

# SOFR RATE HISTORY CHART

**SOFR RATE HISTORY CHART** PROVIDES A DETAILED VISUAL REPRESENTATION OF THE SECURED OVERNIGHT FINANCING RATE (SOFR) OVER TIME, REFLECTING FLUCTUATIONS IN THIS KEY BENCHMARK INTEREST RATE. AS A CRITICAL RATE USED IN FINANCIAL MARKETS, UNDERSTANDING THE SOFR RATE HISTORY CHART IS ESSENTIAL FOR INVESTORS, FINANCIAL ANALYSTS, AND INSTITUTIONS SEEKING INSIGHT INTO SHORT-TERM BORROWING COSTS AND MARKET LIQUIDITY CONDITIONS. THIS ARTICLE EXPLORES THE DEVELOPMENT, SIGNIFICANCE, AND TRENDS OF THE SOFR, ALONG WITH HOW TO INTERPRET ITS HISTORICAL DATA THROUGH CHARTS. KEY FACTORS INFLUENCING SOFR MOVEMENTS, ITS COMPARISON WITH OTHER BENCHMARK RATES, AND PRACTICAL APPLICATIONS WILL ALSO BE COVERED. BY EXAMINING THE SOFR RATE HISTORY CHART, READERS GAIN A COMPREHENSIVE UNDERSTANDING OF ITS IMPACT ON FINANCIAL MARKETS AND INTEREST RATE FORECASTING. THE FOLLOWING SECTIONS PROVIDE AN IN-DEPTH ANALYSIS AND BREAKDOWN OF THE SOFR'S HISTORICAL PERFORMANCE AND RELEVANCE.

- OVERVIEW OF SOFR AND ITS IMPORTANCE
- DEVELOPMENT AND HISTORY OF SOFR
- INTERPRETING THE SOFR RATE HISTORY CHART
- FACTORS INFLUENCING SOFR MOVEMENTS
- COMPARISON OF SOFR WITH OTHER BENCHMARK RATES
- APPLICATIONS OF SOFR IN FINANCIAL MARKETS

## OVERVIEW OF SOFR AND ITS IMPORTANCE

THE SECURED OVERNIGHT FINANCING RATE (SOFR) IS A BENCHMARK INTEREST RATE FOR DOLLAR-DENOMINATED DERIVATIVES AND LOANS. IT IS BASED ON TRANSACTIONS IN THE TREASURY REPURCHASE (REPO) MARKET, WHERE INVESTORS OFFER OVERNIGHT LOANS BACKED BY TREASURY SECURITIES. THE SOFR RATE HISTORY CHART TRACKS DAILY CHANGES IN THIS RATE, REFLECTING THE COST OF BORROWING CASH OVERNIGHT COLLATERALIZED BY U.S. TREASURY SECURITIES. IT HAS BECOME AN ESSENTIAL REFERENCE RATE FOLLOWING THE DECLINE OF THE LONDON INTERBANK OFFERED RATE (LIBOR) DUE TO CREDIBILITY ISSUES. SOFR'S TRANSPARENCY, ROBUSTNESS, AND BASIS ON ACTUAL TRANSACTIONS MAKE IT A RELIABLE INDICATOR FOR SHORT-TERM INTEREST RATES IN THE U.S. MARKET.

## DEFINITION AND CALCULATION OF SOFR

SOFR IS CALCULATED AS A VOLUME-WEIGHTED MEDIAN OF TRANSACTION-LEVEL REPO RATES REPORTED TO THE FEDERAL RESERVE BANK OF NEW YORK. IT REPRESENTS THE COST OF BORROWING OVERNIGHT CASH COLLATERALIZED BY U.S. TREASURY SECURITIES. THIS SECURED NATURE DIFFERENTIATES SOFR FROM UNSECURED RATES LIKE LIBOR. THE SOFR RATE HISTORY CHART REFLECTS DAILY FIXES PUBLISHED BY THE FEDERAL RESERVE, ENABLING MARKET PARTICIPANTS TO OBSERVE ITS TRENDS AND VOLATILITY OVER TIME.

