

Money Market Report for the week ending 20 December 2019

ECB Monetary Operations

On 16 December 2019, the European Central Bank (ECB) announced its weekly main refinancing operations (MRO). The operation was conducted on 17 December 2019, and attracted bids from euro area eligible counterparties of €2.48 billion, €1.09 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 18 December 2019, the ECB conducted a three-month, longer-term refinancing operation to be settled as a fixed rate tender procedure with full allotment, with the rate fixed at the average rate of the MROs over the life of the operation. The operation attracted bids of €2.28 billion from euro area eligible counterparties. The amount was allotted in full in accordance with current ECB policy.

Also, on 18 December 2019, 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 \$3.73 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 90-day bills for settlement value 19 December 2019, maturing on 18 March 2020. Bids of €50.00 million were submitted, with the Treasury accepting €40.00 million. Since €36.30 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €3.70 million, standing at €298.00 million.

The yield from the 90-day bill auction was -0.420%, an increase of 0.3 basis point from bids with a similar tenor issued on 12 December 2019, representing a bid price of €100.1051 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 90-day bills maturing on 26 March 2020.