



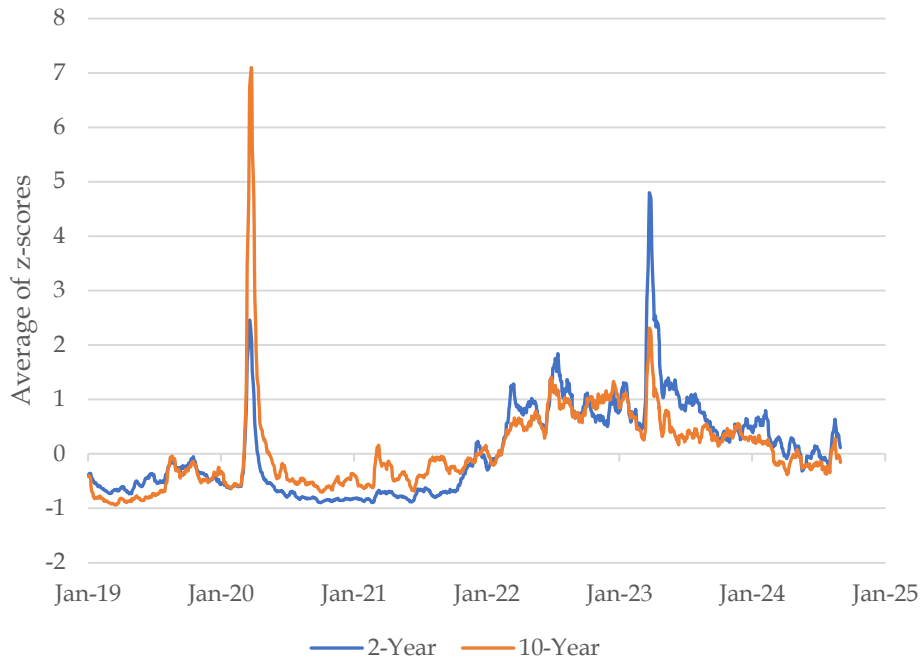
Remarks by Nellie Liang
Under Secretary for Domestic Finance
U.S. Department of the Treasury

Georgetown Psaros Center Financial Markets Quality Conference
"Future of Financial Markets: Innovation and Uncertainty"

