1,591	1,458	1,447	1,475	17
Treasury Coupon	1,567	1,608	1,675	1,825	218
Treasury FRNs	N/A	164	233	328	164
Dealer Repo*	2,550	2,297	2,235	2,300	3
Fed Repo	198	397	160	300	(97)
Discos	509	609	571	529	(80)
Agency Coupons	427	363	336	429	66
Dom Fin. CP	90	97	96	86	(11)
For Fin. CP	402	374	427	376	2
Non Fin CP	196	227	260	290	63
ABCP	263	231	227	191	(40)
Yankee CDs	805	819	811	811	(8)
Bonds <1y	305	355	343	358	3
Total	**8,905**	**8,999**	**8,821**	**9,298**	**300**
Total (ex Fed)	**8,707**	**8,602**	**8,661**	**8,998**	**397**
Total (ex Fed, ex Treas.)	**5,548**	**5,372**	**5,306**	**5,370**	**(2)**

**The repo balance for YE 2012 is adjusted to reflect the new reporting changes to NY Fed's dealer financing report. We applied an average percentage of the overall repo market that consists of repo transactions only and applied that to what was reported for year-end.
***The repo balance for YE 2013 and YE 2014 represents the average of December repo outstandings in order to seasonally adjust data for technical factors.

Long-term (>1Y) net issuance

($bn)	YE 2013 12/31/2013	YE 2014 12/31/2014	YE 2015* 12/31/2015	2014 Y/Y $ Change	2015 Y/Y Exp. $ Change
IG corporates	393	433	415	40	(18)
HY corporates	154	145	150	(9)	5
EM Corporates	254	232	202	(22)	(30)
EM Sovereign	48	40	10	(8)	(30)
Municipals	(38)	(49)	(53)	(11)	(4)
Non-Agency MBS	(154)	(94)	(67)	60	27
Agency MBS	281	85	100	(196)	15
CMBS	(11)	(1)	(14)	10	(13)
ABS	12	55	25	43	(30)
CLOs	16	66	40	50	(26)
Agency Debt	(117)	(154)	(50)	(37)	104
Treasuries	849	783	624	(66)	(159)
Total	**1,686**	**1,542**	**1,382**	**(144)**	**(160)**
Total ex-Tsy	**838**	**759**	**758**	**(79)**	**(1)**

*Note: YE 2015 J.P. Morgan forecasts
Source: J.P. Morgan, Trepp, Bloomberg, S&P, Thomson Reuters

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New Issues

Corporates

Issue Date	Issuer	Ticker	Moody's	S&P	Amount	Coupon	Maturity	Term	12m	24m	36m	60m
8-Jun	FORTUNE BRANDS HOME & SECURITY	FBHS	Baa3	BBB	400	3.000 %	6/15/2020	5				+130
8-Jun	DUN & BRADSTREET CORP	DNB	NR	BBB-	300	4.000 %	6/15/2020	5				+237.5
8-Jun	EXELON CORP	EXC	Baa2	BBB-	500	1.550 %	6/9/2017	2		+90		
8-Jun	EXELON CORP	EXC	Baa2	BBB-	900	2.850 %	6/15/2020	5				+115
9-Jun	REYNOLDS AMERICAN INC	RAI	Baa3	BBB-	1,250	2.300 %	6/12/2018	3			+120	
9-Jun	REYNOLDS AMERICAN INC	RAI	Baa3	BBB-	1,250	3.250 %	6/12/2020	5				+150
9-Jun	SOUTHERN CO	SO	Baa1	A-	600	2.750 %	6/15/2020	5				+105
9-Jun	DOMINION RESOURCES INC	D	Baa2	BBB+	500	1.900 %	6/15/2018	3			+82	
10-Jun	BAT INTL FINANCE PLC	BATSLN	A3	A-	500	FRN	6/15/2018	3			L+51	
10-Jun	BAT INTL FINANCE PLC	BATSLN	A3	A-	750	1.850 %	6/15/2018	3			+75	
10-Jun	BAT INTL FINANCE PLC	BATSLN	A3	A-	1,250	2.750 %	6/15/2020	5				+100
10-Jun	CISCO SYSTEMS INC	CSCO	A1	AA-	900	FRN	6/15/2018	3			L+31	
10-Jun	CISCO SYSTEMS INC	CSCO	A1	AA-	1,600	1.650 %	6/15/2018	3			+55	
10-Jun	CISCO SYSTEMS INC	CSCO	A1	AA-	1,500	2.450 %	6/15/2020	5				+70
11-Jun	CATERPILLAR FINANCIAL SERVICES	CAT	A2	A	300	FRN	6/9/2017	2		3ML+17		
11-Jun	CATERPILLAR FINANCIAL SERVICES	CAT	A2	A	500	1.700 %	6/16/2018	3			+60	
11-Jun	FORD MOTOR CREDIT CO LLC	F	Baa3	BBB-	500	FRN	6/15/2018	3			3ML+90	
11-Jun	FORD MOTOR CREDIT CO LLC	F	Baa3	BBB-	1,000	2.240 %	6/15/2018	3			+115	
11-Jun	MORGAN STANLEY	MS	A3	A-	400	FRN	6/16/2020	5				3ML+98
11-Jun	MORGAN STANLEY	MS	A3	A-	2,500	2.800 %	6/16/2020	5				+110
11-Jun	PRIVATE EXPORT FUNDING	PEFCO	Aaa	A+	325	2.300 %	9/15/2020	5				+62

