

## **Money Market Report for the week ending 6 November 2020**

### **ECB Monetary Operations**

On 2 November 2020, the European Central Bank (ECB) announced the 7-day Main Refinancing Operation (MRO). The operation was conducted on 3 November 2020, and attracted bids from euro area eligible counterparties of €0.93 billion, €0.11 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 4 November 2020, the ECB conducted the Pandemic Emergency Longer-term Refinancing Operation (PELTRO) maturing on 29 July 2021, which attracted bids from euro area eligible counterparties of €0.75 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 PELTRO.

Also on 4 November 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 \$0.20 billion, which was allotted in full at a fixed rate of 0.34%. The 84-day USD operation was carried out at a fixed rate of 0.33% and did not attract bids from euro area eligible counterparties.

### **Domestic Treasury Bill Market**

In the domestic primary market for Treasury bills, the Treasury invited tenders for 28-day bills and 91-day bills for settlement value 5 November 2020, maturing on 3 December 2020 and 4 February 2021, respectively. Bids of €96.00 million were submitted for the 28-day bills, with the Treasury accepting €13.00 million, while bids of €100.00 million were submitted for the 91-day bills, with the Treasury accepting €12.00 million. Since €40.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €15.00 million, standing at €671.50 million.

The yield from the 28-day bill auction was -0.491%, a decrease of 0.3 basis points from bids with a similar tenor issued on 29 October 2020, representing a bid price of €100.0382 per €100 nominal. The yield from the 91-day bill auction was -0.492%, a decrease of 0.3 basis points from bids with a similar tenor also issued on 29 October 2020, representing a bid price of €100.1245 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 10 December 2020 and 11 February 2021, respectively.