

# The Twelve Eleven Days Pre-Cashflow

By Warren Lovely

“ On the eleventh day pre-cashflow, NBC reminded me... ”

“ T-11) Cash con-centrating ”

We’re continuing to adapt a holiday classic to an important season for Canada’s domestic bond market. We have dubbed this ‘*The Twelve Days Pre-Cashflow*’ and the idea is simple enough. In the 12 weekdays leading up to start of December, we’re offering a single chart (or at most two) to highlight a specific aspect/implication of the truly outsized cashflows and index rolls now around the corner.

We kicked things off yesterday (when we were twelve weekdays out from the start of December or T-12) with: [Coupons a-clipping](#).

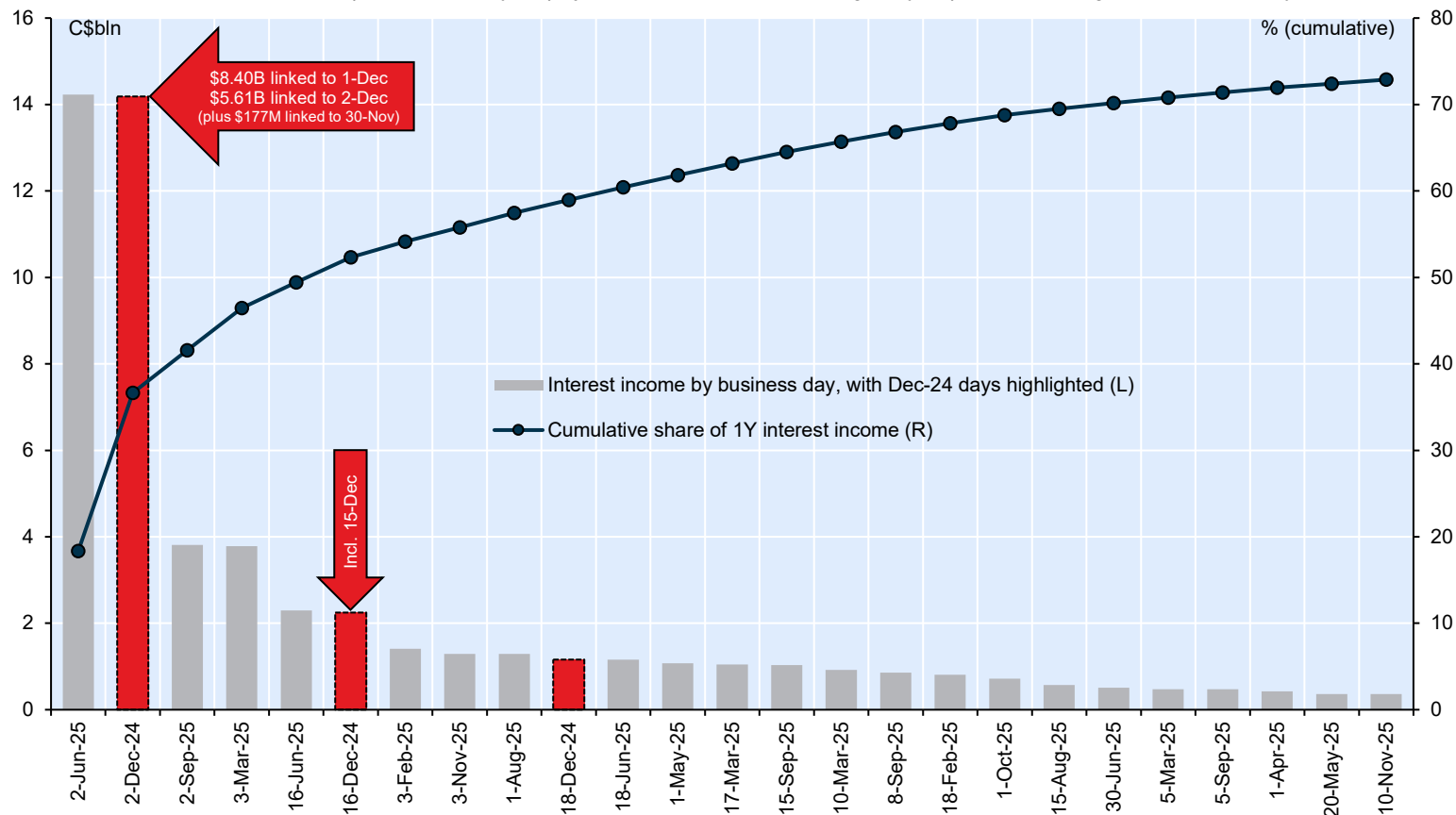
This being T-11 weekdays to the start of December, we continue with: *Cash con-centrating*. A quick glance at your calendar reveals that December 1<sup>st</sup> falls on Sunday this year. As result, the meaningful coupon/roll effects associated with December 1<sup>st</sup> won’t be captured until the next good business day: Monday, December 2<sup>nd</sup>. As many appreciate, the 2<sup>nd</sup> is itself a pretty important coupon/roll day. Thus, this year’s early December impacts look to be super-concentrated.

