

Money Market Report for the week ending 10 May 2019

ECB Monetary Operations

On 6 May 2019, the European Central Bank (ECB) announced its weekly main refinancing operations (MRO). The operation was conducted on 7 May 2019, and attracted bids from euro area eligible counterparties of €5.39 billion, €0.35 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 8 May 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 \$0.05 billion, which was allotted in full at a fixed rate of 2.89%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day and 182-day bills for settlement value 9 May 2019, maturing on 8 August and 7 November 2019, respectively. Bids of €55.00 million were submitted for the 91-day bills, with the Treasury accepting €13.00 million, while bids of €52.00 million were submitted for the 182-day bills, with the Treasury accepting €2.00 million. Since €23.10 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €8.10 million, to stand at €323.70 million.

The yield from the 91-day bill auction was -0.353%, unchanged from bids with a similar tenor issued on 2 May 2019, representing a bid price of €100.0893 per €100 nominal. The yield from the 182-day bill auction was -0.310%, a decrease of 0.5 basis point from bids with a similar tenor also issued on 2 May 2019, representing a bid price of €100.1570 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 and 182-day bills maturing on 14 August and 14 November 2019, respectively.