## IMPORTANCE IN FINANCIAL MARKETS

SOFR SERVES AS A BENCHMARK FOR A WIDE RANGE OF FINANCIAL INSTRUMENTS INCLUDING DERIVATIVES, CORPORATE LOANS, AND MORTGAGES. ITS HISTORY AND TRENDS ARE CRUCIAL FOR PRICING, RISK MANAGEMENT, AND MONETARY POLICY ANALYSIS. THE SOFR RATE HISTORY CHART ALLOWS ANALYSTS TO ASSESS MARKET LIQUIDITY, CREDIT RISK PREMIUMS, AND THE IMPACT OF MONETARY POLICY DECISIONS ON SHORT-TERM FUNDING COSTS.

# DEVELOPMENT AND HISTORY OF SOFR

THE SOFR WAS INTRODUCED IN APRIL 2018 BY THE FEDERAL RESERVE BANK OF NEW YORK AS PART OF EFFORTS TO REPLACE LIBOR WITH A MORE TRANSPARENT AND RELIABLE BENCHMARK. LIBOR'S MANIPULATION SCANDALS AND DECLINING TRANSACTION VOLUMES IN THE UNSECURED LENDING MARKET NECESSITATED AN ALTERNATIVE. THE SOFR RATE HISTORY CHART BEGINS FROM THIS LAUNCH DATE, SHOWCASING THE RATE'S INITIAL LEVELS AND SUBSEQUENT FLUCTUATIONS.

## BACKGROUND AND TRANSITION FROM LIBOR

LIBOR, PREVIOUSLY THE DOMINANT BENCHMARK, WAS BASED ON ESTIMATED BORROWING COSTS AND FACED CREDIBILITY ISSUES AFTER MANIPULATION SCANDALS. THIS LED REGULATORS AND MARKET PARTICIPANTS TO SEEK A BENCHMARK GROUNDED IN ACTUAL TRANSACTION DATA. SOFR EMERGED AS THE PREFERRED REPLACEMENT DUE TO ITS BASIS IN THE LARGE AND ACTIVE REPO MARKET, PROVIDING A ROBUST AND TRANSPARENT BENCHMARK.

## KEY MILESTONES IN SOFR'S ADOPTION

SINCE ITS INTRODUCTION, THE SOFR RATE HISTORY CHART HAS REFLECTED KEY MARKET EVENTS SUCH AS THE COVID-19 PANDEMIC, FEDERAL RESERVE INTERVENTIONS, AND CHANGING LIQUIDITY CONDITIONS. ADOPTION MILESTONES INCLUDE:

- 2018: OFFICIAL LAUNCH AND INITIAL PUBLICATION OF SOFR RATES
- 2019-2020: GRADUAL INCREASE IN SOFR-BASED FINANCIAL PRODUCTS
- 2020: FEDERAL RESERVE'S MARKET INTERVENTIONS DURING THE PANDEMIC AFFECTING SOFR LEVELS
- 2021 ONWARDS: WIDESPREAD REPLACEMENT OF LIBOR WITH SOFR IN VARIOUS CONTRACTS

## INTERPRETING THE SOFR RATE HISTORY CHART

UNDERSTANDING THE SOFR RATE HISTORY CHART INVOLVES ANALYZING ITS DAILY RATE CHANGES, TRENDS, AND VOLATILITY OVER TIME. THIS PROVIDES INSIGHTS INTO THE COST OF OVERNIGHT SECURED BORROWING AND OVERALL MARKET CONDITIONS. THE CHART TYPICALLY DISPLAYS THE RATE AS A PERCENTAGE ON THE VERTICAL AXIS AND DATES ON THE HORIZONTAL AXIS, ALLOWING USERS TO TRACK FLUCTUATIONS AND IDENTIFY PATTERNS.

## READING DAILY AND AVERAGE RATES

THE SOFR RATE HISTORY CHART INCLUDES DAILY PUBLISHED RATES ALONGSIDE CALCULATED AVERAGES, SUCH AS 30-DAY OR 90-DAY AVERAGES. DAILY RATES REVEAL IMMEDIATE MARKET CONDITIONS, WHILE AVERAGES SMOOTH OUT VOLATILITY AND PROVIDE A LONGER-TERM PERSPECTIVE. ANALYSTS USE THESE MEASURES TO ASSESS SHORT-TERM INTEREST RATE TRENDS AND PREDICT FUTURE MOVEMENTS.

