

## Fed set to begin buying bond ETFs in early May

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The New York Federal Reserve announced today that the Fed's emergency purchases of corporate bonds will begin soon, starting with exchange-traded funds in "early May."

The bond-buying program, which is the government's main support for large corporations during the pandemic, is set to be conducted through two facilities — a primary market facility that will buy newly issued debt directly from corporations and a secondary market facility that will buy existing assets on the open market.

The latter facility "is expected to begin purchasing eligible ETFs in early May," the New York Fed said in [updated answers to frequently asked questions](#). "The [primary market facility] is expected to become operational and the [secondary market facility] is expected to begin purchasing eligible corporate bonds soon thereafter."

The central bank has reserved the right to buy exchange traded funds — a financial product that allows indirect investment in a group of assets — that are made up of bonds below investment-grade. But the "preponderance" of its ETF purchases will be investment-grade bonds.