

Money Market Report for the week ending 14 August 2020

ECB Monetary Operations

On 10 August 2020, the European Central Bank (ECB) announced a 7-day Main Refinancing Operation (MRO). The operation was conducted on 11 August 2020, and attracted bids from euro area eligible counterparties of €1.00 billion, €0.05 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 12 August 2020, the ECB conducted an 84-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation was carried out at a fixed rate of 0.32% and did not attract bids from euro area eligible counterparties.

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 rate of 0.34%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day bills and 273-day bills for settlement value 13 August 2020, maturing on 12 November 2020 and 13 May 2021, respectively. Bids of €100.00 million were submitted for the 91-day bills, with the Treasury accepting €15.00 million, while bids of €115.00 million were submitted for the 273-day bills, with the Treasury accepting €10.00 million. Since €45.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €20.00 million, standing at €812.00 million.

The yield from the 91-day bill auction was -0.484%, a decrease of 0.4 basis point from bids with a similar tenor issued on 6 August 2020, representing a bid price of €100.1225 per €100 nominal. The yield from the 273-day bill auction was -0.461%, a decrease of 0.6 basis point from bids with a similar tenor also issued on 16 July 2020, representing a bid price of €100.3508 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 19 November 2020 and 18 February 2021, respectively.