ABS

Issue Date	Issuer	Ticker	Moody's	S & P	Amount	Life	Spread	Benchmark	Series	Class	Market	Deal Type
9-Jun	CPS Auto Receivables Trust	CPS		AA-	167	1.22	100	EDSF	2015-B	A	US Private	Auto - NP
9-Jun	CPS Auto Receivables Trust	CPS		A	33	2.93	165	Swap	2015-B	B	US Private	Auto - NP
9-Jun	CPS Auto Receivables Trust	CPS		BBB	33	3.68	270	Swap	2015-B	C	US Private	Auto - NP
9-Jun	CPS Auto Receivables Trust	CPS		BB	10	4.08	425	Swap	2015-B	D	US Private	Auto - NP
9-Jun	CPS Auto Receivables Trust	CPS		B	8	4.08	465	Swap	2015-B	E	US Private	Auto - NP
10-Jun	DT Auto Owner Trust	DTAOT		AAA	167	0.68	80	EDSF	2015-2	A	US Private	Auto - NP
10-Jun	DT Auto Owner Trust	DTAOT		AA	44	1.76	100	EDSF	2015-2	B	US Private	Auto - NP
10-Jun	DT Auto Owner Trust	DTAOT		A	68	2.47	173	Swap	2015-2	C	US Private	Auto - NP
10-Jun	DT Auto Owner Trust	DTAOT		BBB	66	3.41	280	Swap	2015-2	D	US Private	Auto - NP
10-Jun	Navient Student Loan Trust	NAVSL	Aaa		252	1.50	32	1 Mo. LIBOR	2015-3	A-1	US Public	Student Loan
10-Jun	Navient Student Loan Trust	NAVSL	Aaa		486	7.66	67	1 Mo. LIBOR	2015-3	A-2	US Public	Student Loan
10-Jun	Navient Student Loan Trust	NAVSL	Aaa		20	13.44	250	1 Mo. LIBOR	2015-3	B	US Public	Student Loan
10-Jun	Toyota Auto Receivables Owner Trust	TAOT	Aaa	AAA	120	1.00	21	EDSF	2015-B	A-2A	US Public	Auto - P
10-Jun	Toyota Auto Receivables Owner Trust	TAOT	Aaa	AAA	280	1.00	21	1 Mo. LIBOR	2015-B	A-2B	US Public	Auto - P
10-Jun	Toyota Auto Receivables Owner Trust	TAOT	Aaa	AAA	360	2.10	25	Swap	2015-B	A-3	US Public	Auto - P
10-Jun	Toyota Auto Receivables Owner Trust	TAOT	Aaa	AAA	104	3.23	31	Swap	2015-B	A-4	US Public	Auto - P
11-Jun	GM Financial Automobile Leasing Trust	GMALT	P-1	A-1+	119	0.30			2015-2	A-1	US Public	Auto - Leases
11-Jun	GM Financial Automobile Leasing Trust	GMALT	Aaa	AAA	77	1.46	42	EDSF	2015-2	A-2A	US Public	Auto - Leases
11-Jun	GM Financial Automobile Leasing Trust	GMALT	Aaa	AAA	273	1.46	42	1 Mo. LIBOR	2015-2	A-2B	US Public	Auto - Leases
11-Jun	GM Financial Automobile Leasing Trust	GMALT	Aaa	AAA	321	2.53	52	Swap	2015-2	A-3	US Public	Auto - Leases
11-Jun	GM Financial Automobile Leasing Trust	GMALT	Aaa	AAA	100	2.94	55	Swap	2015-2	A-4	US Public	Auto - Leases
11-Jun	GM Financial Automobile Leasing Trust	GMALT	Aa2	AA	42	3.01	110	Swap	2015-2	B	US Public	Auto - Leases
11-Jun	GM Financial Automobile Leasing Trust	GMALT	A2	A	38	3.09	165	Swap	2015-2	C	US Public	Auto - Leases
11-Jun	GM Financial Automobile Leasing Trust	GMALT			30	3.09			2015-2	D	US Not Offered	Auto - Leases

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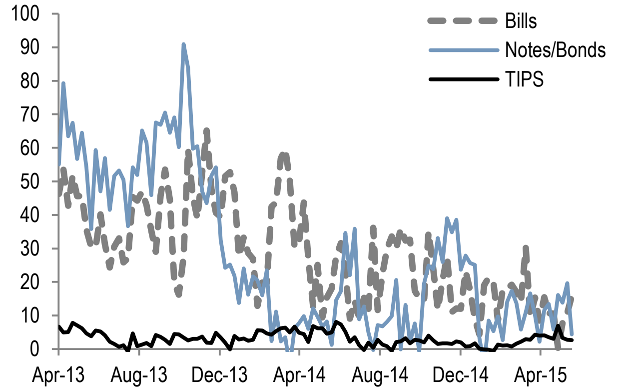
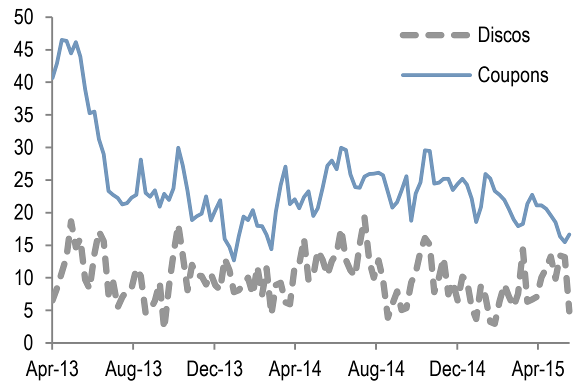
Dealer Net Positions

