

# Tariffied?

## Recent swings in corporate investment strategy

### A Clearwater Insight

**Matthew Vegari, Head of Research**  
Tyler Busby, Data Scientist  
5 May 2025

### Executive Summary

Recent Treasury and futures market dynamics reflect notable shifts in investor sentiment, triggered by changes in U.S. trade policy and attendant macro uncertainty. Entering 2025, market expectations were anchored in continued economic resilience and easing—but still tight—monetary policy. Over the last three months, rising trade tensions have shifted the outlook for monetary policy to a more neutral, even dovish, stance by year’s end.

#### **Corporate investors have taken note.**

1. This year, investment flows from Clearwater’s proprietary database point to a tactical shift out of money market funds. Cash is no longer king.
2. Following the market sell-off on “Liberation Day” (April 2), Clearwater data showed an unprecedented surge in demand for Treasury securities with longer time-to-maturity on April 9, when yields rebounded. Corporate investors appear keen to lock in yield across longer time horizons when faced with whipsawing rates. When T-bonds sell off, corporates jump in.

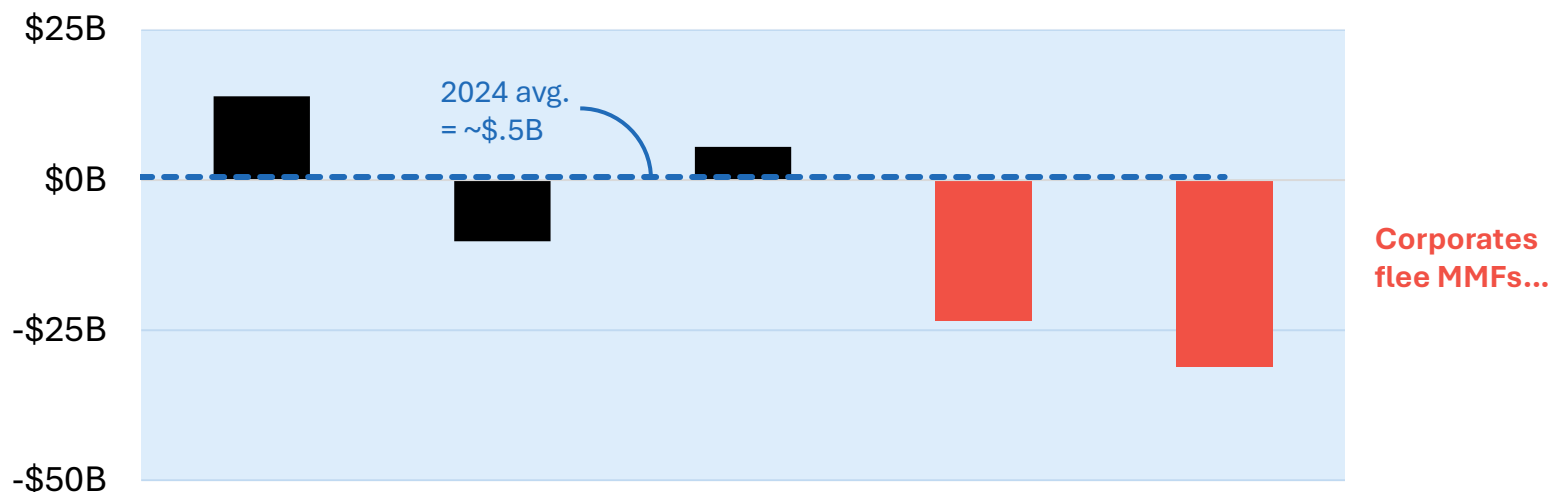
Since March, corporates have been shedding money market investments

Why?

