

Money Market Report for the week ending 21 June 2019

ECB Monetary Operations

On 17 June 2019, the European Central Bank (ECB) announced its weekly main refinancing operations (MRO). The operation was conducted on 18 June 2019, and attracted bids from euro area eligible counterparties of €6.21 billion, €0.24 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 19 June 2019, the ECB conducted a seven-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$0.02 billion, which was allotted in full at a fixed rate of 2.82%.

During the week under review, participants from the second series of targeted longer-term refinancing operations had the option of terminating or reducing their outstanding amount in these operations before maturity. Accordingly, on 26 June 2019, a total of €25.94 billion will be repaid.

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 20 June 2019, maturing on 19 September and 19 December 2019, respectively. Bids of €50.00 million were submitted for the 91-day bills, with the Treasury accepting €21.00 million, while bids of €44.00 million were submitted for the 182-day bills, with the Treasury accepting €2.30 million. Since €25.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €1.70 million, at €327.80 million.

The yield from the 91-day bill auction was -0.360%, a decrease of 0.1 basis point from bids with a similar tenor issued on 13 June 2019, representing a bid price of €100.0911 per €100 nominal. The yield from the 182-day bill auction was -0.341%, a decrease of 0.1 basis point from bids with a similar tenor also issued on 13 June 2019, representing a bid price of €100.1727 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 26 September 2019.