

Money Market Report for the week ending 27 November 2020

ECB Monetary Operations

On 23 November 2020, the European Central Bank (ECB) announced the 7-day Main Refinancing Operation (MRO). The operation was conducted on 24 November 2020, and attracted bids from euro area eligible counterparties of €0.59 billion, €0.12 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 25 November 2020, the ECB conducted the 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 MRO rate over the life of the operation. The operation attracted bids of €0.29 billion from euro area eligible counterparties. The amount was allotted in full in accordance with current ECB policy.

Also on 25 November 2020, the ECB conducted the 6-day and 83-day US dollar funding operations through collateralised lending in conjunction with the US Federal Reserve. The 6-day USD operation attracted bids of \$0.11 billion, which was allotted in full at a fixed rate of 0.34%. The 83-day USD operation attracted bids of \$0.04 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 273-day bills for settlement value 26 November 2020, maturing on 24 December 2020 and 26 August 2021, respectively. Bids of €105.00 million were submitted for the 28-day bills, with the Treasury accepting €20.00 million, while bids of €120.00 million were submitted for the 273-day bills, with the Treasury accepting €10.00 million. Since €45.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €15.00 million, standing at €634.50 million.

The yield from the 28-day bill auction was -0.490%, a decrease of 0.4 basis point from bids with a similar tenor issued on 19 November 2020, representing a bid price of €100.0381 per €100 nominal. The yield from the 273-day bill auction was -0.486%, a decrease of 1.4 basis points from bids with a similar tenor issued on 10 September 2020, representing a bid price of €100.3699 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 4 March and 3 June 2021, respectively.