## IDENTIFYING TRENDS AND VOLATILITY

TRENDS IN THE SOFR RATE HISTORY CHART CAN INDICATE TIGHTENING OR EASING MONETARY CONDITIONS. FOR EXAMPLE, RISING SOFR RATES TYPICALLY SIGNAL INCREASED DEMAND FOR CASH OR REDUCED LIQUIDITY, WHILE FALLING RATES SUGGEST EASIER FUNDING CONDITIONS. VOLATILITY SPIKES OFTEN COINCIDE WITH MARKET STRESS OR INTERVENTIONS BY THE FEDERAL RESERVE.

# FACTORS INFLUENCING SOFR MOVEMENTS

SEVERAL VARIABLES AFFECT THE FLUCTUATIONS OBSERVED IN THE SOFR RATE HISTORY CHART. THESE FACTORS RELATE TO MARKET LIQUIDITY, MONETARY POLICY ACTIONS, AND ECONOMIC CONDITIONS IMPACTING THE DEMAND AND SUPPLY OF OVERNIGHT SECURED FUNDING.

## MARKET LIQUIDITY AND TREASURY SUPPLY

THE AVAILABILITY OF TREASURY SECURITIES AND OVERALL LIQUIDITY IN THE REPO MARKET SIGNIFICANTLY INFLUENCE SOFR RATES. HIGH DEMAND FOR TREASURY COLLATERAL OR REDUCED CASH SUPPLY CAN DRIVE RATES HIGHER, WHILE ABUNDANT LIQUIDITY TENDS TO LOWER RATES.

## FEDERAL RESERVE POLICY AND OPERATIONS

THE FEDERAL RESERVE'S MONETARY POLICY DECISIONS AND OPEN MARKET OPERATIONS DIRECTLY IMPACT SOFR. FOR INSTANCE, ADJUSTMENTS IN THE FEDERAL FUNDS RATE TARGET OR REPO MARKET INTERVENTIONS CAN CAUSE NOTICEABLE CHANGES IN THE SOFR RATE HISTORY CHART. THE FED'S EMERGENCY LIQUIDITY PROGRAMS DURING PERIODS OF FINANCIAL STRESS ALSO AFFECT THE BENCHMARK.

## SEASONAL AND REGULATORY FACTORS

CERTAIN PERIODS, SUCH AS QUARTER-END OR TAX DEADLINES, MAY SEE INCREASED DEMAND FOR CASH OR COLLATERAL, LEADING TO TEMPORARY SOFR SPIKES. REGULATORY REQUIREMENTS FOR BANKS AND FINANCIAL INSTITUTIONS ALSO INFLUENCE REPO MARKET DYNAMICS AND CONSEQUENTLY SOFR MOVEMENTS.

## COMPARISON OF SOFR WITH OTHER BENCHMARK RATES

SOFR IS PART OF A BROADER ECOSYSTEM OF BENCHMARK INTEREST RATES USED GLOBALLY. COMPARING ITS HISTORICAL PERFORMANCE WITH OTHER BENCHMARKS HELPS CONTEXTUALIZE ITS ROLE AND RELIABILITY.

### SOFR vs. LIBOR

THE SOFR RATE HISTORY CHART CONTRASTS WITH LIBOR BY REFLECTING ACTUAL SECURED OVERNIGHT BORROWING COSTS RATHER THAN UNSECURED ESTIMATED RATES. SOFR GENERALLY EXHIBITS LOWER CREDIT RISK PREMIUMS AND LESS MANIPULATION RISK. THE TRANSITION FROM LIBOR TO SOFR IS A MAJOR SHIFT IN FINANCIAL MARKETS, IMPACTING CONTRACT PRICING AND RISK MANAGEMENT.

### SOFR vs. FEDERAL FUNDS RATE

WHILE BOTH ARE SHORT-TERM INTEREST RATES, THE FEDERAL FUNDS RATE REFLECTS THE COST OF UNSECURED OVERNIGHT LENDING BETWEEN BANKS, WHEREAS SOFR IS SECURED BY TREASURY COLLATERAL. THE SOFR RATE HISTORY CHART OFTEN MOVES CLOSELY WITH THE FED FUNDS TARGET BUT CAN DIVERGE DUE TO COLLATERAL FACTORS AND MARKET CONDITIONS.