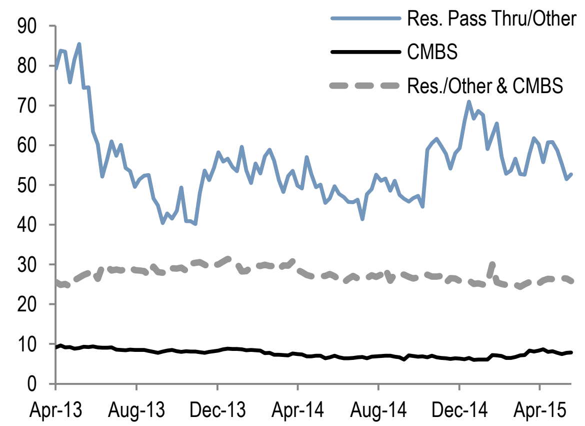
Government ($bn)



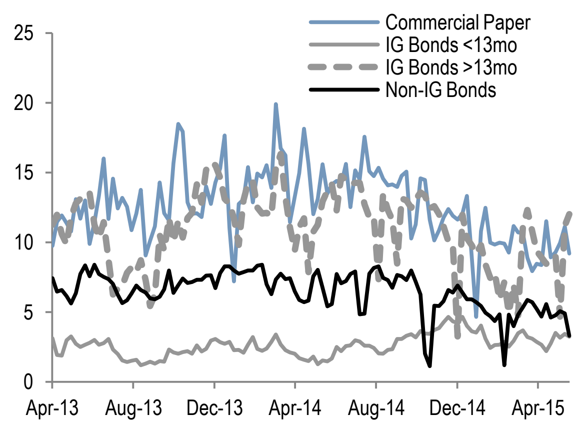
Agency ($bn)



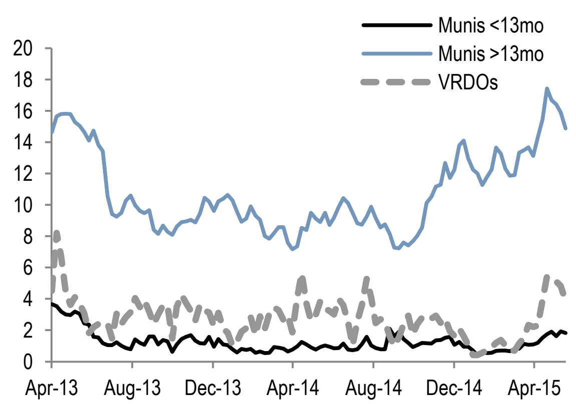
MBS ($bn)



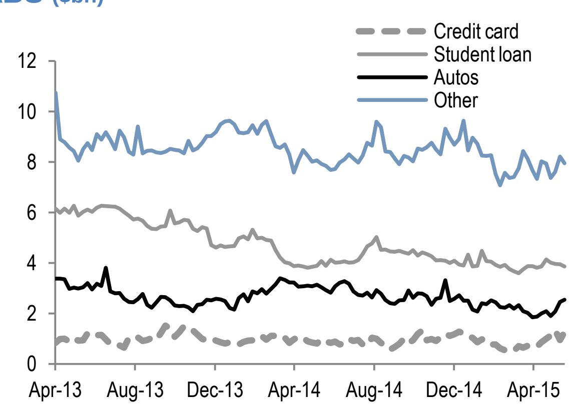
Corporates ($bn)



Munis ($bn)



ABS ($bn)



Source: Federal Reserve

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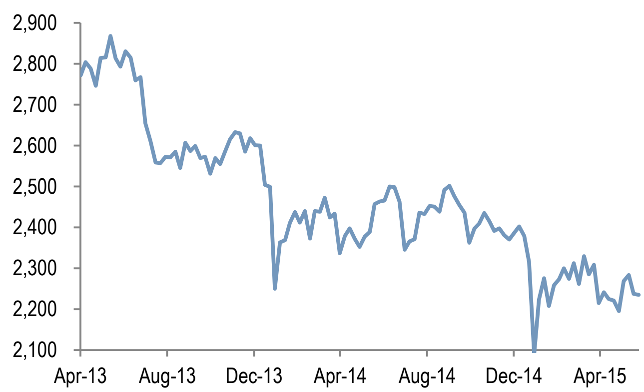
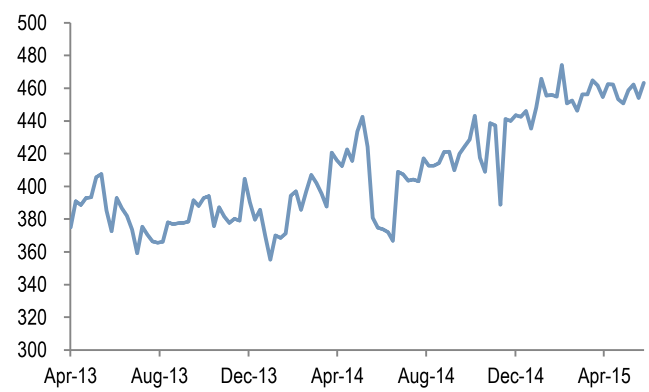
Repo

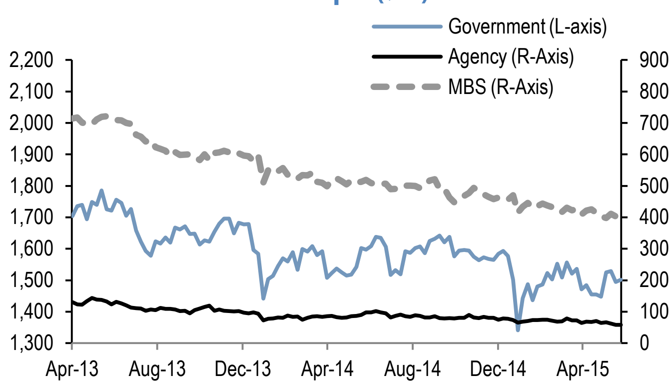
Total Repo Outstanding ($bn)