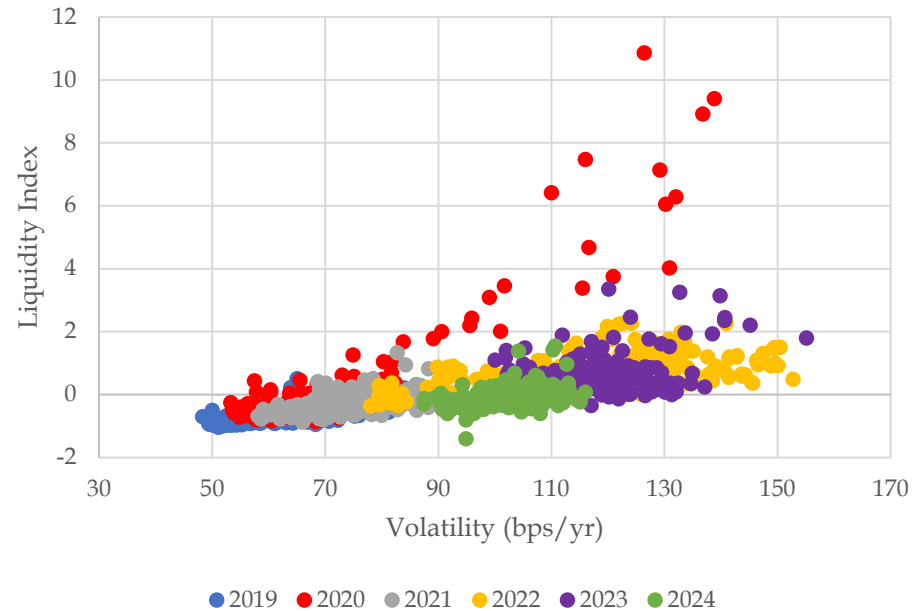
September 17, 2024

Treasury Market Liquidity and Yield Volatility

Liquidity Indices: 10 Day Moving Average



U.S. Treasury (UST) Liquidity Index vs Implied Volatility - 10-Year Tenor

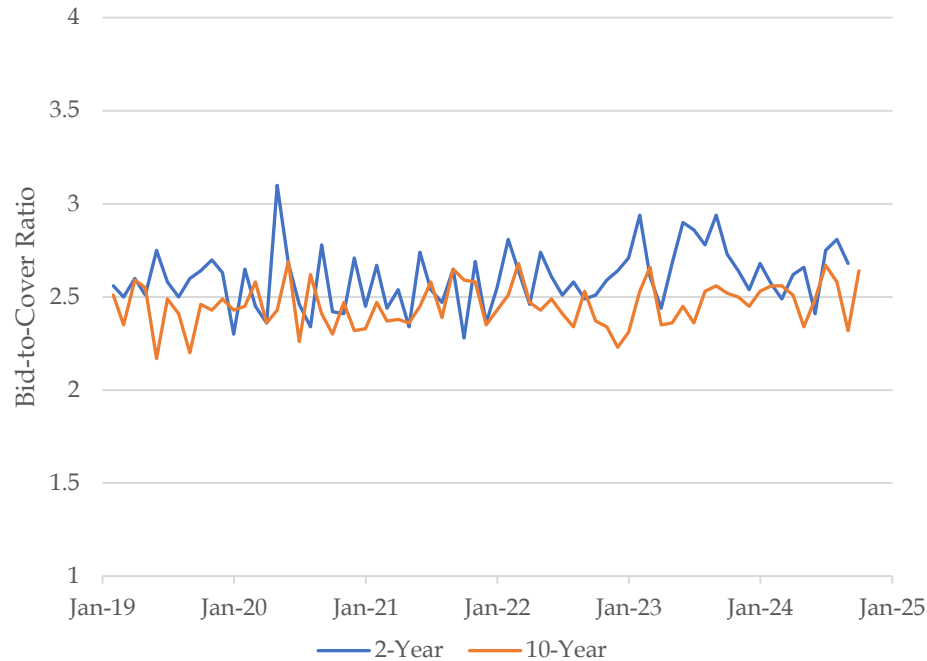


Notes: Index inputs are bid-ask, inverted market depth, and price impact. For each security, calculated as a simple average of z-scores for each input.

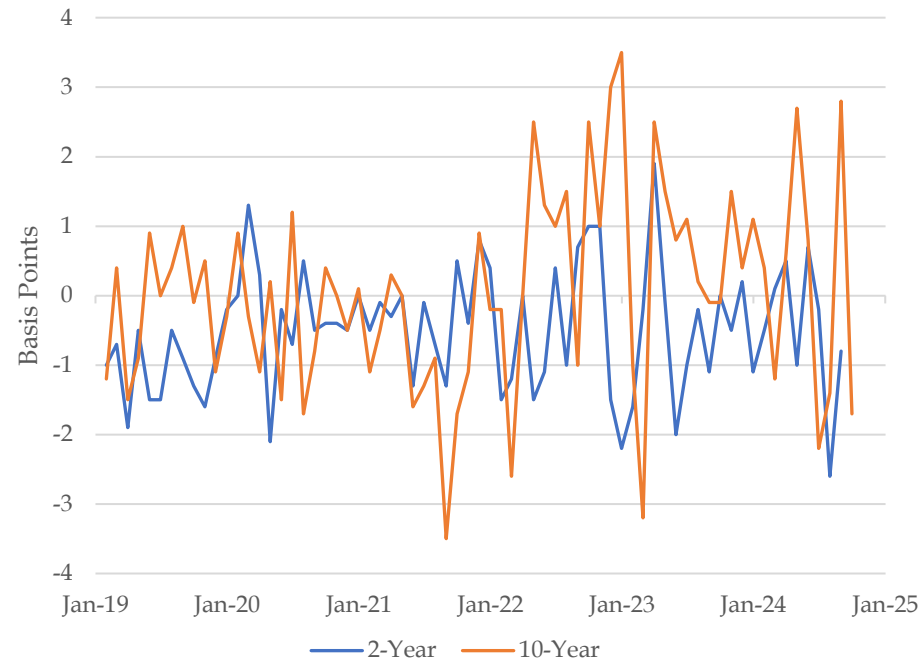
Source: U.S. Department of the Treasury

Treasury Auction Metrics

Bid-to-Cover Ratio



Auction Tail



Notes: Bid-to-cover ratio represents the total amount of bids divided by the total amount of Treasury debt offered for sale. Auction tail represents the yield set at the auction minus the yield in when-issued trading.

Source: U.S. Department of the Treasury

Strengthening Treasury Market Resilience

IAWG workstreams

1. Improving data quality and availability
2. Improving the resilience of market intermediation
3. Enhancing trading venue transparency and oversight
4. Evaluating expanded central clearing
5. Examining effects of leverage and fund liquidity risk management