

Money Market Report for the week ending 1 February 2019

ECB Monetary Operations

On 28 January 2019, the European Central Bank (ECB) announced its weekly main refinancing operations (MRO). The operation was conducted on 29 January 2019, and attracted bids from euro area eligible counterparties of €6.57 billion, €0.002 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 30 January 2019, the ECB conducted a three-month, longer-term refinancing operation to be settled as a fixed rate tender procedure with full allotment, with the rate fixed at the average rate of the MROs over the life of the operation. The operation attracted bids of €0.95 billion from euro area eligible counterparties. The amount was allotted in full in accordance with current ECB policy.

Also on 30 January 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 \$0.06 billion, which was allotted in full at a fixed rate of 2.90%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day bills and 182-day bills for settlement value 31 January 2019, maturing on 2 May and 1 August 2019, respectively. Bids of €40.00 million were submitted for the 91-day bills, with the Treasury accepting €13.00 million, while bids of €42.00 million were submitted for the 182-day bills, with the Treasury accepting €20.00 million. Since no bills matured during the week, the outstanding balance of Treasury bills increased by €33.00 million, to stand at €387.00 million.

The yield from the 91-day bill auction was -0.343%, unchanged from bids with a similar tenor issued on 24 January 2019, representing a bid price of €100.0868 per €100 nominal. The yield from the 182-day bill auction was -0.289%, an increase of 0.2 basis point from bids with a similar tenor issued also on 24 January 2019, representing a bid price of €100.1463 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 9 May and 8 August 2019, respectively.