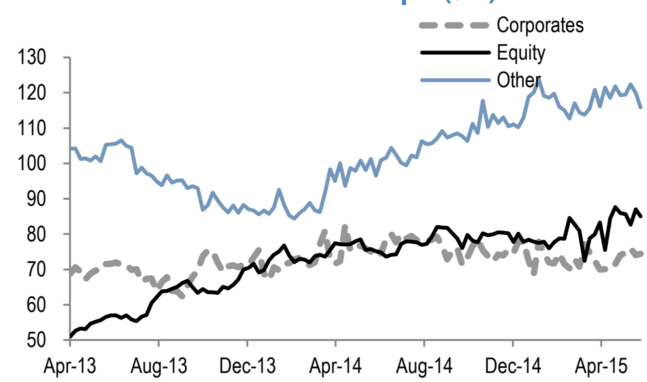
Total Securities Lending Outstanding ($bn)



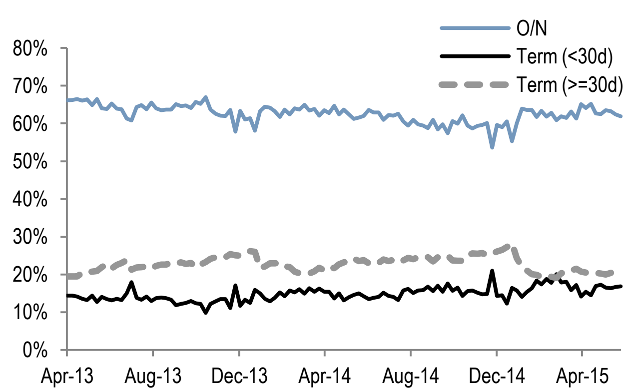
Traditional Collateral Repo ($bn)



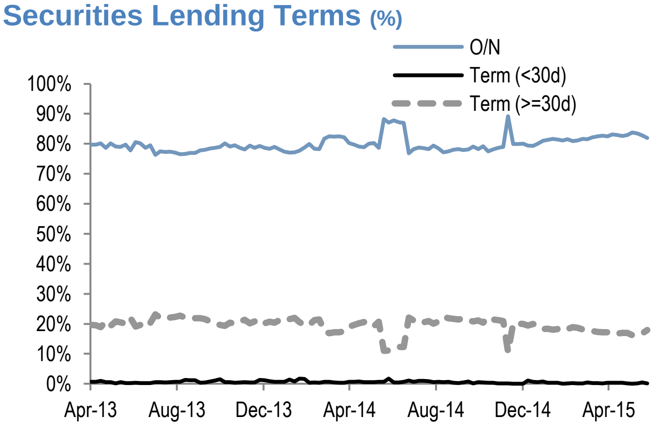
Non-Traditional Collateral Repo ($bn)



Repo Terms (%)



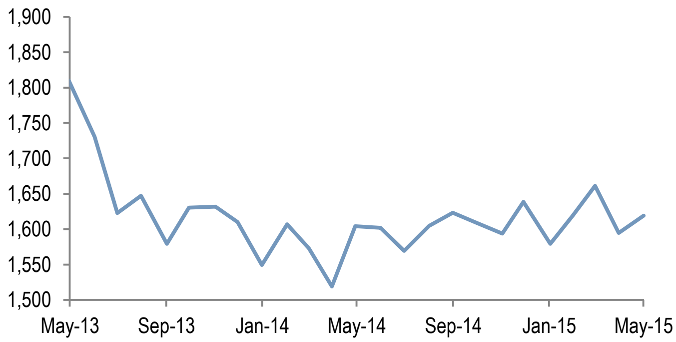
Securities Lending Terms (%)



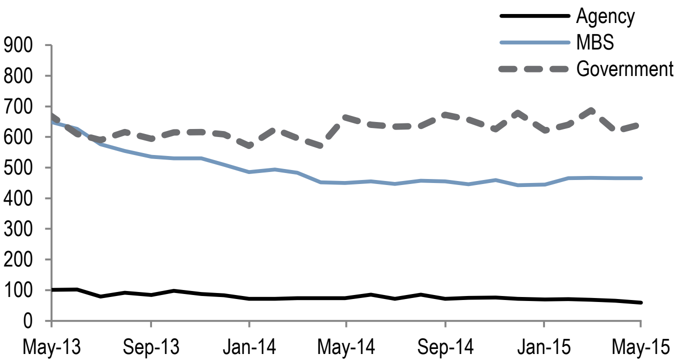
Source: Federal Reserve

Repo (continued)

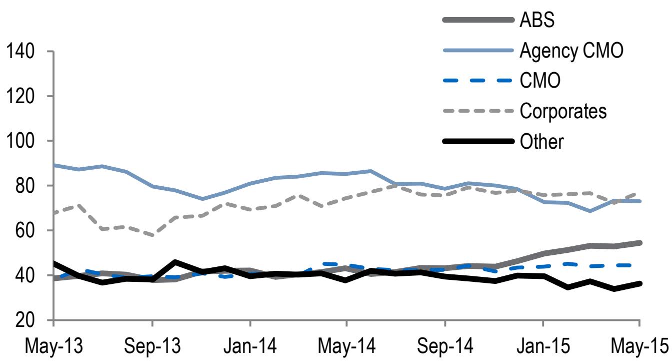
Total Tri-Party Outstanding ($bn)



