

Money Market Report for the week ending 10 January 2020

ECB Monetary Operations

On 6 January 2020, the European Central Bank (ECB) announced a 7-day main refinancing operations (MRO). The operation was conducted on 7 January 2020, and attracted bids from euro area eligible counterparties of €1.10 billion, €0.36 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 9 January 2020, the ECB conducted a 7-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$0.06 billion, which was allotted in full at a fixed rate of 2.05%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day and 182-day bills for settlement value 9 January 2020, maturing on 9 April and 9 July 2020 respectively. Bids of €75.00 million were submitted for the 91-day bills, with the Treasury accepting €4.00 million, while bids of €70.00 million were submitted for the 182-day bills, with the Treasury accepting €13.00 million. Since €2.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €15.00 million, standing at €322.00 million.

The yield from the 91-day bill auction was -0.435%, a decrease of 0.2 basis point from bids with a similar tenor issued on 2 January 2020, representing a bid price of €100.1101 per €100 nominal. The yield from the 182-day bill auction was -0.409%, a drop of 0.8 basis points from bids with a similar tenor issued on 5 December 2019, representing a bid price of €100.2072 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 maturing on 16 April 2020.