

Money Market Report for the week ending 15 November 2019

ECB Monetary Operations

On 11 November 2019, the European Central Bank (ECB) announced its weekly main refinancing operations (MRO). The operation was conducted on 12 November 2019, and attracted bids from euro area eligible counterparties of €1.55 billion, €0.01 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 13 November 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 \$0.05 billion, which was allotted in full at a fixed rate of 2.08%.

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 14 November 2019, maturing on 12 December 2019 and 13 February 2020, respectively. Bids of €30.00 million were submitted for the 28-day bills, with the Treasury accepting €17.00 million, while bids of €30.00 million were also submitted for the 91-day bills, with the Treasury accepting €13.00 million. Since €30.00 million worth of bills matured during the week, the outstanding balance of Treasury bills remained unchanged, at €291.30 million.

The yield from the 28-day bill auction was -0.412%, a decrease of 0.6 basis point from bids with a similar tenor issued on 7 November 2019, representing a bid price of €100.0321 per €100 nominal. The yield from the 91-day bill auction was -0.403%, an increase of 0.7 basis point from bids with a similar tenor also issued on 7 November 2019, representing a bid price of €100.1020 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 19 December 2019 and 21 May 2020, respectively.