
Cash management and investments

Liquidity takes center stage for financial leaders in 2025

Liquidity has emerged as the top priority for corporate financial leaders, as reflected by insights shared by our clients. Amid economic uncertainty, shifting market conditions, and persistent global risks, organizations have placed a premium on rapid access to cash and overall availability. In response, forward-thinking treasurers began adopting cash concentration strategies—such as centralizing funds—to enhance visibility and responsiveness.

Meanwhile, investors reassessed their investment policy parameters in light of elevated short-term interest rates and volatile long-term projections. There's a growing preference for a balanced mix of highly liquid instruments that offer competitive yields while maintaining low risk. The focus has shifted from passively parking excess cash to actively managing it for both efficiency and return—without compromising accessibility.

The current shape of the yield curve is also influencing decision-making. With short-term instruments delivering historically high returns, finance teams are optimizing allocations accordingly. At the same time, many companies remain cautious about extending maturities, wary of interest rate risk and reduced flexibility. Instead of locking in longer-term investments, they're favoring short-term, liquid options to preserve agility in today's uncertain environment.

Cash concentration is no longer just an operational tactic; it's becoming a cornerstone of strategic financial planning. By improving how cash is managed and invested, finance leaders are better positioned to navigate uncertainty, capitalize on growth opportunities, and respond swiftly to both internal and external pressures.