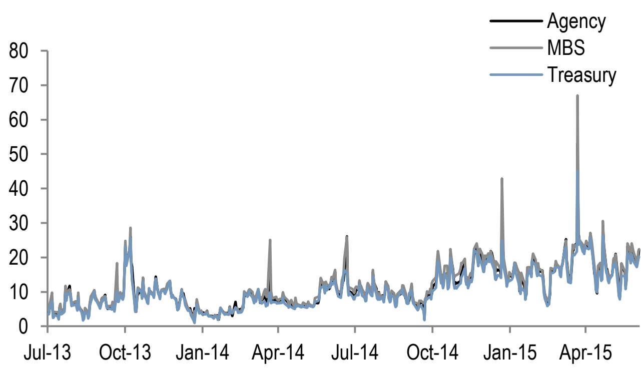
Tri-Party Traditional Collateral ($bn)



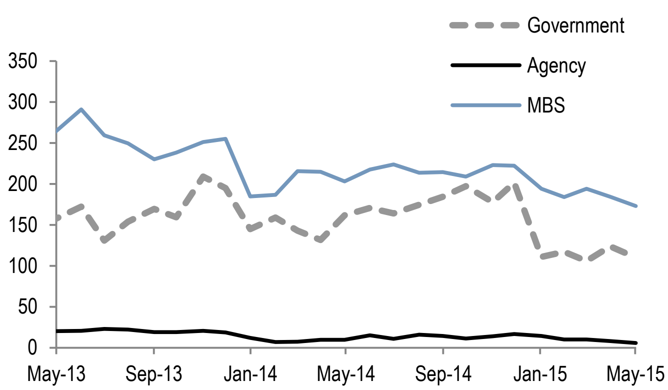
Tri-Party Non-Traditional Collateral ($bn)



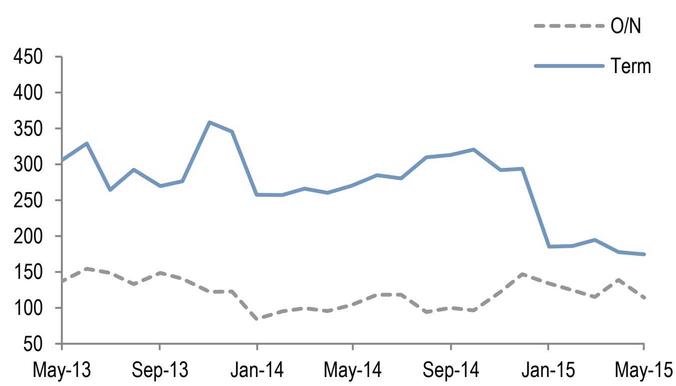
GCF rates (bp)



GCF Collateral ($bn)



GCF Term Composition ($bn)



Source: Federal Reserve, DTCC

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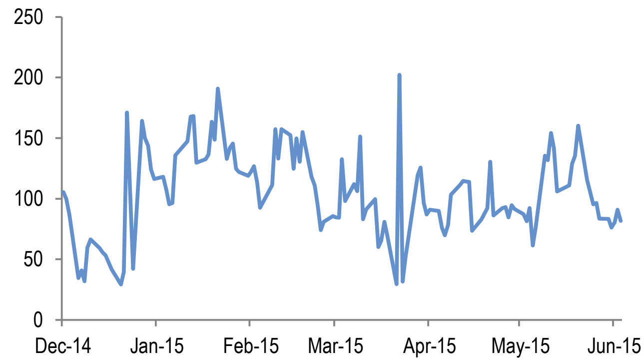
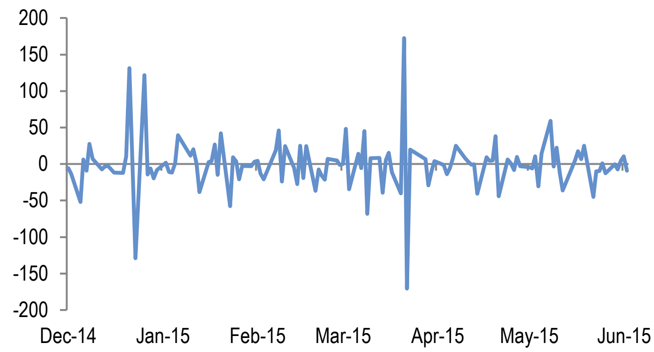
Fed Overnight Reverse Repo

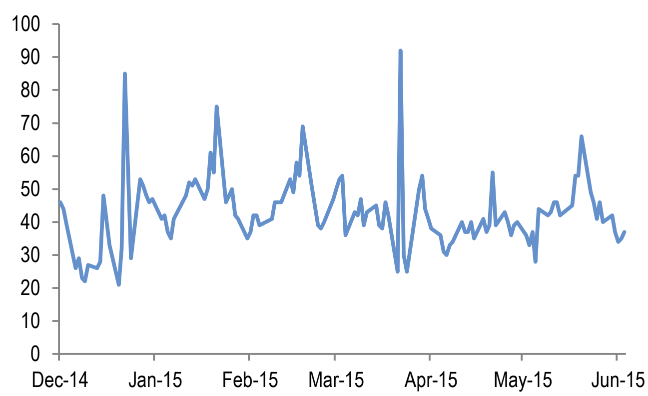
Accepted Amount ($bn)



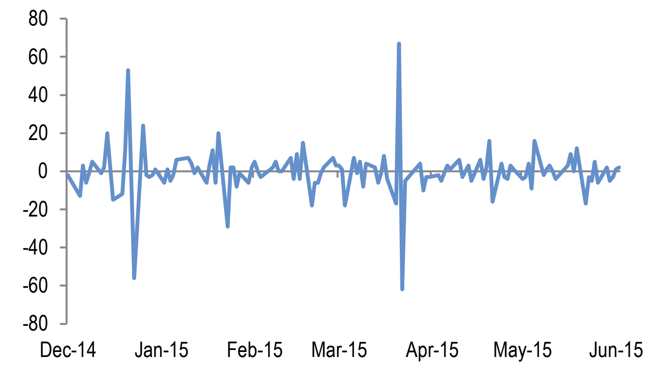
Accepted Amount: Daily Change ($bn)



