

Money Market Report for the week ending 20 November 2020

ECB Monetary Operations

On 16 November 2020, the European Central Bank (ECB) announced the 7-day Main Refinancing Operation (MRO). The operation was conducted on 17 November 2020, and attracted bids from euro area eligible counterparties of €0.47 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 18 November 2020, the ECB conducted the 8-day and 84-day US dollar funding operations through collateralised lending in conjunction with the US Federal Reserve. The 8-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 \$0.17 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 91-day bills for settlement value 19 November 2020, maturing on 17 December 2020 and 18 February 2021, respectively. Bids of €15.00 million were submitted for the 28-day bills, with the Treasury accepting all bids, while bids of €25.00 million were submitted for the 91-day bills, with the Treasury accepting €20.00 million. Since €42.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €7.00 million, standing at €649.50 million.

The yield from the 28-day bill auction was -0.486%, an increase of 0.1 basis point from bids with a similar tenor issued on 12 November 2020, representing a bid price of €100.0378 per €100 nominal. The yield from the 91-day bill auction was -0.482%, a decrease of 0.4 basis point from bids with a similar tenor also issued on 12 November 2020, representing a bid price of €100.1220 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 273-day bills maturing on 24 December 2020 and 26 August 2021, respectively.