

Money Market Report for the week ending 15 February 2019

ECB Monetary Operations

On 11 February 2019, the European Central Bank (ECB) announced its weekly main refinancing operations (MRO). The operation was conducted on 12 February 2019, and attracted bids from euro area eligible counterparties of €5.91 billion, €0.49 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 13 February 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 \$0.06 billion, which was allotted in full at a fixed rate of 2.90%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day bills and 181-day bills for settlement value 14 February 2019, maturing on 16 May and 14 August 2019, respectively. Bids of €40.00 million were submitted for the 91-day bills, with the Treasury accepting €23.00 million, while bids of €35.00 million were submitted for the 181-day bills, with the Treasury accepting €2.00 million. Since no bills matured during the week, the outstanding balance of Treasury bills increased by €25.00 million, to stand at €418.10 million.

The yield from the 91-day bill auction was -0.345%, up by 0.2 basis point from bids with a similar tenor issued on 7 February 2019, representing a bid price of €100.0873 per €100 nominal. The yield from the 181-day bill auction was -0.296%, an increase of 2.4 basis points from bids with a similar tenor also issued on 7 February 2019, representing a bid price of €100.1490 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 May 2019.