

Money Market Report for the week ending 11 October 2019

ECB Monetary Operations

On 7 October 2019, the European Central Bank (ECB) announced its weekly main refinancing operations (MRO). The operation was conducted on 8 October 2019, and attracted bids from euro area eligible counterparties of €2.29 billion, €0.47 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 9 October 2019, the ECB conducted a 7-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$0.04 billion, which was allotted in full at a fixed rate of 2.35%.

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 10 October 2019, maturing on 7 November 2019 and 9 April 2020, respectively. Bids of €32.00 million were submitted for the 28-day bills, with the Treasury accepting €9.00 million, while bids of €36.00 million were submitted for the 182-day bills, with the Treasury accepting €26.00 million. Since €28.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €7.00 million, at €28130 million.

The yield from the 28-day bill auction was -0.404%, an increase of 1.3 basis points from bids with a similar tenor issued on 3 October 2019, representing a bid price of €100.0314 per €100 nominal. The yield from the 182-day bill auction was -0.367%, an increase of 4.3 basis points from bids with a similar tenor issued on 19 September 2019, representing a bid price of €100.1859 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 28-day and 273-day bills maturing on 14 November 2019 and 16 July 2020, respectively.