

Friday, February 6, 2026

Front End Monitor

		Bills		Agcy Discos		Discount CP	
		Yield	Δ on Day	Yield	Δ on Day	Yield	Δ on Day
1 Mo		3.668	-0.001	3.620	0.010	3.642	0.000
3 Mo		3.669	0.012	3.590	0.000	3.690	-0.001
6 Mo		3.609	0.025	3.480	-0.020	3.660	-0.017
1 Yr		3.436	0.031	3.310	-0.020		

US General Collateral and Specials - Forbes Hopper

It was a long week that ended with short rates giving back about 50% of yesterday's rally today. No one seemed inclined to trade a market longer than 3 months but plenty of short termers were being worked. The benign overnight funding conditions remained with us with 10am averages below 370 across the board. This is where we will start next week with MBS clearing around 369 and treasuries at 367. There's a bunch of delayed economic releases coming our way next week so could provide a bunch of solid trading opportunities in the term GC space. The Specials market was very uneventful with 10's trading the tightest at 357 and old long bombs clearing at 358. Pretty darn pathetic but this is reality for us over the next week or until the quarterly refunding settles on 2/17. Have a great weekend and enjoy the super bowl.

Discos - Mark Steinacker

Good afternoon, the week ended the way it started' QUIET! The front end managed to stage a mini rally as o/n RP softened despite treasury bill issuance. The was some investor activity to support some price appreciation yet not enough to engage a wider swath of investor interest. With GSE funding taking a breather, the big three continue to ratchet in pricing with little success on issuing anything substantial at the new issue window. FHLB's auctions have been decidedly cheaper offering clients better entry levels if there's a need to get involved. Otherwise, SOFR FRNs are backfilling funding as follows:

STRUCTURE DESCRIPTION	SPRD	ST	SETTL	MATURITY	MIN	TARGET	ALLOC
4 Mo ON SOFR (D/Q)	0.000	CL	02/10	06/08/26	150	150.000	150.000
5 Mo ON SOFR (D/Q)	0.500	CL	02/10	07/09/26	500	650.000	650.000
5 Mo ON SOFR (D/Q)	0.500	CL	02/10	07/14/26	500	500.000	500.000
5 Mo ON SOFR (D/Q)	0.500	CL	02/13	07/13/26	750	750.000	750.000
6 Mo ON SOFR (D/Q)	1.000	CL	02/10	08/10/26	150	150.000	150.000
6 Mo ON SOFR (D/Q)	1.000	CL	02/10	08/17/26	150	150.000	150.000
6 Mo ON SOFR (D/Q)	1.000	CL	02/17	08/17/26	300	300.000	300.000
6 Mo ON SOFR (D/Q)	1.000	CL	02/17	08/17/26	500	2000.000	2000.000
7 Mo ON SOFR (D/Q)	1.500	CL	02/10	09/10/26	150	150.000	150.000
8 Mo ON SOFR (D/Q)	2.000	CL	02/09	10/09/26	150	150.000	150.000
4 Yr ON SOFR (D/Q)	20.000	CL	02/11	02/11/30	50	50.000	50.000

Bills - Eric Diamond

Bills sold off, giving back most of yesterday's gains with treasuries selling off and equities fully reversing yesterday's move. Yields backed up 1-2bps on very light flows reversing most of the rally. Next week we have unchanged 3mth, 6mth and 6wk auctions along with the last Fed purchase of the 30 day schedule on Tuesday.

Frequent 'money market trend' indicators:

- o FICC Sponsor Repo – Range of \$2.386T to \$2.593T during week ending 1/30
- o CP issuance decreased +\$3.5B on week to \$1.410T (1/28)
- o UST supply +\$401B in proj. add'l collateral for the next 6-weeks (2/2)
- o Fed RRP participation last week ranged from \$1.103B to \$9.629B (1/30)
- o Fed Foreign Reverse Repo Facility increased +\$6.004B on week to \$326.048B (1/28)
- o Other Deposits at the Fed decreased -\$5.029B on week to \$227.439B (1/28)
- o TGA increased +\$81.536B on week, and is @ \$952.705B (1/28)
- o Total Reserve Balances decreased -\$73.585B on week to \$2.882T (1/28)
- o MMF's saw weekly inflows of +\$38.991B vs outflows YTD of -\$12.131B (2/2)

