

Money Market Report for the week ending 12 June 2020

ECB Monetary Operations

On 8 June 2020, the European Central Bank (ECB) announced a 7-day Main Refinancing Operation (MRO). The operation was conducted on 9 June 2020, and attracted bids from euro area eligible counterparties of €0.44 billion, €0.05 billion more 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 9 June 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 €13.77 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.

During the week under review, participants from the second series of TLTROs had the option of terminating or reducing their outstanding amount in these operations before maturity. Accordingly, on 24 June 2020, a total of €214.02 billion will be repaid.

On 10 June 2020, the ECB conducted an 84-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$0.48 billion, which was allotted in full at a fixed rate of 0.33%.

During the week under review, the ECB conducted five 7-day US dollar funding operations through collateralised lending in conjunction with the US Federal Reserve. These operations attracted total bids of \$0.06 billion, at the rates between 0.32% and 0.35%.

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 11 June 2020, maturing on 10 September and 10 December 2020, respectively. Bids of €165.00 million were submitted for the 91-day bills, with the Treasury accepting €38.00 million, while bids of €95.00 million were submitted for the 182-day bills, with the Treasury accepting €3.00 million. Since €30.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €11.00 million, standing at €835.00 million.

The yield from the 91-day bill auction was -0.348%, a decrease of 5.6 basis points from bids with a similar tenor issued on 4 June 2020, representing a bid price of €100.0880 per €100 nominal. The yield from the 182-day bill auction was -0.310%, a decrease of 5.5 basis points from bids with a similar tenor issued also on 4 June 2020, representing a bid price of €100.1570 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 182-day bills maturing on 17 September and 17 December 2020, respectively.