

## **Money Market Report for the week ending 23 October 2020**

### **ECB Monetary Operations**

On 19 October 2020, the European Central Bank (ECB) announced a 7-day Main Refinancing Operation (MRO). The operation was conducted on 20 October 2020, and attracted bids from euro area eligible counterparties of €1.01 billion, almost unchanged from 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 21 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 \$0.04 billion, which was allotted in full at a fixed rate of 0.34%. The 84-day USD operation attracted bids of \$0.01 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 22 October 2020, maturing on 19 November 2020 and 21 January 2021, respectively. Bids of €100.00 million were submitted for the 28-day bills, with the Treasury accepting €15.00 million, while bids of €110.00 million were submitted for the 91-day bills, with the Treasury accepting €5.00 million. Since €30.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €10.00 million, standing at €707.50 million.

The yield from the 28-day bill auction was -0.486%, a decrease of 0.1 basis points from bids with a similar tenor issued on 15 October 2020, representing a bid price of €100.0378 per €100 nominal. The yield from the 91-day bill auction was -0.487%, a decrease of 0.3 basis points from bids with a similar tenor issued on 8 October 2020, representing a bid price of €100.1233 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 26 November 2020 and 28 January 2021, respectively.