

Money Market Report for the week ending 2 April 2021

ECB Monetary Operations

On 29 March 2021, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 30 March 2021, and attracted bids from euro area eligible counterparties of €461.00 million, €190.00 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 31 March 2021, 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 €93.00 million from euro area eligible counterparties.

Also 31 March 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 \$213.00 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 allotted in full also at a fixed rate of 0.32%.

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 1 April 2021, maturing on 1 July and 30 September 2021, respectively. Bids of €105.00 million were submitted for the 91-day bills, with the Treasury accepting €30.00 million, while bids of €95.00 million were submitted for the 182-day bills, with the Treasury accepting €20.00 million. Since €34.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €16.00 million, standing at €768.75 million.

The yield from the 91-day bill auction was -0.466%, a decrease of 0.1 basis point from bids with a similar tenor issued on 18 March 2021, representing a bid price of €100.1179 per €100 nominal. The yield from the 182-day bill auction was -0.464%, an increase of 0.2 basis point from bids with a similar tenor issued on 25 March 2021, representing a bid price of €100.2351 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 8 July and 7 October 2021, respectively.