

## **Money Market Report for the week ending 12 April 2019**

### **ECB Decisions**

On 10 April 2019, the Governing Council of the European Central Bank (ECB) decided that the interest rate on the main refinancing operations (MRO) and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.00%, 0.25% and -0.40% respectively. The Governing Council expects the key ECB interest rates to remain at their present levels at least through the end of 2019, and in any case for as long as necessary to ensure the continued sustained convergence of inflation to levels that are below, but close to, 2% over the medium term.

The Governing Council intends to continue reinvesting, in full, the principal payments from maturing securities purchased under the asset purchase programme for an extended period of time past the date when it starts raising the key ECB interest rates, and in any case for as long as necessary to maintain favourable liquidity conditions and an ample degree of monetary accommodation.

### **ECB Monetary Operations**

On 8 April 2019, the ECB announced its weekly MRO. The operation was conducted on 9 April 2019, and attracted bids from euro area eligible counterparties of €5.34 billion, €0.04 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 10 April 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 2.91%.

### **Domestic Treasury Bill Market**

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day bills for settlement value 11 April 2019, maturing on 11 July 2019. Bids of €67.00 million were submitted, with the Treasury accepting €26.00 million. Since €17.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €9.00 million, to stand at €349.80 million.

The yield from the 91-day bill auction was -0.349%, unchanged from bids with a similar tenor issued on 4 April 2019, representing a bid price of €100.0883 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 and 182-day bills maturing on 18 July and 17 October 2019, respectively.