

Money Market Report for the week ending 8 November 2019

ECB Monetary Operations

On 4 November 2019, the European Central Bank (ECB) announced its weekly main refinancing operations (MRO). The operation was conducted on 5 November 2019, and attracted bids from euro area eligible counterparties of €1.56 billion, €0.68 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 6 November 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 \$0.04 billion, which was allotted in full at a fixed rate of 2.07%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 28-day and 91-day bills for settlement value 7 November 2019, maturing on 5 December 2019 and 6 February 2020, respectively. Bids of €45.00 million were submitted for the 28-day bills, with the Treasury accepting €18.00 million, while bids of €40.00 million were submitted for the 91-day bills, with the Treasury accepting €12.00 million. Since €29.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €1.00 million, at €29130 million.

The yield from the 28-day bill auction was -0.406%, a decrease of 0.1 basis point from bids with a similar tenor issued on 31 October 2019, representing a bid price of €100.0316 per €100 nominal. The yield from the 91-day bill auction was -0.410%, unchanged from bids with a similar tenor issued on 24 October 2019, representing a bid price of €100.1037 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 28-day and 91-day bills maturing on 12 December 2019 and 13 February 2020, respectively.