

Money Market Report for the week ending 21 February 2020

ECB Monetary Operations

On 17 February 2020, the European Central Bank (ECB) announced a 7-day Main Refinancing Operations (MRO). The operation was conducted on 18 February 2020, and attracted bids from euro area eligible counterparties of €1.02 billion, €0.12 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 19 February 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 \$0.04 billion, which was allotted in full at a fixed rate of 2.08%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day and 273-day bills for settlement value 20 February 2020, maturing on 21 May and 19 November 2020, respectively. Bids of €30.00 million were submitted for the 91-day bills, with the Treasury accepting €25.00 million, while bids of €30.00 million were also submitted for the 273-day bills, with the Treasury accepting €5.00 million. Since there were no maturities during the week, the outstanding balance of Treasury bills increased by €30.00 million, standing at €418.00 million.

The yield from the 91-day bill auction was -0.422%, an increase of 1.4 basis points from bids with a similar tenor issued on 13 February 2020, representing a bid price of €100.1068 per €100 nominal. The yield from the 273-day bill auction was -0.350%, an increase of 5.0 basis points from bids with a similar tenor issued on 30 January 2020, representing a bid price of €100.2661 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 28 May 2020.