

Money Market Report for the week ending 24 September 2021

ECB Monetary Operations

On 20 September 2021, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 21 September 2021 and attracted bids from euro area eligible counterparties of €44.00 million, €300.00 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 22 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 \$239.50 million, which was allotted in full at a fixed rate of 0.33%.

On 23 September 2021, the ECB conducted the ninth operation of the TLTRO-III programme. This operation attracted bids of €97,568.26 million, with the rate fixed at the average rate of the MROs over the life of the operation. However, the final interest rate applied to this operation may differ and will be determined according to the TLTRO-III Decision.

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 23 September 2021, maturing on 23 December 2021 and 24 March 2022, respectively. Bids of €15.00 million were submitted for the 91-day bills, with the Treasury accepting all bids, while bids of €20.00 million were submitted for the 182-day bills, with the Treasury accepting €11.50 million. Since €53.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €26.50 million, standing at €742.00 million.

The yield from the 91-day bill auction was -0.394%, unchanged from bids with a similar tenor issued on 16 September 2021, representing a bid price of €100.0997 per €100 nominal. The yield from the 182-day bill auction was -0.369%, also unchanged from bids with a similar tenor issued on 9 September 2021, representing a bid price of €100.1869 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 181-day bills maturing on 30 December 2021 and 30 March 2022, respectively.

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