### OTHER OVERNIGHT RATES

OTHER BENCHMARKS LIKE THE EURO OVERNIGHT INDEX AVERAGE (EONIA) OR STERLING OVERNIGHT INDEX AVERAGE (SONIA) SERVE SIMILAR PURPOSES IN THEIR RESPECTIVE CURRENCIES. COMPARING SOFR'S HISTORICAL CHART WITH THESE RATES HIGHLIGHTS DIFFERENCES IN MARKET STRUCTURE AND MONETARY POLICY ENVIRONMENTS.

# APPLICATIONS OF SOFR IN FINANCIAL MARKETS

THE SOFR RATE HISTORY CHART IS A VALUABLE TOOL FOR VARIOUS FINANCIAL MARKET PARTICIPANTS WHO RELY ON ACCURATE INTEREST RATE BENCHMARKS FOR PRICING, HEDGING, AND RISK ASSESSMENT.

## USE IN DERIVATIVES AND LOANS

SOFR UNDERPINS A GROWING NUMBER OF DERIVATIVES CONTRACTS, INCLUDING FUTURES, SWAPS, AND OPTIONS. IT ALSO SERVES AS A REFERENCE RATE FOR ADJUSTABLE-RATE LOANS AND SECURITIZED PRODUCTS. THE AVAILABILITY OF SOFR HISTORICAL DATA THROUGH CHARTS HELPS MARKET PARTICIPANTS MODEL EXPECTED CASH FLOWS AND HEDGE INTEREST RATE RISK EFFECTIVELY.

## RISK MANAGEMENT AND PORTFOLIO STRATEGY

FINANCIAL INSTITUTIONS USE THE SOFR RATE HISTORY CHART TO MONITOR FUNDING COSTS AND MANAGE LIQUIDITY RISK. BY ANALYZING HISTORICAL TRENDS AND VOLATILITY, RISK MANAGERS CAN ANTICIPATE CHANGES IN SHORT-TERM RATES AND ADJUST PORTFOLIOS ACCORDINGLY.

## MONETARY POLICY ANALYSIS

ECONOMISTS AND POLICYMAKERS STUDY THE SOFR RATE HISTORY CHART TO GAUGE THE TRANSMISSION OF MONETARY POLICY THROUGH MARKET INTEREST RATES. THE RATE'S RESPONSIVENESS TO FED ACTIONS AND MARKET CONDITIONS PROVIDES INSIGHTS INTO THE EFFECTIVENESS OF POLICY MEASURES AND THE STATE OF FINANCIAL MARKETS.

## SUMMARY OF SOFR RATE HISTORY CHART USES

- PRICING AND VALUATION OF FINANCIAL INSTRUMENTS
- INTEREST RATE RISK HEDGING AND MANAGEMENT
- LIQUIDITY AND FUNDING COST MONITORING
- MONETARY POLICY IMPACT ASSESSMENT
- BENCHMARKING AND CONTRACT REFERENCE

## FREQUENTLY ASKED QUESTIONS

### WHAT IS THE SOFR RATE HISTORY CHART?

THE SOFR RATE HISTORY CHART DISPLAYS THE HISTORICAL VALUES OF THE SECURED OVERNIGHT FINANCING RATE (SOFR), WHICH IS A BENCHMARK INTEREST RATE FOR DOLLAR-DENOMINATED DERIVATIVES AND LOANS, SHOWING HOW IT HAS CHANGED OVER TIME.

### WHERE CAN I FIND AN ACCURATE SOFR RATE HISTORY CHART?

ACCURATE SOFR RATE HISTORY CHARTS ARE AVAILABLE ON FINANCIAL WEBSITES SUCH AS THE FEDERAL RESERVE BANK OF

NEW YORK'S OFFICIAL SITE, BLOOMBERG, AND OTHER FINANCIAL DATA PROVIDERS.

## WHY IS THE SOFR RATE HISTORY IMPORTANT FOR INVESTORS?

THE SOFR RATE HISTORY IS IMPORTANT BECAUSE IT HELPS INVESTORS UNDERSTAND INTEREST RATE TRENDS, ASSESS RISK, AND MAKE INFORMED DECISIONS REGARDING LOANS, DERIVATIVES, AND OTHER FINANCIAL INSTRUMENTS LINKED TO SOFR.

