

## **Money Market Report for the week ending 25 September 2020**

### **ECB Monetary Operations**

On 21 September 2020, the European Central Bank (ECB) announced a 7-day Main Refinancing Operation (MRO). The operation was conducted on 22 September 2020, and attracted bids from euro area eligible counterparties of €1.86 billion, €0.18 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 23 September 2020, the ECB conducted the 7-day and 84-day US dollar funding operations through collateralised lending in conjunction with the US Federal Reserve. The 7-day USD operation attracted bids of \$0.04 billion, which was allotted in full at a fixed rate of 0.34%. The 84-day USD operation attracted bids of \$0.13 billion, also allotted in full at a fixed rate of 0.33%.

On 24 September 2020, the ECB conducted the fifth operation of the Targeted Longer Term Refinancing Operations (TLTRO) programme. This operation attracted bids of €174.46 billion, with the rate fixed at the average rate of the MROs over the life of the operation. However, the final interest rate applied to this operation may differ and will be determined according to the TLTRO-III Decision.

### **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 24 September 2020, maturing on 24 December 2020 and 25 March 2021, respectively. Bids of €105.00 million were submitted for the 91-day bills, with the Treasury accepting €17.00 million, while bids of €92.00 million were submitted for the 182-day bills, with the Treasury accepting €8.00 million. Since €38.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €13.00 million, standing at €757.50 million.

The yield from the 91-day bill auction was -0.477%, a decrease of 1.1 basis points from bids with a similar tenor issued on 17 September 2020, representing a bid price of €100.1207 per €100 nominal. The yield from the 182-day bill auction was -0.464%, a decrease of 1.4 basis points from bids with a similar tenor issued also on 17 September 2020, representing a bid price of €100.2351 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 31 December 2020 and 1 April 2021, respectively.