

## **Money Market Report for the week ending 2 October 2020**

### **ECB Monetary Operations**

On 28 September 2020, the European Central Bank (ECB) announced a 7-day Main Refinancing Operation (MRO). The operation was conducted on 29 September 2020, and attracted bids from euro area eligible counterparties of €1.22 billion, €0.64 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 30 September 2020, the ECB conducted a three-month, longer-term refinancing operation to be settled as a fixed rate tender procedure with full allotment, with the rate fixed at the average MRO rate over the life of the operation. The operation attracted bids of €0.51 billion from euro area eligible counterparties. The amount was allotted in full in accordance with current ECB policy.

Also on 30 September 2020, the ECB conducted the 7-day and 77-day US dollar funding operations through collateralised lending in conjunction with the US Federal Reserve. The 7-day USD operation attracted bids of \$0.06 billion, which was allotted in full at a fixed rate of 0.33%. The 77-day USD operation attracted bids of \$0.01 billion, also allotted in full at a fixed rate of 0.33%.

### **Domestic Treasury Bill Market**

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day bills and 182-day bills for settlement value 1 October 2020, maturing on 31 December 2020 and 1 April 2021, respectively. Bids of €100.00 million were submitted for the 91-day bills, with the Treasury accepting €15.00 million, while bids of €105.00 million were submitted for the 182-day bills, with the Treasury also accepting €15.00 million. Since €40.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €10.00 million, standing at €747.50 million.

The yield from the 91-day bill auction was -0.485%, a decrease of 0.8 basis point from bids with a similar tenor issued on 24 September 2020, representing a bid price of €100.1227 per €100 nominal. The yield from the 182-day bill auction was -0.472%, also a decrease of 0.8 basis points from bids with a similar tenor issued on 24 September 2020, representing a bid price of €100.2392 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 28-day bills and 91-day bills maturing on 5 November 2020 and 7 January 2021, respectively.