## HOW OFTEN IS THE SOFR RATE UPDATED IN HISTORY CHARTS?

THE SOFR RATE IS PUBLISHED DAILY ON BUSINESS DAYS BY THE FEDERAL RESERVE BANK OF NEW YORK, AND HISTORY CHARTS ARE TYPICALLY UPDATED DAILY TO REFLECT THE MOST RECENT DATA.

## WHAT TIME PERIOD DOES THE SOFR RATE HISTORY CHART COVER?

THE SOFR RATE HISTORY CHART GENERALLY COVERS DATA FROM ITS INCEPTION IN APRIL 2018 TO THE PRESENT, PROVIDING A MULTI-YEAR VIEW OF THE BENCHMARK RATE.

## HOW DOES SOFR COMPARE TO LIBOR IN HISTORICAL CHARTS?

SOFR IS A SECURED OVERNIGHT RATE BASED ON ACTUAL TRANSACTIONS, WHILE LIBOR WAS AN UNSECURED TERM RATE. HISTORICAL CHARTS SHOW SOFR GENERALLY BEING LOWER AND LESS VOLATILE THAN LIBOR, REFLECTING DIFFERENCES IN THEIR CALCULATION METHODS.

## CAN I USE SOFR RATE HISTORY CHARTS TO PREDICT FUTURE INTEREST RATES?

WHILE SOFR RATE HISTORY CHARTS PROVIDE VALUABLE INFORMATION ON PAST TRENDS, PREDICTING FUTURE INTEREST RATES INVOLVES MANY FACTORS AND UNCERTAINTIES; THUS, HISTORICAL DATA SHOULD BE USED CAUTIOUSLY ALONGSIDE OTHER ANALYSES.

## WHAT IMPACT DID THE FEDERAL RESERVE'S POLICY CHANGES HAVE ON THE SOFR RATE HISTORY CHART?

FEDERAL RESERVE POLICY CHANGES, SUCH AS RATE HIKES OR CUTS, DIRECTLY INFLUENCE THE SOFR RATE, CAUSING NOTICEABLE SHIFTS IN THE HISTORICAL CHART THAT REFLECT CHANGES IN SHORT-TERM BORROWING COSTS AND LIQUIDITY CONDITIONS.

## ADDITIONAL RESOURCES

### 1. *THE EVOLUTION OF SOFR: UNDERSTANDING THE SECURED OVERNIGHT FINANCING RATE*

THIS BOOK PROVIDES A COMPREHENSIVE OVERVIEW OF THE SOFR RATE, TRACING ITS DEVELOPMENT FROM INCEPTION TO ITS CURRENT ROLE IN FINANCIAL MARKETS. IT EXPLAINS THE METHODOLOGY BEHIND SOFR AND COMPARES IT TO OTHER BENCHMARK RATES LIKE LIBOR. READERS WILL GAIN INSIGHT INTO THE SIGNIFICANCE OF SOFR IN INTEREST RATE MARKETS AND ITS IMPACT ON LENDING AND BORROWING.

### 2. *SOFR RATE HISTORY AND ITS IMPACT ON FINANCIAL INSTRUMENTS*

FOCUSING ON THE HISTORICAL DATA AND TRENDS OF THE SOFR RATE, THIS BOOK ANALYZES HOW FLUCTUATIONS AFFECT VARIOUS FINANCIAL INSTRUMENTS SUCH AS DERIVATIVES, LOANS, AND BONDS. IT INCLUDES DETAILED CHARTS AND CASE STUDIES TO ILLUSTRATE THE PRACTICAL IMPLICATIONS OF SOFR MOVEMENTS. THE BOOK IS IDEAL FOR TRADERS, ANALYSTS, AND FINANCIAL PROFESSIONALS.

### 3. *BENCHMARK TRANSITION: FROM LIBOR TO SOFR*

THIS TITLE EXPLORES THE TRANSITION FROM LIBOR TO SOFR AS THE PRIMARY BENCHMARK FOR U.S. DOLLAR-DENOMINATED DERIVATIVES AND LOANS. IT COVERS HISTORICAL RATE CHARTS, REGULATORY DRIVERS, AND THE CHALLENGES FACED DURING THE TRANSITION PERIOD. READERS WILL UNDERSTAND THE RATIONALE BEHIND THE SHIFT AND HOW IT RESHAPES THE FINANCIAL LANDSCAPE.

