BUSINESS NEWS | Wed Sep 21, 2016 | 4:02pm EDT

U.S. prime money fund outflows intensify in latest week

Four thousand U.S. dollars are counted out by a banker counting currency at a bank in Westminster, Colorado November 3, 2009. REUTERS/Rick Wilking/File Photo

Institutional investors withdrew more cash from U.S. prime money market fund assets in the latest week, less than a month before new industry regulations are set to go into effect, the Money Fund Report said on Wednesday.

Prime institutional fund assets tumbled $63.78 billion in the week ended Sept. 20 to $405.2 billion. This marked the 10th straight week of decline following the prior week's $36.45 billion drop, according to the report, published by iMoneyNet.

Since July, some U.S. prime money market funds, which can own debt riskier than Treasury bills and government-related paper, have changed over to funds that hold only government securities.

5 Warplanes hit Aleppo in heaviest attack in months, defy U.S.

Government-only money funds are exempt from rules on share value and fees from the U.S. Securities and Exchange Commission that will take effect on Oct. 14.

These upcoming rules are the final phase of domestic money fund reform that is intended to safeguard a sector that was rattled by the collapse of Lehman Brothers during the global credit crunch in September 2008.

Institutional investors shifted some of the prime fund assets into government-only money funds.

Government fund assets jumped $38.68 billion to $1.338 trillion in the latest week.

Overall money fund assets fell by $28.80 billion to $2.644 trillion.

Taxable money market fund assets declined by $23.27 billion to $2.504 trillion, while tax-free assets decreased by $5.53 billion to $139.53 billion, according to the Money Fund Report.

The iMoneyNet money fund average 7-day simple yield for all taxable money-market funds held steady at 0.12 percent.

The iMoneyNet money fund average 7-day simple yield for all tax-free and municipal money-market funds rose to 0.21 percent from 0.18 percent the week before.

(Reporting by Richard Leong; Editing by Diane Craft)

ALSO IN BUSINESS NEWS

Nasdaq hits record high as Fed defers rate hike

U.S. jobless claims drop to two-month low as labor market firms

EDITOR'S **PICK**

NEXT IN BUSINESS NEWS

Soothing Fed lifts world stocks, Wall Street eyes record highs

LONDON Wall Street had record highs

Oil rises on weaker dollar after U.S. crude stock draw

LONDON Oil rose for a second day on

Fed keeps rates steady, signals one hike by end of year

WASHINGTON The U.S. Federal