Supply	Ann.	Auction	Issue	\$Bn	Mat. Amt	Net Issue
1Mo	2/3	2/5	2/10	\$105		
2Mo	2/3	2/5	2/10	\$95		
17Wk	2/3	2/4	2/10	\$69		
6Wk	2/5	2/10	2/12	\$90		
3Mo	2/5	2/9	2/12	\$89	471.0	54.0
6Mo	2/5	2/9	2/12	\$77		
52Wk	-	-	-	\$0		
CMBs	-	-	-	\$0		
CMBs	-	-	-	\$0		
2Yr	2/19	2/24	3/2	\$69		
5Yr	2/19	2/25	3/2	\$70	140.0	43.0
7Yr	2/19	2/26	3/2	\$44		
3Yr	2/4	2/10	2/17	\$58		
10Yr	2/4	2/11	2/17	\$42	90.0	35.0
30Yr	2/4	2/12	2/17	\$25		
20Yr	2/12	2/18	3/2	\$16		
30Yr TIPS	2/12	2/19	2/27	\$9	-	53.0
2Yr FRN	2/19	2/28	2/27	\$28		

Santander US Capital Markets Front End Group

Team F Hopper, M Steinacker, E Diamond, R Felicetti, M Egleston, M Kursman, T Casey, M Slattery, V Quinlan

		UST GCF		MBS GCF		SOFR		OIS	
		Yield	Δ on Day	Yield	Δ on Day	Yield	Δ on Day	Yield	Δ on Day
		3.710	0.000	3.730	0.000	3.668	-0.005	3.641	0.000
		3.700	-0.010	3.730	0.000	3.660	-0.006	3.620	0.012
		3.670	0.010	3.720	0.030	3.619	-0.008	3.557	0.026
		3.550	0.020	3.600	0.020	3.497	-0.009	3.401	0.000

		Term GCF	
		UST	MBS
1wk		3.73/3.68	3.75/3.70
2wk		3.73/3.68	3.75/3.70
3wk		3.73/3.68	3.75/3.70
4wk		3.73/3.68	3.75/3.70

Overnight 10AM GCF Avgs.

		UST	MBS
5-Feb		3.687	3.695
Feb 2026		3.699	3.713
2026 YTD		3.697	3.710
2026 YTD		3.696	3.706
Dec 2025		3.835	3.851
Nov 2025		4.013	4.045

Overnight GCF Volumes (Bn)

		UST	MBS	Tot.
5-Feb		56	90	146
Feb 2026		74	90	164
2026 YTD		68	87	156
Jan 2026		63	84	147

Fed Funds Averages & Volumes

		Rate	Vol (Bn)
5-Feb		3.64	110
Feb 2026		3.64	105
2026 YTD		3.64	98
Jan 2026		3.64	91

BNY Tri-party Repo Index avgs.

		UST	MBS
5-Feb		3.630	3.640
Feb 2026		3.645	3.655
2026 YTD		3.638	3.648
Jan 2026		3.631	3.641
Dec 2025		3.759	3.769
Nov 2025		3.944	3.954

BNY Tri-party Repo Index Vol

		UST	MBS	Tot.
5-Feb		924	482	1406
Feb 2026		931	468	1398
2026 YTD		906	463	1369
Jan 2026		882	458	1340

OBFR Averages & Volumes

		Rate	Vol (Bn)
5-Feb		3.63	213
Feb 2026		3.64	193
2026 YTD		3.63	187
Jan 2026		3.63	182

FF Target Rate Implied Prob.

		%Hike/Cut	Implied Rate
03/18		-19.0%	3.591
04/29		-19.5%	3.543
06/17		-55.5%	3.404
07/29		-36.5%	3.313
09/16		-45.3%	3.199

SOFR Averages & Volumes

		Rate	Vol (blns)
5-Feb		3.650	3228
Feb 2026		3.670	3278
2026 YTD		3.663	3245
Jan 2026		3.657	3211
Dec 2025		3.800	3293
Nov 2025		3.978	3208

RRP \$3.111 bln

Rate	3.50
# Bidders	7
SOMA Borrow	\$34.434 bln
Largest Borrow	\$7.156 bln
Issue	ct10's

