

Money Market Report for the week ending 25 December 2020

ECB Monetary Operations

On 21 December 2020, the European Central Bank (ECB) announced the 7-day Main Refinancing Operation (MRO). The operation was conducted on 22 December 2020, and attracted bids from euro area eligible counterparties of €0.26 billion, €0.08 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.

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 24 December 2020, maturing on 25 March and 24 June 2021, respectively. Bids of €111.00 million were submitted for the 91-day bills, with the Treasury accepting €41.00 million, while bids of €103.00 million were submitted for the 182-day bills, with the Treasury accepting €53.00 million. Since €49.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €45.00 million, standing at €649.00 million.

The yield from the 91-day bill auction was -0.488%, an increase of 0.8 basis point from bids with a similar tenor issued on 17 December 2020, representing a bid price of €100.1235 per €100 nominal. The yield from the 182-day bill auction was -0.469%, an increase of 2.5 basis points from bids with a similar tenor also issued on 17 December 2020, representing a bid price of € 100.2377 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 273-day bills maturing on 1 April and 30 September 2021, respectively.