

SEVENS REPORT *alpha*

**Alpha Webinar #55 – Understanding What the Repo Stress Means for
Markets with Todd Larson of First Trust Advisors, L.P
Thursday October 3rd, 2019
Presenter: Tom Essaye**

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Goals for Today's Webinar

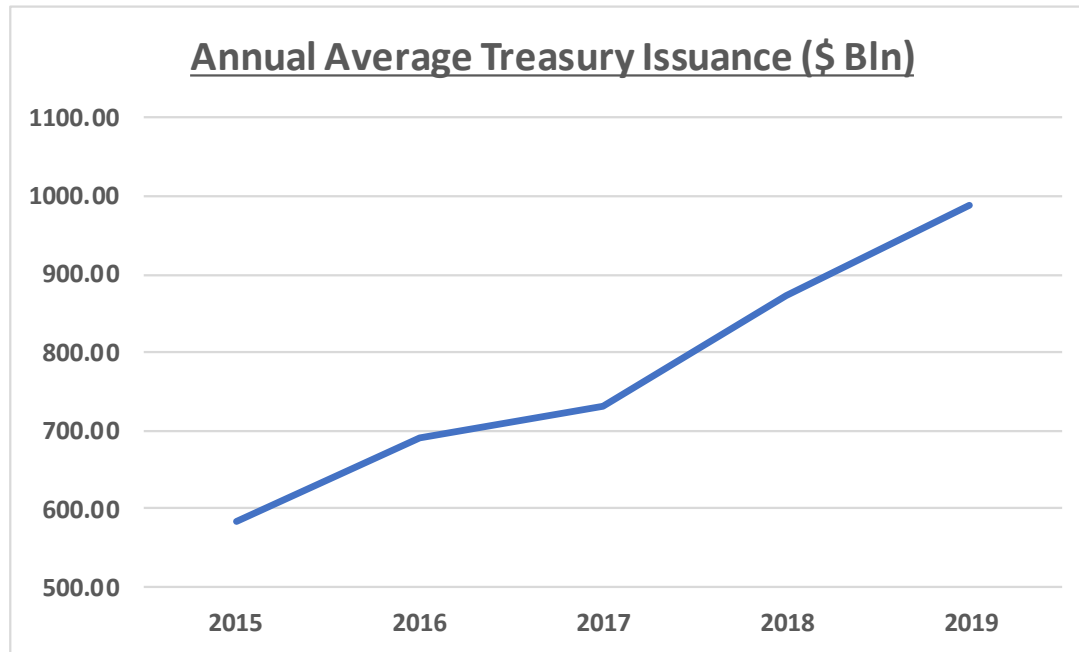
- Understanding the Repo Market
- What happened
- Why It's Happening
- How the Fed is addressing it and
- Are comparisons to the liquidity issues of 2008 appropriate?

- **What is the Repo Market Exactly?**

What Happened in the Repo Market?

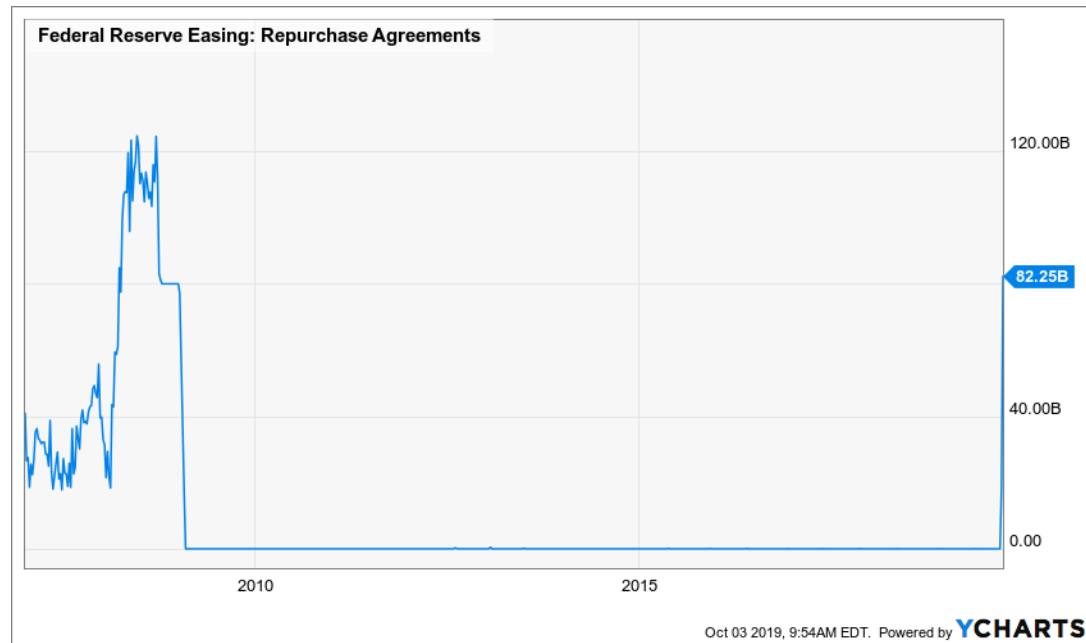


Why It's Happening



- Federal Deficit
 - 2018: 778,996,000,000
 - 2019: 1,067,156,000,000

How The Fed is Addressing It



Operation Schedule and Parameters

OPERATION TERM	OPERATION DATE	OPERATION TIME (ET)	SETTLEMENT DATE	MATURITY DATE	MINIMUM BID RATE	PROPOSITION LIMIT	AGGREGATE OPERATION LIMIT
Overnight	10/3/2019	8:15 - 8:30 a.m.	10/3/2019	10/4/2019	1.80 %	\$10 billion	\$75 billion
Overnight	10/2/2019	8:15 - 8:30 a.m.	10/2/2019	10/3/2019	1.80 %	\$10 billion	\$75 billion
Overnight	10/1/2019	8:15 - 8:30 a.m.	10/1/2019	10/2/2019	1.80 %	\$10 billion	\$75 billion
Overnight	9/30/2019	7:45 - 8:00 a.m.	9/30/2019	10/1/2019	1.80 %	\$15 billion	\$100 billion
Term	9/27/2019	8:00 - 8:15 a.m.	9/27/2019	10/11/2019	1.85 %	\$10 billion	\$60 billion
Overnight	9/27/2019	8:30 - 8:45 a.m.	9/27/2019	9/30/2019	1.80 %	\$15 billion	\$100 billion
Term	9/26/2019	8:00 - 8:15 a.m.	9/26/2019	10/10/2019	1.85 %	\$10 billion	\$60 billion
Overnight	9/26/2019	8:30 - 8:45 a.m.	9/26/2019	9/27/2019	1.80 %	\$15 billion	\$100 billion
Overnight	9/25/2019	8:15 - 8:30 a.m.	9/25/2019	9/26/2019	1.80 %	\$10 billion	\$75 billion
Term	9/24/2019	8:00 - 8:15 a.m.	9/24/2019	10/8/2019	1.85 %	\$5 billion	\$30 billion
Overnight	9/24/2019	8:30 - 8:45 a.m.	9/24/2019	9/25/2019	1.80 %	\$10 billion	\$75 billion

- **Are comparisons to the liquidity issues of 2008 appropriate?**

- FTSM - First Trust Enhanced Short Maturity ETF
- <https://www.ftportfolios.com/retail/etf/etfsummary.aspx?Ticker=FTSM>