

Money Market Report for the week ending 4 October 2019

ECB Monetary Operations

On 30 September 2019, the European Central Bank (ECB) announced its weekly main refinancing operations (MRO). The operation was conducted on 1 October 2019, and attracted bids from euro area eligible counterparties of €1.82 billion, €0.98 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 2 October 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 2.36%.

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 3 October 2019, maturing on 31 October 2019 and 2 January 2020, respectively. Bids of €49.00 million were submitted for the 28-day bills, with the Treasury accepting €6.00 million, while bids of €49.00 million were also submitted for the 91-day bills, with the Treasury accepting €19.00 million. Since €30.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €5.00 million, at €274.30 million.

The yield from the 28-day bill auction was -0.417%, a decrease of 6.1 basis points from bids with a similar tenor issued on 29 November 2018, representing a bid price of €100.0324 per €100 nominal. The yield from the 91-day bill auction was -0.407%, a decrease of 0.6 basis point from bids with a similar tenor issued on 26 September 2019, representing a bid price of €100.1030 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 182-day bills maturing on 7 November 2019 and 9 April 2020, respectively.