

Money Market Report for the week ending 14 February 2020

ECB Monetary Operations

On 10 February 2020, the European Central Bank (ECB) announced a 7-day main refinancing operations (MRO). The operation was conducted on 11 February 2020, and attracted bids from euro area eligible counterparties of €0.90 billion, €0.06 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 12 February 2020, 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 \$0.06 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 91-day bills for settlement value 13 February 2020, maturing on 14 May 2020. Bids of €15.00 million were submitted for the 91-day bills, with the Treasury accepting €13.00 million. Since €13.00 million worth of bills matured during the week, the outstanding balance of Treasury bills remained unchanged at €388.00 million.

The yield from the 91-day bill auction was -0.436%, a decrease of 0.3 basis point from bids with a similar tenor issued on 6 February 2020, representing a bid price of €100.1103 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 273-day bills maturing on 21 May and 19 November 2020, respectively.