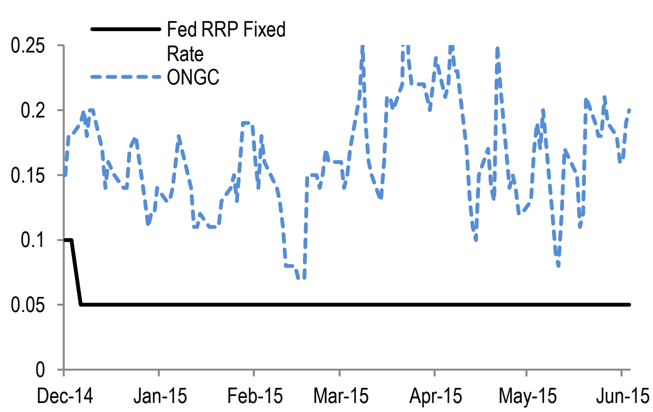
Number of Bidders



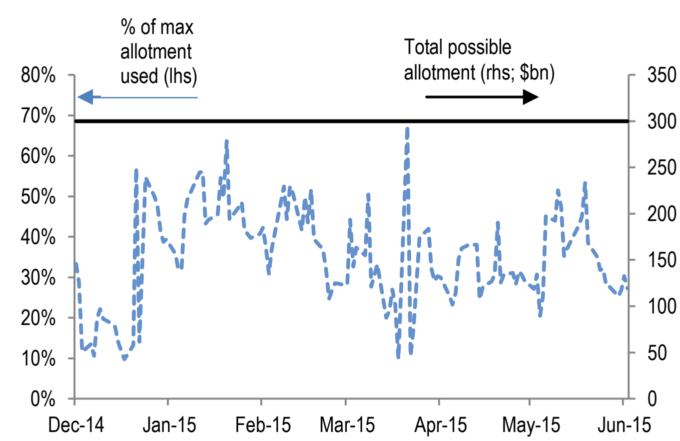
Number of Bidders: Daily Change



ONGC vs RRP fixed rate (%)



Max Allotment Used (%)



Source: Federal Reserve

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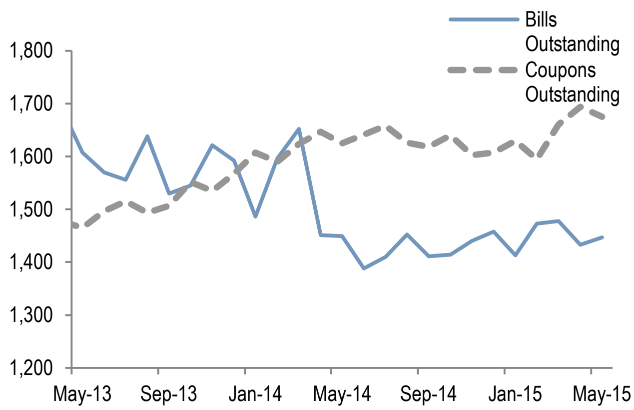
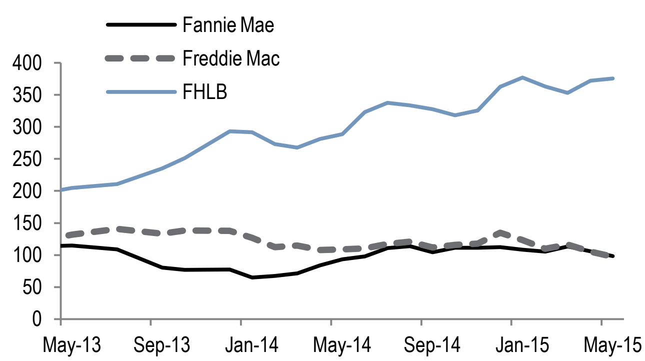
T-Bills

Bills and Coupons Outstanding ($bn)

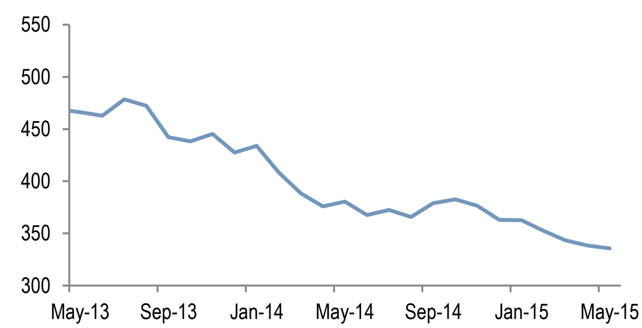


Agency Debt

Discount Notes Outstanding ($bn)

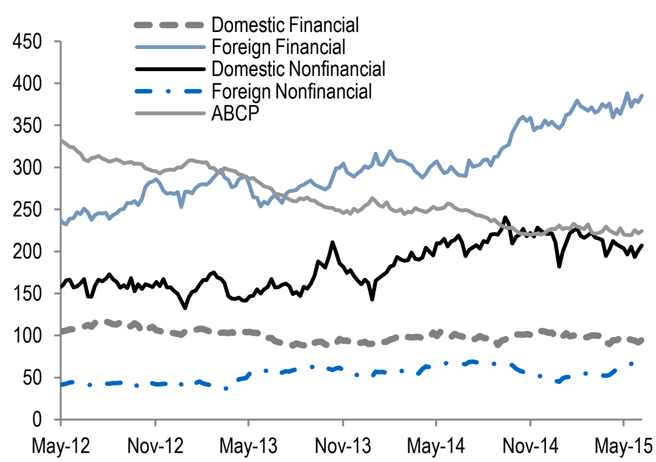


Coupons Outstanding ($bn)

