

Money Market Report for the week ending 7 August 2020

ECB Monetary Operations

On 3 August 2020, the European Central Bank (ECB) announced a 7-day Main Refinancing Operation (MRO). The operation was conducted on 4 August 2020, and attracted bids from euro area eligible counterparties of €0.95 billion, €0.19 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 5 August 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 €5.68 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 the 5 August 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 \$0.42 billion, which was allotted in full at a fixed rate of 0.32%.

During the week under review, the ECB conducted three 7-day US dollar funding operations through collateralised lending in conjunction with the US Federal Reserve. These operations attracted total bids of \$0.03 billion, at the rates of 0.33% and 0.34%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day bills for settlement value 6 August 2020, maturing on 5 November 2020. Bids of €115.00 million were submitted for the 91-day bills, with the Treasury accepting €25.00 million. Since €15.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €10.00 million, standing at €832.00 million.

The yield from the 91-day bill auction was -0.480%, a decrease of 1.9 basis points from bids with a similar tenor issued on 30 July 2020, representing a bid price of €100.1215 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 12 November 2020 and 13 May 2021, respectively.