

Money Market Report for the week ending 16 April 2021

ECB Monetary Operations

On 12 April 2021, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 13 April 2021, and attracted bids from euro area eligible counterparties of €137.00 million, €53.00 million less than 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 14 April 2021, the ECB conducted the 7-day and 84-day US dollar funding operations through collateralised lending in conjunction with the US Federal Reserve. The 7-day USD operation attracted bids of \$43.00 million, which was allotted in full at a fixed rate of 0.32%. The 84-day USD operation attracted bids of \$5.00 million, which was 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 91-day bills and 182-day bills for settlement value 15 April 2021, maturing on 15 July and 14 October 2021, respectively. Bids of €98.00 million were submitted for the 91-day bills, with the Treasury accepting €43.00 million, while bids of €90.00 million were submitted for the 182-day bills, with the Treasury accepting €10.00 million. Since €40.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €13.00 million, standing at €789.75 million.

The yield from the 91-day bill auction was -0.459%, a decrease of 0.2 basis point from bids with a similar tenor issued on 8 April 2021, representing a bid price of €100.1162 per €100 nominal. The yield from the 182-day bill auction was -0.458%, an increase of 0.8 basis point from bids with a similar tenor also issued on 8 April 2021, representing a bid price of €100.2321 per €100 nominal.

During the week under review, turnover in Treasury bills on the Malta Stock Exchange in the regular market amounted to €24.25 million.

This week the Treasury will invite tenders for 91-day bills and 273-day bills maturing on 22 July 2021 and 20 January 2022, respectively.