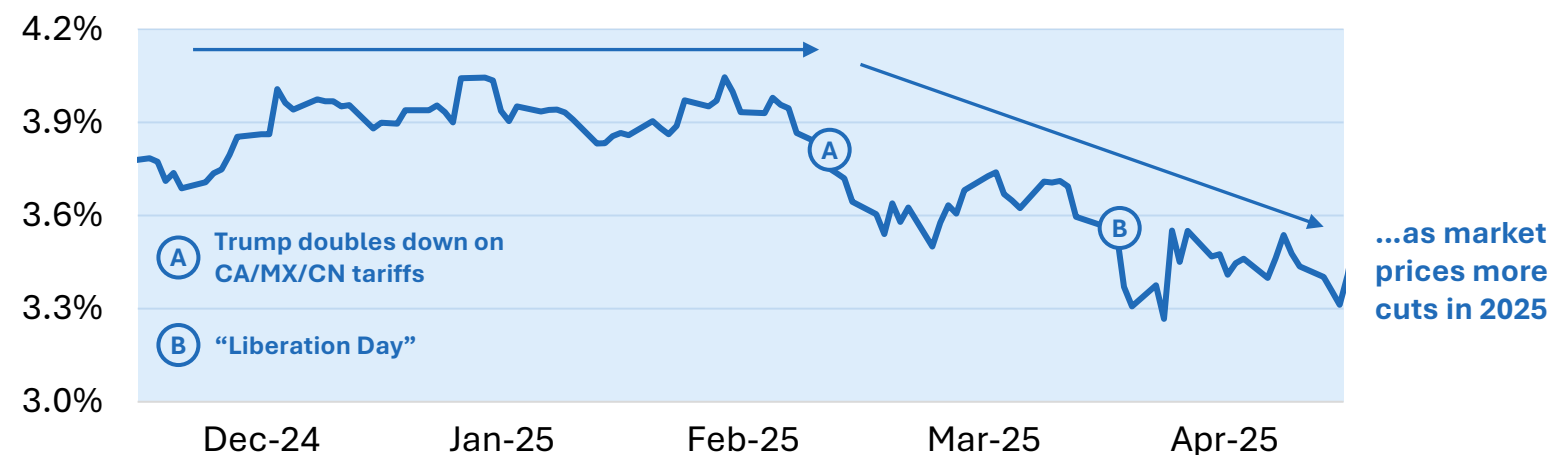
Market pricing has seen more Fed cuts in 2025 due to tariffs and macro uncertainty—**investors now expect cash to no longer be king**

Where is that \$\$\$ going instead?

Net monthly flows to money market funds across Clearwater corporate portfolios\*



Market-implied fed funds rate for Dec. 2025



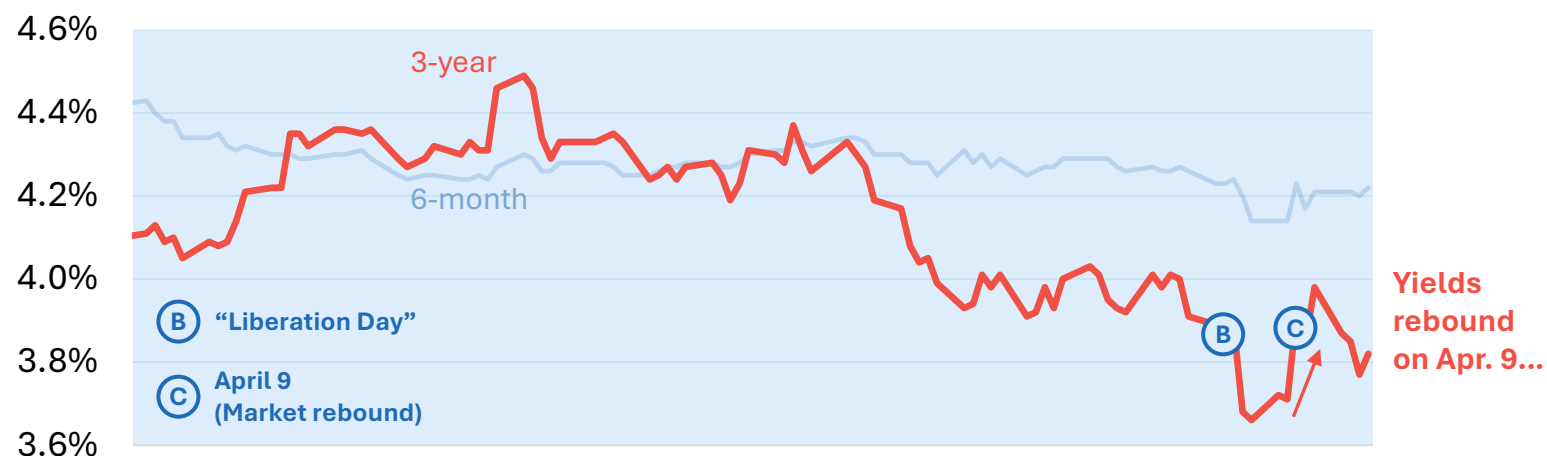
Note: \*800+ corporate treasurers collectively managing ~\$1.2 trillion in assets. Net flows = purchases – sales.  
Source: Clearwater Analytics, Bloomberg

Flows into Treasuries don't look too unusual in 2025—**except for a record-breaking spike**