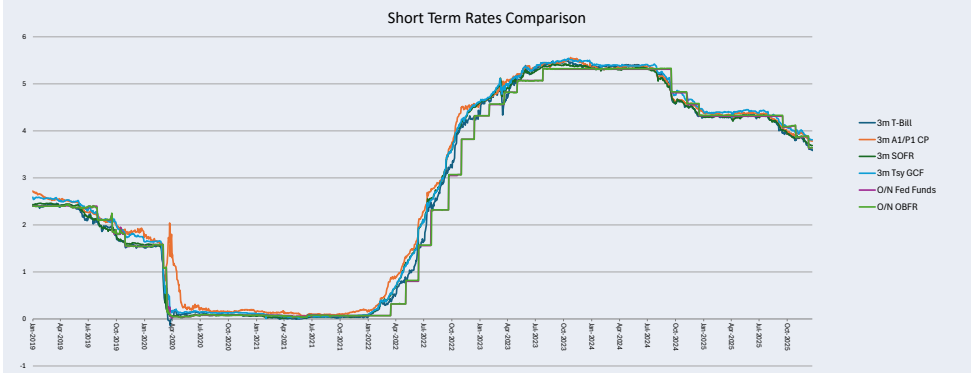
TGCR Averages & Volumes

		Rate	Vol (Bn)
5-Feb		3.63	1290
Feb 2026		3.65	1298
2026 YTD		3.64	1295
Jan 2026		3.63	1291

		O/N	1 week	02/17	02/27	03/16	03/31
GC		3.68/3.65	3.70/3.65	3.70/3.65	3.72/3.67	3.73/3.68	3.73/3.68
O2s		3.65/3.62	3.67/3.62	3.68/3.63	3.70/3.65	3.72/2.67	3.75/3.70
2s		3.68/3.65	3.67/3.62	3.67/3.62	3.63/3.68	3.67/3.62	3.70/3.65
W12s							
O3s		3.67/3.64	3.68/3.63	3.68/3.63	3.70/3.65	3.72/2.67	3.73/3.68
3s		3.60/3.57	3.58/3.53	3.58/3.53	3.65/3.60	3.67/3.62	3.70/3.65
W13s							
O5s		3.65/3.62	3.67/3.62	3.67/3.62	3.70/3.65	3.72/3.67	3.73/3.68
5s		3.64/3.61	3.65/3.60	3.65/3.60	3.55/3.50	3.60/3.55	3.65/3.60
W15s						--	--
O7s		3.65/3.62	3.67/3.62	3.67/3.62	3.70/3.65	3.70/3.65	3.73/3.68
7s		3.67/3.64	3.68/3.63	3.68/3.63	3.68/3.63	3.70/3.65	3.72/2.67
W17s						--	--
O10s		3.66/3.63	3.68/3.63	3.68/3.63	3.70/3.65	3.72/3.67	3.72/2.67
10s		3.57/3.54	3.57/3.52	3.57/3.52	3.63/3.58	3.68/3.63	3.70/3.65
W110s						3.31/3.28	
O20s		3.68/3.65	3.70/3.60	3.70/3.60	3.72/3.67	3.72/3.67	3.73/3.68
20s		3.60/3.57	3.62/3.57	3.62/3.57	3.60/3.55	3.65/3.60	3.65/3.60
W120s							
O30s		3.60/3.57	3.63/3.58	3.63/3.58	3.65/3.60	3.65/3.60	3.67/3.62
30s		3.66/3.63	3.68/3.63	3.68/3.63	3.68/3.63	3.70/3.65	3.70/3.65
W130s							

Money Fund Monitor - Current Year Comparison (MM)							
Feb 05	Assets	WAM (days)	Yld%	Δ on Day	Δ on Week	Δ on Month	Δ on Year
Gov't & Agencies Instit.	2,629,812	39 (0)	3.43	(6,646)	39,373	39,373	60,514
Prime Instit.	243,079	33 (0)	3.59	(2,651)	1,787	1,787	16,710
Treasury Instit.	980,162	51 (+1)	3.41	2,660	12,951	12,951	9,612
Treasury & Repo Instit.	886,275	41 (+1)	3.41	(7,313)	(12,348)	(12,348)	(34,840)
Tax Free Instit.	10,423	7 (0)	2.09	(365)	(110)	(110)	804
Gov't & Agencies Retail	1,485,368	34 (+1)	3.22	1,427	9,531	9,531	(5,054)
Prime Retail	1,000,969	34 (0)	3.34	(8)	2,433	2,433	2,745
Treasury Retail	230,229	52 (+1)	3.34	(56)	1,243	1,243	3,762
Treasury & Repo Retail	134,314	36 (0)	3.14	37	1,086	1,086	(436)
Tax Free Retail	131,965	32 (+1)	1.92	106	832	832	(9,171)
Net Totals	7,732,594	-	-	(12,808)	56,777	56,777	44,646

Change on week is calculated using Friday's (or last business day's) values, monthly-year ending beginning of month/year



(1) Bloomberg Barclays Indices as of 3PM on the date of this commentary

(2) Bloomberg

(3) Federal Reserve

(4) Barclays Indices as of 3PM

(5) DTCC GCF Repo Index

(6) Money Net™

(7) BONY <https://response.bny Mellon.com/inputs/>