

Money Market Report for the week ending 3 July 2020

ECB Monetary Operations

On 29 June 2020, the European Central Bank (ECB) announced a 7-day Main Refinancing Operation (MRO). The operation was conducted on 30 June 2020, and attracted bids from euro area eligible counterparties of €1.37 billion, €0.70 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 the 1 July 2020, the ECB conducted an 84-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$0.35 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 \$0.17 billion, at the rates of 0.32% and 0.33%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 182-day bills and 364-day bills for settlement value 2 July 2020, maturing on 31 December 2020 and 1 July 2021, respectively. Bids of €130.00 million were submitted for the 182-day bills, with the Treasury accepting €15.00 million, while bids of €130.00 million were also submitted for the 364-day bills, with the Treasury accepting €20.00 million. Since €60.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €25.00 million, standing at €830.00 million.

The yield from the 182-day bill auction was -0.435%, a decrease of 8.0 basis points from bids with a similar tenor issued on 18 June 2020, representing a bid price of €100.2204 per €100 nominal. The yield from the 364-day bill auction was -0.390%, a decrease of 2.6 basis points from bids with a similar tenor issued on 25 June 2020, representing a bid price of €100.3959 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 8 October 2020 and 7 January 2021, respectively.