To illustrate, refer to the below chart which ranks good business days by the total amount of index interest income due to arrive in the next year. Underlying the rather hefty \$14 billion expected to land on December 2<sup>nd</sup> is a roughly 60-40 split between the 1<sup>st</sup> and 2<sup>nd</sup> (plus a little dribble of cash linked to November 30<sup>th</sup>). There is another outsized December cashflow day also falls on a weekend in 2024: December 15<sup>th</sup>, where impacts will be pushed into Monday, December 16<sup>th</sup>. We’d note that the effective concentration of key cashflow days should be accounted/controlled for when comparing to prior years.

Early December’s appreciable bond roll effects—which result when securities either drop out of the universe index or roll over from one bucket to another—will likewise be clumped together on the 2<sup>nd</sup>. If you are wondering, there are precisely seven fixed-rate bonds with a December 1<sup>st</sup> or December 2<sup>nd</sup> maturity that are about to see their index status change. A couple of those have a pretty material float. That’s the precise focus of Monday’s T-10 stanza: *Bonds a-rolling*. Until then...

### Chart T-11: Cash con-centrating

FTSE Canada Universe Bond Index: Top 25 business days of projected interest income for coming one-year period, controlling for weekends/holidays



Source: NBC, FTSE Russell | Note: Based on projected FTSE Canada Universe Bond Index interest income payments for the coming 365 calendar days, based on 12-Nov-24 index constituents/prices; 365-day period covers 14-Nov-24 to 13-Nov-25; chart refers to good business days only (grouping/adding weekend/holiday cashflows as appropriate)



## NBC's 'The Twelve Days Pre-Cashflow' (2024 edition)

**[T-12\) Coupons a-clipping](#)** (released November 14<sup>th</sup>) 

**[T-11\) Cash con-centrating](#)** (released November 15<sup>th</sup>) 

**[T-10\) Bonds a-rolling](#)** (coming November 18<sup>th</sup>)

**[T-9\) Indices ex-tending](#)** (coming November 19<sup>th</sup>)

**[T-8\) Buckets re-weighting](#)** (coming November 20<sup>th</sup>)

**[T-7\) Sectors ad-justing](#)** (coming November 21<sup>st</sup>)

**[T-6\) Yields a-falling](#)** (coming November 22<sup>nd</sup>)

**[T-5\) Curves a-flattening](#)** (coming November 25<sup>th</sup>)

**[T-4\) Diffs com-pressing](#)** (coming November 26<sup>th</sup>)

**[T-3\) Spreads a-tightening](#)** (coming November 27<sup>th</sup>)

**[T-2\) Issuers a-waiting](#)** (coming November 28<sup>th</sup>)

**[T-1\) One golden rule](#)** (coming November 29<sup>th</sup>)

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## Other Dec-24 cashflow-related reports:

**[December cashflows come into view: Part A](#)** (released October 22<sup>nd</sup>)

**[December cashflows come into view: Part B](#)** (released October 28<sup>th</sup>)

**[December cashflows come into view: Part C](#)** (released November 4<sup>th</sup>)



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