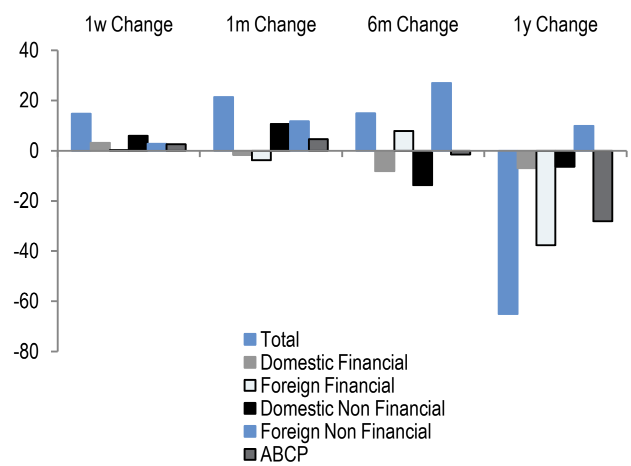


Commercial Paper

Outstanding ($bn)



Change ($bn)



Source: Federal Reserve, US Treasury, J.P. Morgan estimates

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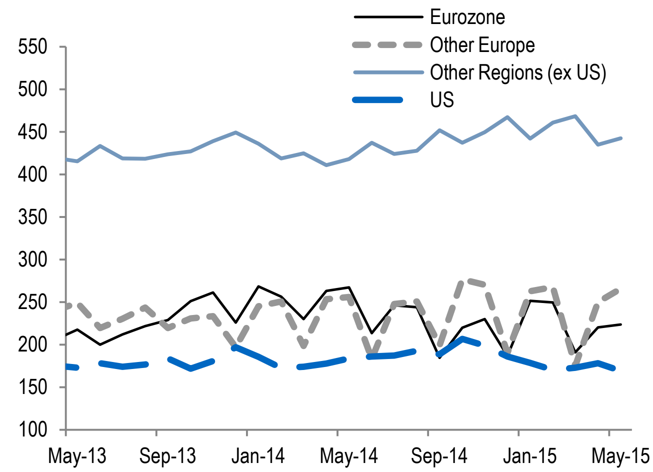
Money Market Funds

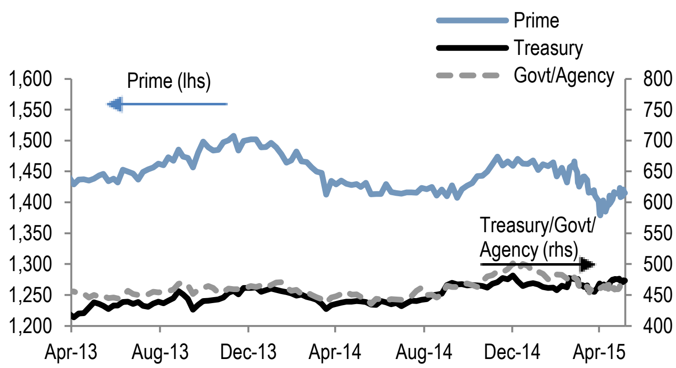
Prime MMF Asset Allocation

Issuer Type	May-15	% of total	m/m chg	chg since Dec-14	m/m % chg	% chg since Dec-14
Banks (US)	154	11%	(10)	(14)	-6%	-9%
Banks (Eurozone)	209	15%	5	41	2%	25%
Banks (Other Yankee)	678	48%	24	51	4%	8%
ABCP/CCP (Banks)	62	4%	0	(6)	1%	-8%
ABCP (Non-banks)	16	1%	(1)	0	-3%	2%
ABS issuers	1	0%	(1)	(0)	-58%	-34%
Corporates (Financial)	12	1%	2	(2)	16%	-13%
Corporates (Non-financial)	47	3%	1	11	2%	31%
US Treasuries	60	4%	(12)	(17)	-16%	-22%
US Agencies	87	6%	8	(10)	10%	-10%
US S&L Govt/Munis	13	1%	(1)	1	-7%	7%
Foreign SSA	42	3%	0	8	1%	23%
Central Banks (Fed RRP)	36	3%	12	(144)	48%	-80%
Other	1	0%	(0)	(3)	-28%	-76%
Total	**1,417**	**100%**	**27**	**(83)**	**2%**	**-6%**

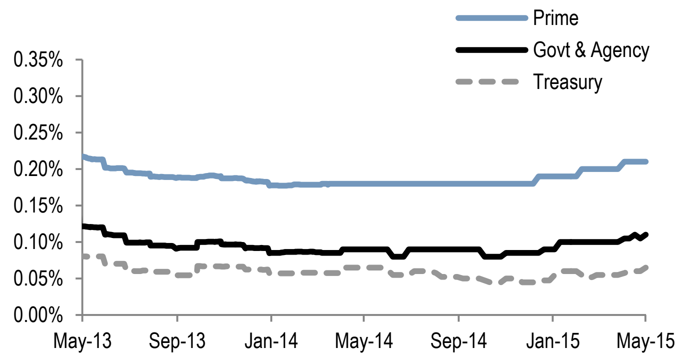
Geographical Composition (banks) ($bn)



