

Money Market Report for the week ending 22 November 2019

ECB Monetary Operations

On 18 November 2019, the European Central Bank (ECB) announced its weekly main refinancing operations (MRO). The operation was conducted on 19 November 2019, and attracted bids from euro area eligible counterparties of €1.90 billion, €0.35 billion more 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 20 November 2019, the ECB conducted an 8-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$0.05 billion, which was allotted in full at a fixed rate of 2.05%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 28-day and 182-day bills for settlement value 21 November 2019, maturing on 19 December 2019 and 21 May 2020, respectively. Bids of €40.00 million were submitted for the 28-day bills, with the Treasury accepting €15.00 million, while bids of €50.00 million were submitted for the 182-day bills, with the Treasury accepting €10.00 million. Since €30.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €5.00 million, standing at €286.30 million.

The yield from the 28-day bill auction was -0.421%, a decrease of 0.9 basis point from bids with a similar tenor issued on 14 November 2019, representing a bid price of €100.0328 per €100 nominal. The yield from the 182-day bill auction was -0.385%, a drop of 1.8 basis points from bids with a similar tenor issued on 10 October 2019, representing a bid price of €100.1950 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 29-day and 91-day bills maturing on 27 December 2019 and 27 February 2020, respectively.