

Money Market Report for the week ending 17 September 2021

ECB Monetary Operations

On 13 September 2021, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 14 September 2021 and attracted bids from euro area eligible counterparties of €344.00 million, €25.00 million more 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 15 September 2021, the ECB conducted the 7-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$230.20 million, which was allotted in full at a fixed rate of 0.33%.

During the week under review, participants in the TLTRO-III operations 1 to 5 had the option of terminating or reducing their outstanding amount before maturity. Accordingly, on 29 September 2021, €79.24 billion will be repaid.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day bills and 273-day bills for settlement value 16 September 2021, maturing on 16 December 2021 and 16 June 2022, respectively. Bids of €20.00 million were submitted for the 91-day bills, with the Treasury accepting all bids, while bids of €24.00 million were submitted for the 273-day bills, with the Treasury accepting €20.00 million. Since €50.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €10.00 million, standing at €768.50 million.

The yield from the 91-day bill auction was -0.394%, increasing by 0.3 basis point from bids with a similar tenor issued on 9 September 2021, representing a bid price of €100.0997 per €100 nominal. The yield from the 273-day bill auction was -0.371%, increasing by 7.9 basis points from bids with a similar tenor also issued on 8 July 2021, representing a bid price of €100.2821 per €100 nominal.

During this week, there was no trading on the Malta Stock Exchange.

This week the Treasury will invite tenders for 91-day and 182-day bills maturing on 23 December 2021 and 24 March 2022, respectively.

Prepared by the Monetary Operations and Collateral Management Office of the Central Bank of Malta.