

Money Market Report for the week ending 22 October 2021

ECB Monetary Operations

On 18 October 2021, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 19 October 2021 and attracted bids from euro area eligible counterparties of €63.00 million, €130.00 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 20 October 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 \$222.00 million, which was allotted in full at a fixed rate of 0.32%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 28-day bills and 91-day bills for settlement value 21 October 2021, maturing on 18 November 2021 and 20 January 2022, respectively. Bids of €75.00 million were submitted for the 28-day bills, with the Treasury accepting €16.00 million, while bids of €94.00 million were submitted for the 91-day bills, with the Treasury accepting €20.00 million. Since €18.50 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €17.50 million, standing at €703.00 million.

The yield from the 28-day bill auction was -0.463%, decreasing by 1.8 basis points from bids with a similar tenor issued on 14 October 2021, representing a bid price of €100.0360 per €100 nominal. The yield from the 91-day bill auction was -0.445%, 3.4 basis points lower from bids with a similar tenor also issued on 14 October 2021, representing a bid price of €100.1126 per €100 nominal.

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

This week the Treasury will invite tenders for 28-day and 182-day bills maturing on 25 November 2021 and 28 April 2022, respectively.