

Money Market Report for the week ending 6 January 2017

ECB Monetary Operations

On Monday 2 January, the European Central Bank (ECB) announced its weekly main refinancing operation (MRO). The operation was conducted on Tuesday 3 January, and attracted bids from euro area eligible counterparties of €34.01 billion, €5.13 billion lower 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 4 January, the ECB conducted a seven-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$2.14 billion, which was allotted in full at a fixed rate of 1.16%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day and 273-day bills maturing on 6 April and 5 October 2017, respectively. Bids of €70.00 million were submitted for the 91-day bills, with the Treasury accepting €15.00 million, while bids of €55.00 million were submitted for the 273-day bills, with the Treasury accepting €3.00 million. Since no bills matured during the week, the outstanding balance of Treasury bills increased by €18.00 million, to stand at €272.00 million.

The yield from the 91-day bill auction was -0.395%, down by 0.3 basis point from bids with a similar tenor issued on 29 December 2016, representing a bid price of 100.0999 per 100 nominal. The yield from the 273-day bill auction was -0.387%, down by 0.2 basis point from bids with a similar tenor issued on 7 December 2016, representing a bid price of 100.2943 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 and 182-day bills maturing on 13 April and 13 July 2017, respectively.