

Money Market Report for the week ending 7 February 2020

ECB Monetary Operations

On 3 February 2020, the European Central Bank (ECB) announced a 7-day main refinancing operations (MRO). The operation was conducted on 4 February 2020, and attracted bids from euro area eligible counterparties of €0.84 billion, €0.76 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 5 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 2.09%.

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 6 February 2020, maturing on 7 May and 6 August 2020, respectively. Bids of €40.00 million were submitted for the 91-day bills, with the Treasury accepting €30.00 million, while bids of €38.00 million were submitted for the 182-day bills, with the Treasury accepting €5.00 million. Since €12.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €23.00 million, standing at €388.00 million.

The yield from the 91-day bill auction was -0.433%, an increase of 0.4 basis point from bids with a similar tenor issued on 30 January 2020, representing a bid price of €100.1096 per €100 nominal. The yield from the 182-day bill auction was -0.415%, a decrease of 0.2 basis point from bids with a similar tenor issued on 23 January 2020, representing a bid price of €100.2102 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 14 May 2020.