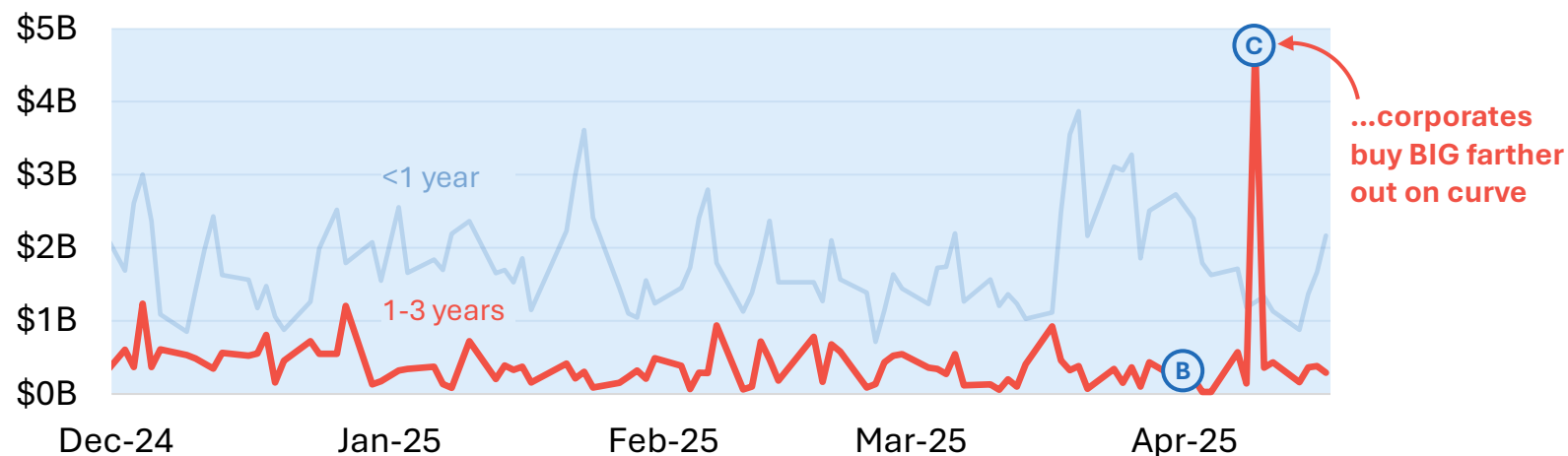
On Apr. 9, when markets rebounded in wake of “Liberation Day,” **firms took notice of the recovery in yield and bought BIG**

Their focus? **Treasuries with greater time to maturity**—locking in yield amid volatility appears paramount

## U.S. Treasury yields



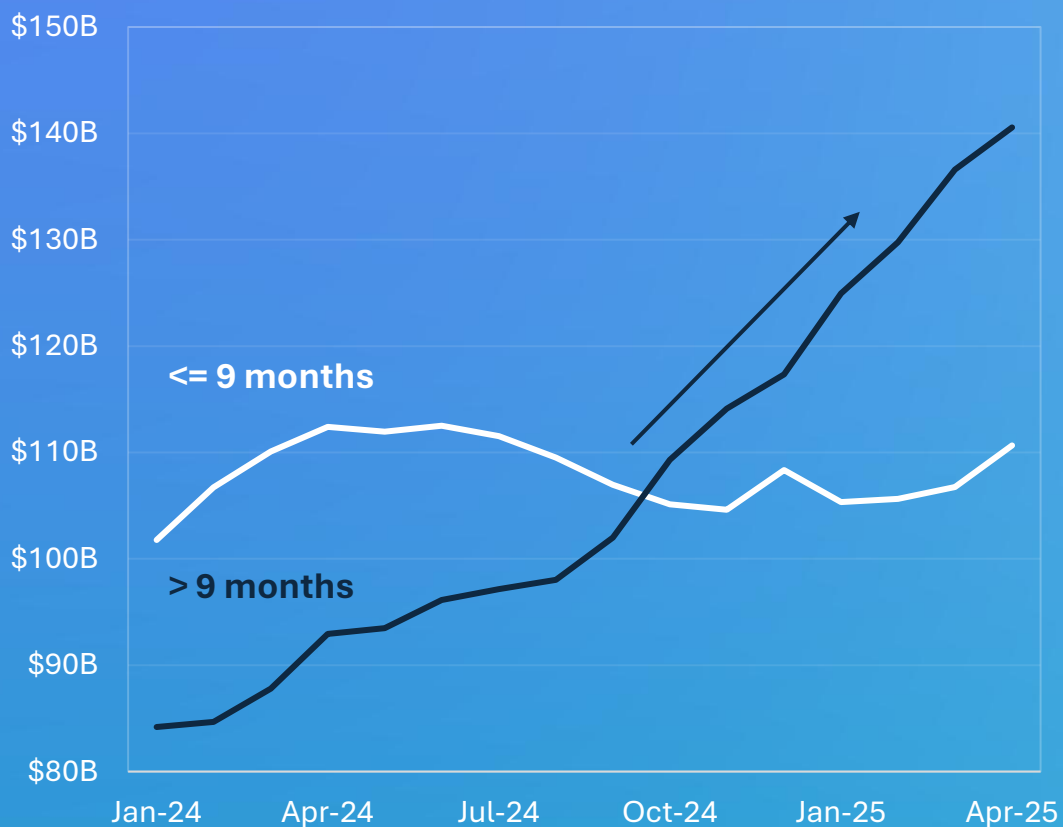
## U.S. Treasury purchases across Clearwater portfolios\* by time to maturity



