

Money Market Report for the week ending 17 January 2020

ECB Monetary Operations

On 13 January 2020, the European Central Bank (ECB) announced a 7-day main refinancing operations (MRO). The operation was conducted on 14 January 2020, and attracted bids from euro area eligible counterparties of €0.82 billion, €0.28 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 15 January 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 \$0.05 billion, which was allotted in full at a fixed rate of 2.05%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day bills for settlement value 16 January 2020, maturing on 16 April 2020. Bids of €50.00 million were submitted, with the Treasury accepting €20.00 million. Since there were no maturities, the outstanding balance of Treasury bills increased by €20.00 million, standing at €342.00 million.

The yield from the 91-day bill auction was -0.438%, a decrease of 0.3 basis point from bids with a similar tenor issued on 9 January 2020, representing a bid price of €100.1108 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 23 April and 23 July 2020, respectively.