

## **Money Market Report for the week ending 22 May 2020**

### **ECB Monetary Operations**

On 18 May 2020, the European Central Bank (ECB) announced a 7-day Main Refinancing Operation (MRO). The operation was conducted on 19 May 2020, and attracted bids from euro area eligible counterparties of €0.18 billion, €0.09 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 19 May 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 €8.73 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 20 May 2020, the ECB conducted the Pandemic Emergency Longer-term Refinancing Operation (PELTRO) maturing on 30 September 2021, which attracted bids from euro area eligible counterparties of €0.85 billion. This operation was carried out through a fixed rate tender procedure with full allotment, with an interest rate that is equal to 25 basis points below the average MRO rate over the life of the respective PELTRO.

Also on 20 May 2020, the ECB conducted an 83-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$0.60 billion, which was allotted in full at a fixed rate of 0.31%.

During the week under review, the ECB conducted four 7-day US dollar funding operations through collateralised lending in conjunction with the US Federal Reserve. These operations attracted total bids of \$0.72 billion, at the rates of 0.30% and 0.31%.

### **Domestic Treasury Bill Market**

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day bills and 364-day bills for settlement value 21 May 2020, maturing on 20 August and 20 May 2021, respectively. Bids of €105.00 million were submitted for the 91-day bills, with the Treasury accepting €40.00 million, while bids of €135.00 million were submitted for the 364-day bills, with the Treasury accepting €40.00 million. Since €35.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €45.00 million, standing at €769.00 million.

The yield from the 91-day bill auction was -0.235%, a decrease of 3.0 basis points from bids with a similar tenor issued on 14 May 2020, representing a bid price of €100.0594 per €100 nominal. The yield from the 364-day bill auction was -0.151 %, a decrease of 3.8 basis points from bids with a similar tenor issued on 7 May 2020, representing a bid price of €100.1529 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 27 August 2020 and 25 February 2021, respectively.