

Money Market Report for the week ending 10 April 2020

ECB Monetary Operations

On 6 April 2020, the European Central Bank (ECB) announced a 7-day Main Refinancing Operation (MRO). The operation was conducted on 7 April 2020, and attracted bids from euro area eligible counterparties of €0.32 billion, €0.13 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 7 April 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 €19.51 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 8 April 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 \$11.23 billion, which was allotted in full at a fixed rate of 0.33%.

On a daily basis, 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 \$9.60 billion, at the rate of 0.30% and 0.31%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day and 364-day bills for settlement value 9 April 2020, maturing on 9 July 2020 and 8 April 2021, respectively. Bids of €70.00 million were submitted for the 91-day bills, with the Treasury accepting €40.00 million, while bids of €103.00 million were submitted for the 364-day bills, with the Treasury accepting €48.00 million. Since €30.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €58.00 million, standing at €559.00 million.

The yield from the 91-day bill auction was -0.327%, an increase of 3.6 basis points from bids with a similar tenor issued on 2 April 2020, representing a bid price of €100.0827 per €100 nominal. The yield from the 364-day bill auction was -0.169%, an increase of 14.6 basis points from bids with a similar tenor issued on 26 September 2019, representing a bid price of €100.1712 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 16 July and 15 October 2020, respectively.