

Money Market Report for the week ending 6 September 2019

ECB Monetary Operations

On 2 September 2019, the European Central Bank (ECB) announced its weekly main refinancing operations (MRO). The operation was conducted on 3 September 2019, and attracted bids from euro area eligible counterparties of €2.35 billion, €1.00 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 4 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 2.63%.

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 5 September 2019, maturing on 5 December 2019 and 5 March 2020, respectively. Bids of €40.00 million were submitted for the 91-day bills, with the Treasury accepting €10.00 million, while bids of €30.00 million were submitted for the 182-day bills, with the Treasury accepting €2.00 million. Since €12.00 million worth of bills matured during the week, the outstanding balance of Treasury bills remained unchanged at €294.30 million.

The yield from the 91-day bill auction was -0.375%, an increase of 0.3 basis point from bids with a similar tenor issued on 29 August 2019, representing a bid price of €100.0949 per €100 nominal. The yield from the 182-day bill auction was also -0.375%, a decrease of 2.9 basis points from bids with a similar tenor issued on 11 July 2019, representing a bid price of €100.1899 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 12 December 2019.