

## **Money Market Report for the week ending 2 July 2021**

### **ECB Monetary Operations**

On 28 June 2021, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 29 June 2021, and attracted bids from euro area eligible counterparties of €85.00 million, €6.00 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 30 June 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 €3.00 million from euro area eligible counterparties.

Also on 30 June 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 \$162.00 million, which were allotted in full at a fixed rate of 0.35%. The 84-day USD operation attracted bids of \$5.00 million, which were also allotted in full at a fixed rate of 0.34%.

### **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 July 2021, maturing on 30 September and 30 December 2021, respectively. Bids of €84.00 million were submitted for the 91-day bills, with the Treasury accepting €25.00 million, while bids of €86.00 million were submitted for the 182-day bills, with the Treasury also accepting €25.00 million. Since €50.00 million worth of bills matured during the week, the outstanding balance of Treasury bills remained unchanged at €786.75 million.

The yield from the 91-day bill auction was -0.453%, increasing by 0.3 basis point from bids with a similar tenor issued on 24 June 2021, representing a bid price of €100.1146 per €100 nominal. The yield from the 182-day bill auction was -0.448%, up by 1.5 basis points from bids with a similar tenor issued on 17 June 2021, representing a bid price of €100.2270 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 bills and 273-day bills maturing on 7 October 2021 and 7 April 2022, respectively.