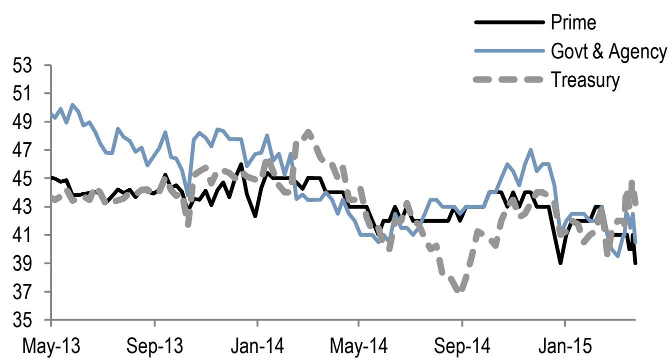
Assets Under Management ($bn)



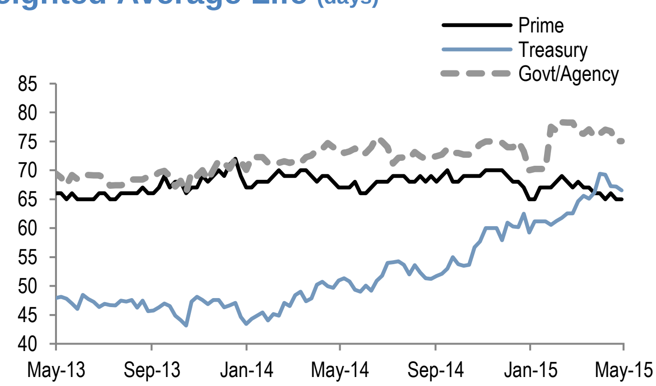
Gross Yield (%)



Weighted Average Maturity (days)



Weighted Average Life (days)



Source: iMoneyNet, fund holdings reports

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Liquidity Calendar

		Treasury	Fed	ECB	US	Europe	Other
M	15-Jun	Announce: 1m Bill Auction: 3m Bill ($24bn) 6m Bill ($24bn) Settle: 3y Note ($24bn) 10y Note ($21bn) 30y Bond ($13bn) **Net cash flow: $58bn***					Corporate tax day
T	16-Jun		FOMC meeting				
W	17-Jun		FOMC statement and projections (2:00pm) and press conference (2:30pm)				
R	18-Jun	Announce: 3m Bill 6m Bill 1y Bill 2y Note 5y Note 7y Note 2y FRN Auction: 30y TIPS ($7bn) Settle: 3m Bill ($24bn) 6m Bill ($24bn) **Net cash flow: -$4bn***			CPI		
F	19-Jun		Cleveland Fed President Mester speaks in Pittsburgh (12:00pm)				BOJ rate decision
M	22-Jun	Announce: 1m Bill					
T	23-Jun	Auction: 2y Note ($26bn)	Fed Governor Powell speaks on monetary policy in Washington, DC (8:00am)				
W	24-Jun	Auction: 5y Note ($35bn) 2y FRN ($13bn)			GDP (Q1 final)		
R	25-Jun	Announce: 3m Bill 6m Bill Auction: 7y Note ($29bn)					
F	26-Jun	Settle: 2y FRN ($13bn) **Net cash flow: $13bn***	Kansas City Fed President George speaks on payments system in Kansas City (12:45pm)				
M	29-Jun	Announce: 1m Bill					
T	30-Jun	Settle: 2y Note ($26bn) 5y Note ($35bn) **Net cash flow: $93bn***					
W	1-Jul						
R	2-Jul	Announce: 3m Bill 6m Bill 3y Note 10y Note 30y Bond **Net cash flow: -$10bn***					
F	3-Jul				Independence Day (observed), markets closed		

*Net cash flows equal projected and/or announced gross issuance of T-bills, Treasury notes/bonds and TIPs minus principal maturities and coupon payments. Projected gross issuances are J.P. Morgan forecasts.
**Federal Reserve purchases and sales of Treasury coupons are based on the tentative outright Treasury operation schedule published on http://www.newyorkfed.org/markets/tot_operation_schedule.html. Sizes are estimated.

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Index of Recent Topics

Regulatory Developments

- **Quarterly regulatory update:** Q12015, Q42014, Q32014, Q22014, Q12014, Q42013
- **Basel III-LCR:** 9/8/2014, 4/14/2014, 11/4/2013, 8/26/2013, 7/15/2013, 4/8/2013, 1/14/2013, 1/14/2013, 1/7/2013
- **Dodd-Frank/Volcker Rule:** 11/3/2014, 12/16/2013, 9/23/2013
- **EU Financial transaction tax:** 4/29/2013
- **LIBOR reform:** 7/15/2013, 2/11/2013
- **Shadow Banking:** 9/16/2013, 4/22/2013
- **Foreign Capital Rules:** 2/24/2014
- **Other:** 11/3/2014, 6/23/2014, 3/3/2014 (SIFI excise tax)

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- **IOER:** 1/27/2014, 1/13/2014, 11/18/2013, 8/26/2013
- **Flow of funds:** 3/10/2014, 6/10/2013, 3/11/2013

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- **Deposit shedding:** 3/2/2015
- **Bills market:** 3/9/2015, 4/20/2015
- **Rating agencies activity:** 6/8/2015, 11/18/2013, 8 /26/2013, 4/8/2013, 2/4/2013
- **Securities Lending:** 4/20/2015
- **Short-term corporates:** 2/23/2015, 3/24/2014
- **Repo market primer:** 3/31/2014
- **Rate trends/forecasts:** 5/5/2014, 4/28/2014
- **Tier 2 CP:** 3/23/2015

Analytics Packages

- **Weekly analytics package:** 6/8/2015
- **FRNI weekly package:** 6/8/2015

2015 Outlook: Outlook

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