

## TMPG Meeting Minutes

November 30, 2021

### TMPG attendees

Alberto Antonini (Tudor)	Deland Kamanga (BMO)	Jerry Pucci (BlackRock)
Deborah Cunningham (Federated Hermes)	Ari Kavour (Wells Fargo)	Rasmus Rueffer (ECB)
Sunil Cutinho (CME Clearing)	Edward McLaren (Bank of America)	Carolyn Sargent (Morgan Stanley)
David Finkelstein (Annaly)	Priya Misra (TD Securities)	Marc Seidner (PIMCO)
Doug Friedman (Tradeweb)	Andrea Pfenning (BNY Mellon)	Casey Spezzano (NatWest)
Paul Hamill (Citadel Securities)	Thomas Pluta (JP Morgan)	Gemma Wright-Casparius (Vanguard)
	Murray Pozmanter (DTCC)	

### New York Fed attendees

Chris Burke	Lorie Logan	Brett Rose
Veronika Jastrzebski	Matt Milroy	Janine Tramontana
Frank Keane	Rania Perry	Nate Wuerffel

### U.S. Department of Treasury attendees

Joshua Frost	Nicholas Steele	Brian Smith
Fred Pietrangeli		

- Due to the coronavirus pandemic, the TMPG meeting was held via videoconference.
- The meeting commenced with the chair thanking departing member Gemma Wright-Casparius from Vanguard for her many contributions to the TMPG. The chair also thanked Matt Milroy, a member of the New York Fed secretariat staff, who will be moving to a new role.
- Members then discussed plans for the update to the TMPG [white paper](#) “Operational Plans for Various Contingencies for Treasury Debt Payments,” which was published after the meeting.<sup>1</sup> It was noted the updated paper would maintain relevant information on the potential practices that could be used to support the continued trading and transferability of securities that are subject to delayed payments. It also would clarify some language and terms to better align the terminology that is commonly referred to in the public domain (including SIFMA’s [Disruption in Treasury Payments](#)). It was further noted that the updates would not change the fundamental conclusions or recommendations of the original paper.

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<sup>1</sup> See Dec. 6, 2021 press release: [TMPG Updates White Paper on Delayed Payment Contingency Planning](#)

- Members then discussed takeaways from the [2021 U.S. Treasury Market Conference](#) and [“Recent Disruptions and Potential Reforms in the U.S. Treasury Market,”](#) a report by the Inter-Agency Working Group for Treasury Market Surveillance (IAWG). Members expressed support for the IAWG pursuing the workstreams for specific policy analysis outlined in the report. It was noted that the IAWG workstreams on evaluating expanded central clearing and improving data quality and availability relate to the TMPG’s own working groups on clearing and settlement practices for U.S. Treasury secured financing transactions (SFTs) and Treasury market data and transparency – and that the TMPG working groups should consider takeaways from the conference and staff progress report as they continue their work.
  
- The vice chair provided an update and discussed next steps for these two TMPG working groups. She noted that in earlier in November both working groups [released](#) draft updates on their progress thus far. Specifically, the SFT clearing and settlement group published a draft set of [maps](#) and a [summary note](#) that illustrate current clearing and settlement processes for common securities financing transaction types for Treasuries, while data and transparency working group released a draft [catalogue](#) and a [summary note data currently available in the Treasury cash, futures, and financing markets](#). Both working groups considered potential ways to increase public engagement in the coming months to raise awareness for the documents and collect any feedback on progress so far. They plan to reconvene in early 2022 to continue their work.
  
- Members then transitioned to a discussion of market developments since the September TMPG meeting. They discussed their outlook on the economy, inflation expectations, monetary policy, and market functioning.
  - Members broadly expressed uncertainty around how their economic outlook or policy expectations might be influenced by the recent emergence of the omicron variant of the coronavirus, which had been a driver of price action ahead of the meeting.
  - Views among members regarding inflation were consistent in that the inflation outlook was expected to continue at elevated levels in the near term, and recent monetary authority communications seemed to converge to the market view of somewhat persistent, rather than transitory inflation.
  - With regard to the monetary policy outlook, members were attentive to, and generally supportive of, Fed communications in recent weeks that they interpreted as signaling the potential for a shorter timeline under which the pace of asset purchases would be tapered. Specifically, several members noted the potential for a three-month taper timeline to be announced at the December 2021 FOMC meeting. Relatedly, members noted that the market was pricing in more than two increases in the target range for

federal funds over the course of 2022, as implied by the market for federal fund futures, though there was no clear agreement between members on the timing and magnitude of the hikes as compared to the market views.

- Members generally characterized Treasury and MBS market functioning in the days ahead of the TMPG meeting as worse than it had been in recent months, as measured by bid/ask spreads and market depth. Members noted poor liquidity was a factor in the notable Treasury yield volatility on Friday, November 26, but that below-average liquidity continued into the week of the TMPG meeting, and that they expected liquidity to remain challenged for the rest of 2021.