

Money Market Report for the week ending 18 October 2019

ECB Monetary Operations

On 14 October 2019, the European Central Bank (ECB) announced its weekly main refinancing operations (MRO). The operation was conducted on 15 October 2019, and attracted bids from euro area eligible counterparties of €1.88 billion, €0.41 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 16 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 2.34%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 28-day and 273-day bills for settlement value 17 October 2019, maturing on 14 November 2019 and 16 July 2020, respectively. Bids of €45.00 million were submitted for the 28-day bills, with the Treasury accepting €15.00 million, while bids of €55.00 million were submitted for the 273-day bills, with the Treasury accepting €20.00 million. Since €21.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €14.00 million, at €295.30 million.

The yield from the 28-day bill auction was -0.410%, a decrease of 0.6 basis point from bids with a similar tenor issued on 10 October 2019, representing a bid price of €100.0319 per €100 nominal. The yield from the 273-day bill auction was -0.324%, an increase of 0.6 basis point from bids with a similar tenor issued on 1 August 2019, representing a bid price of €100.2463 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 21 November 2019 and 23 January 2020, respectively.