

Money Market Report for the week ending 16 December 2016

ECB Monetary Operations

On Monday 12 December, the European Central Bank (ECB) announced its weekly main refinancing operation (MRO). The operation was conducted on Tuesday 13 December, and attracted bids from euro area eligible counterparties of €36.82 billion, €1.06 billion higher than the bid amount of the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 0.00%, in accordance with current ECB policy.

On Wednesday 14 December, the ECB conducted a 21-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$4.34 billion, which was allotted in full at a fixed rate of 1.13%.

On Thursday 15 December, the ECB conducted the third from the second series of Targeted Longer Term Refinancing Operation. This operation attracted bids of €62.16 billion, which was allotted in full at a fixed rate of 0.00%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 28-day and 91-day bills maturing on 12 January and 16 March, 2017, respectively. Bids of €10.00 million were submitted for the 28-day bills, with the Treasury accepting all bids, while bids of €50.00 million were submitted for the 91-day bills, with the Treasury accepting €20.00 million. Since €30.00 million worth of bills matured during the week, the outstanding balance of Treasury bills remained unchanged at €283.80 million.

The yield from the 28-day bill auction was -0.394%, unchanged from bids with a similar tenor issued on 24 November 2016, representing a bid price of 100.0307 per 100 nominal. The yield from the 91-day bill auction was -0.380%, up by 0.1 basis point from bids with a similar tenor issued on 7 December 2016, representing a bid price of 100.0961 per 100 nominal.

During the week under review, there was no trading on the Malta Stock Exchange.

This week the Treasury will invite tenders for 91-day bills maturing on 23 March 2017.