

## **Money Market Report for the week ending 20 September 2019**

### **ECB Monetary Operations**

On 16 September 2019, the European Central Bank (ECB) announced its weekly main refinancing operations (MRO). The operation was conducted on 17 September 2019, and attracted bids from euro area eligible counterparties of €2.02 billion, €0.30 billion less 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 18 September 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 2.41%.

On 19 September 2019, the ECB conducted the first operation of the third Targeted Longer Term Refinancing Operations (TLTRO-III.1) programme. This operation attracted bids of €3.40 billion, with the rate fixed at the average rate of the MROs over the life of the operation. The final interest rate applied to these operations may differ and will be determined according to Article 5 of Decision ECB/2019/28.

### **Domestic Treasury Bill Market**

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day and 181-day bills for settlement value 19 September 2019, maturing on 19 December 2019 and 18 March 2020, respectively. Bids of €60.00 million were submitted for the 91-day bills, with the Treasury accepting €16.00 million, while bids of €52.00 million were submitted for the 181-day bills, with the Treasury accepting €4.00 million. Since €21.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €1.00 million, at €286.30 million.

The yield from the 91-day bill auction was -0.396%, a decrease of 3.7 basis points from bids with a similar tenor issued on 12 September 2019, representing a bid price of €100.1002 per €100 nominal. The yield from the 181-day bill auction was -0.410%, a decrease of 3.5 basis points from bids with a similar tenor issued on 5 September 2019, representing a bid price of €100.2066 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 92-day and 364-day bills maturing on 27 December 2019 and 24 September 2020, respectively.