

## **Money Market Report for the week ending 3 April 2020**

### **ECB Monetary Operations**

On 30 March 2020, the European Central Bank (ECB) announced a 7-day Main Refinancing Operation (MRO). The operation was conducted on 31 March 2020, and attracted bids from euro area eligible counterparties of €0.44 billion, €0.61 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 31 March 2020, the ECB conducted the Additional Longer-term Refinancing Operation maturing on the 24 June 2020, which attracted bids from euro area eligible counterparties of €43.71 billion. This operation was carried out through a fixed rate tender procedure with full allotment, with an interest rate that is equal to the average deposit facility rate during the life of the operation.

On 1 April 2020, the ECB conducted the 84-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$16.47 billion, which was allotted in full at a fixed rate of 0.32%.

On a daily basis, the ECB conducted the 7-day US dollar funding operations through collateralised lending in conjunction with the US Federal Reserve. The five operations attracted bids of a total of \$17.54 billion, with the rate ranging between 0.32% and 0.33%.

### **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 2 April 2020, maturing on 2 July and 1 October 2020, respectively. Bids of €60.00 million were submitted for the 91-day bills, with the Treasury accepting all bids, while bids of €60.00 million were also submitted for the 182-day bills, with the Treasury accepting €40.00 million. Since €26.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €74.00 million, standing at €501.00 million.

The yield from the 91-day bill auction was -0.363%, an increase of 3.2 basis points from bids with a similar tenor issued on 26 March 2020, representing a bid price of €100.0918 per €100 nominal. The yield from the 182-day bill auction was -0.314%, an increase of 9.6 basis points from bids with a similar tenor issued on 18 March 2020, representing a bid price of €100.1590 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 and 364-day bills maturing on 9 July 2020 and 8 April 2021, respectively.