

Money Market Report for the week ending 28 February 2020

ECB Monetary Operations

On 24 February 2020, the European Central Bank (ECB) announced a 7-day Main Refinancing Operation (MRO). The operation was conducted on 25 February 2020, and attracted bids from euro area eligible counterparties of €1.72 billion, €0.70 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 26 February 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 €0.81 billion from euro area eligible counterparties. The amount was allotted in full in accordance with current ECB policy.

Also, on 26 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 \$0.05 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 bills for settlement value 27 February 2020, maturing on 28 May 2020. Bids of €20.00 million were submitted, with the Treasury accepting €15.00 million. Since €15.00 million worth of bills matured during the week, the outstanding balance of Treasury bills remained unchanged, standing at €418.00 million.

The yield from the 91-day bill auction was -0.420%, an increase of 0.2 basis point from bids with a similar tenor issued on 20 February 2020, representing a bid price of €100.1063 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 4 June 2020.