

## **Money Market Report for the week ending 8 May 2020**

### **ECB Monetary Operations**

On 4 May 2020, the European Central Bank (ECB) announced a 7-day Main Refinancing Operation (MRO). The operation was conducted on 5 May 2020, and attracted bids from euro area eligible counterparties of €0.35 billion, €0.08 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 5 May 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 €14.28 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 6 May 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 \$1.80 billion, which was allotted in full at a fixed rate of 0.29%.

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 four operations attracted bids of a total of \$4.22 billion, at the rates of 0.29% and 0.30%.

### **Domestic Treasury Bill Market**

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day bills and 364-day bills for settlement value 7 May 2020, maturing on 6 August 2020 and 6 May 2021, respectively. Bids of €10.00 million were submitted for the 91-day bills, with the Treasury accepting all bids, while bids of €105.00 million were submitted for the 364-day bills, with the Treasury accepting €40.00 million. Since €30.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €20.00 million, standing at €682.00 million.

The yield from the 91-day bill auction was -0.219%, an increase of 0.2 basis point from bids with a similar tenor issued on 30 April 2020, representing a bid price of €100.0554 per €100 nominal. The yield from the 364-day bill auction was -0.113%, an increase of 2.2 basis points from bids with a similar tenor issued on 23 April 2020, representing a bid price of €100.1144 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 13 August and 12 November 2020, respectively.