

Covid-19 SOFR LIBOR Visualizations

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Agenda

- Data sources are from FRED Economic Data and Federal Reserve Bank of New York
- Visualizations of different economic data related to the LIBOR transition
- Analysis covers mostly SOFR and LIBOR rates as well as some equity prices and their statistics

Impact of COVID-19



- **Heavy impact of COVID-19 on financial market**
- **Clear indication of Market fear due to the spread of the virus**
- **S&P 500 index fell by almost 30% from peak and VIX surged more than 80%**

SOFR – LIB3M Basis Spread vs VIX



- Basis spread was in 20-40 bps range in 2019
- Spread shot up as March 2020 approached
- Reached peak at almost 140 bps
- The correlation between SOFR LIBOR OIS spread and VIX is **0.730511**
- There seem to be a lag of around half a month between VIX and the spread