# Corporate investors have been loading up on duration since 2024...

## Treasury holdings for Clearwater clients\*

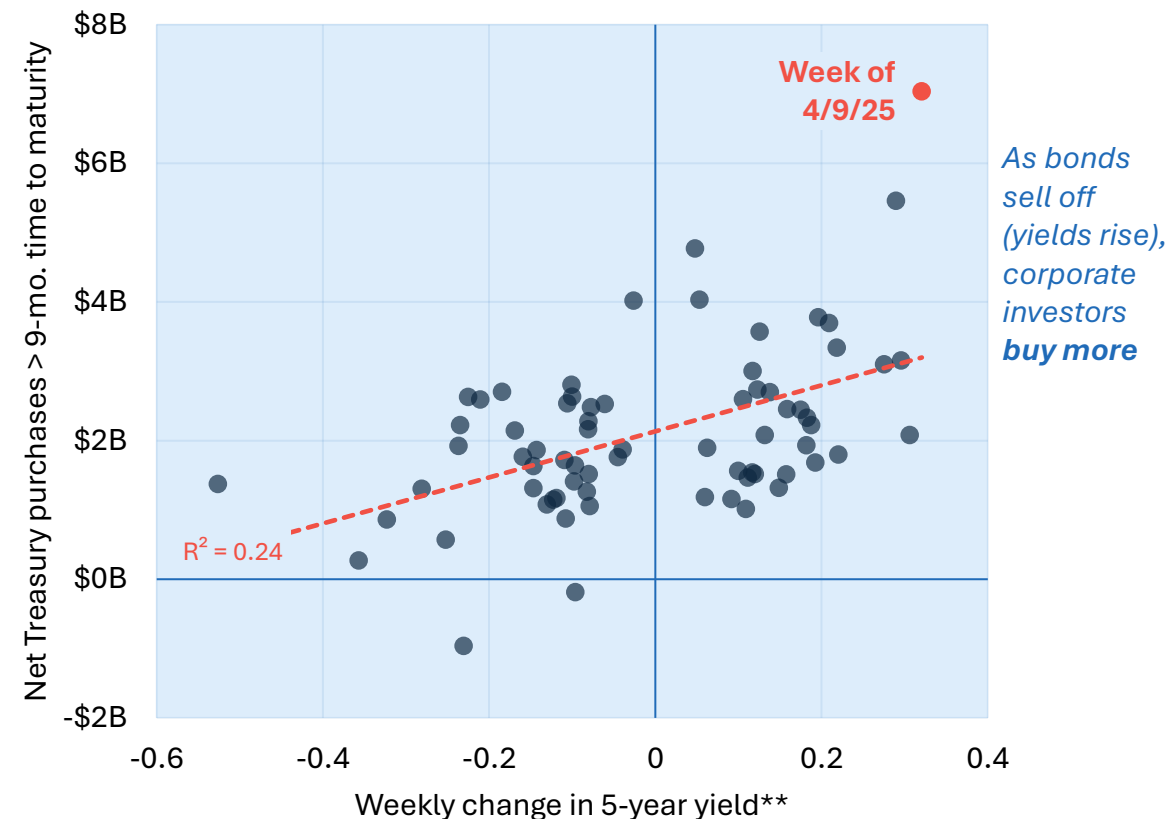
By time to maturity, since 2024



...and they don't ignore market action—they buy when others sell (see Apr. 9)

## Net Treasury purchases vs. change in yields

For purchases > 9-mo. time to maturity, since 2024



Note: \*800+ corporate treasurers collectively managing ~\$1.2 trillion in assets.

\*\*Maximum absolute change in Treasury yield relative to the prior week's average.

Source: Clearwater Analytics, Bloomberg