

Money Market Report for the week ending 16 October 2020

ECB Monetary Operations

On 12 October 2020, the European Central Bank (ECB) announced a 7-day Main Refinancing Operation (MRO). The operation was conducted on 13 October 2020, and attracted bids from euro area eligible counterparties of €1.01 billion, €0.16 billion lower 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 14 October 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 \$0.05 billion, which was allotted in full at a fixed rate of 0.34%. The 84-day USD operation attracted bids of \$0.02 billion, also allotted in full at a fixed rate of 0.33%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 28-day bills and 182-day bills for settlement value 15 October 2020, maturing on 12 November 2020 and 15 April 2021, respectively. Bids of €95.00 million were submitted for the 28-day bills, with the Treasury accepting €20.00 million, while bids of €115.00 million were submitted for the 182-day bills, with the Treasury accepting €10.00 million. Since €50.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €20.00 million, standing at €717.50 million.

The yield from the 28-day bill auction was -0.485%, unchanged from bids with a similar tenor issued on 8 October 2020, representing a bid price of €100.0377 per €100 nominal. The yield from the 182-day bill auction was -0.476%, a decrease of 0.4 basis points from bids with a similar tenor issued on 1 October 2020, representing a bid price of €100.2412 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 19 November 2020 and 21 January 2021, respectively.