

Money Market Report for the week ending 27 March 2020

ECB Monetary Operations

On 23 March 2020, the European Central Bank (ECB) announced a 7-day Main Refinancing Operation (MRO). The operation was conducted on 24 March 2020, and attracted bids from euro area eligible counterparties of €1.05 billion, €0.42 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 24 March 2020, the ECB conducted the Additional Longer-term Refinancing Operation maturing on the 24 June 2020, which attracted bids from euro area eligible counterparties of €79.67 billion. This operation was carried out through a fixed rate tender procedure with full allotment, with an interest rate that is equal to the average deposit facility rate during the life of the operation.

On 25 March 2020, the ECB conducted a three-month, longer-term refinancing operation to be settled as a fixed rate tender procedure with full allotment, with the rate fixed at the average rate of the MROs over the life of the operation. The operation attracted bids of €0.62 billion from euro area eligible counterparties. The amount was allotted in full in accordance with current ECB policy.

Also on 25 March 2020, the ECB conducted the 84-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$27.81 billion, which was allotted in full at a fixed rate of 0.35%.

On daily basis the ECB the ECB conducted the 7-day US dollar funding operations through collateralised lending in conjunction with the US Federal Reserve. The five operations attracted bids of a total of \$26.77 billion, with the rate ranging between 0.32% and 0.38%.

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 26 March 2020, maturing on 25 June and 24 December 2020, respectively. Bids of €20.00 million were submitted for the 91-day bills, with the Treasury accepting all bids, while bids of €12.00 million were submitted for the 273-day bills, with the Treasury also accepting all submitted bids. Since €42.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €10.00 million, standing at €427.00 million.

The yield from the 91-day bill auction was -0.395%, an increase of 2.3 basis points from bids with a similar tenor issued on 18 March 2020, representing a bid price of €100.0999 per €100 nominal. The yield from the 273-day bill auction was -0.238%, an increase of 11.2 basis points from bids with a similar tenor issued on 20 February 2020, representing a bid price of €100.1808 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 and 182-day bills maturing on 2 July and 1 October 2020, respectively.