

Money Market Report for the week ending 12 July 2019

ECB Monetary Operations

On 8 July 2019, the European Central Bank (ECB) announced its weekly main refinancing operations (MRO). The operation was conducted on 9 July 2019, and attracted bids from euro area eligible counterparties of €2.93 billion, €2.14 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 July 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 \$0.04 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 11 July 2019, maturing on 10 October 2019 and 9 January 2020, respectively. Bids of €70.00 million were submitted for the 91-day bills, with the Treasury accepting €28.00 million, while bids of €60.00 million were submitted for the 182-day bills, with the Treasury accepting €2.00 million. Since €26.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €4.00 million, at €340.80 million.

The yield from the 91-day bill auction was -0.362%, a decrease of 0.1 basis point from bids with a similar tenor issued on 4 July 2019, representing a bid price of €100.0916 per €100 nominal. The yield from the 182-day bill auction was -0.346%, a decrease of 0.5 basis point from bids with a similar tenor issued on 20 June 2019, representing a bid price of €100.1752 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 17 October 2019.