#### 4. *ANALYZING SOFR RATE TRENDS: A QUANTITATIVE APPROACH*

AIMED AT QUANTITATIVE ANALYSTS AND ECONOMISTS, THIS BOOK DELVES INTO STATISTICAL METHODS FOR ANALYZING SOFR RATE HISTORY CHARTS. IT COVERS TIME SERIES ANALYSIS, VOLATILITY MODELING, AND FORECASTING TECHNIQUES APPLIED TO SOFR DATA. THE BOOK ALSO DISCUSSES HOW TO INTERPRET HISTORICAL TRENDS TO MAKE INFORMED INVESTMENT DECISIONS.

#### 5. *SOFR AND THE FUTURE OF INTEREST RATE BENCHMARKS*

THIS FORWARD-LOOKING BOOK EXAMINES THE ROLE OF SOFR IN SHAPING THE FUTURE OF GLOBAL INTEREST RATE BENCHMARKS. IT REVIEWS HISTORICAL PERFORMANCE CHARTS AND DISCUSSES INNOVATIONS IN RATE-SETTING MECHANISMS. THE AUTHOR ALSO PREDICTS HOW SOFR MAY EVOLVE WITH CHANGES IN MARKET CONDITIONS AND REGULATORY FRAMEWORKS.

#### 6. *INTEREST RATE MARKETS AND SOFR: A HISTORICAL PERSPECTIVE*

PROVIDING A BROAD PERSPECTIVE ON INTEREST RATE MARKETS, THIS BOOK SITUATES SOFR WITHIN THE CONTEXT OF HISTORICAL BENCHMARK RATES. IT INCLUDES COMPARATIVE CHARTS SHOWING SOFR ALONGSIDE OTHER KEY RATES OVER TIME. THE NARRATIVE EXPLAINS HOW MARKET DYNAMICS AND ECONOMIC EVENTS INFLUENCE THE SECURED OVERNIGHT FINANCING RATE.

#### 7. *SOFR DATA VISUALIZATION AND INTERPRETATION GUIDE*

THIS PRACTICAL GUIDE FOCUSES ON THE VISUALIZATION OF SOFR RATE HISTORY THROUGH CHARTS AND GRAPHS. IT TEACHES READERS HOW TO INTERPRET PATTERNS, IDENTIFY ANOMALIES, AND EXTRACT MEANINGFUL INSIGHTS FROM HISTORICAL RATE DATA. THE BOOK IS A VALUABLE RESOURCE FOR FINANCIAL ANALYSTS, PORTFOLIO MANAGERS, AND STUDENTS.

#### 8. *RISK MANAGEMENT WITH SOFR RATE HISTORY*

THIS BOOK ADDRESSES THE USE OF SOFR HISTORICAL DATA IN RISK MANAGEMENT STRATEGIES. IT DISCUSSES INTEREST RATE RISK, CREDIT RISK, AND LIQUIDITY CONSIDERATIONS IN THE CONTEXT OF SOFR FLUCTUATIONS. THROUGH HISTORICAL CHARTS AND EXAMPLES, IT SHOWS HOW TO HEDGE EXPOSURE AND OPTIMIZE PORTFOLIOS USING SOFR-BASED INSTRUMENTS.

#### 9. *SOFR AND MONEY MARKETS: HISTORICAL TRENDS AND ANALYSIS*

FOCUSING ON MONEY MARKETS, THIS BOOK ANALYZES HOW SOFR HAS INFLUENCED SHORT-TERM FUNDING AND LIQUIDITY SINCE ITS INTRODUCTION. IT PRESENTS DETAILED HISTORICAL CHARTS AND EXAMINES THE INTERPLAY BETWEEN SOFR AND OTHER MARKET RATES. THE BOOK IS ESSENTIAL FOR PROFESSIONALS INVOLVED IN TREASURY MANAGEMENT AND SHORT-TERM FINANCING.

## **Sofr Rate History Chart**

Sofr Rate History Chart

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