

## **Money Market Report for the week ending 27 August 2021**

### **ECB Monetary Operations**

On 23 August 2021, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 24 August 2021 and attracted bids from euro area eligible counterparties of €112.00 million, €85.00 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 25 August 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 €48.00 million from euro area eligible counterparties.

Also on 25 August 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 \$229.00 million, which was 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 26 August 2021, maturing on 25 November 2021 and 24 February 2022, respectively. Bids of €30.00 million were submitted for the 91-day bills, with the Treasury accepting €24.00 million, while bids of €41.00 million were also submitted for the 182-day bills, with the Treasury accepting €17.00 million. Since €27.50 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €13.50 million, standing at €771.00 million.

The yield from the 91-day bill auction was -0.398%, unchanged from bids with a similar tenor issued on 19 August 2021, representing a bid price of €100.1007 per €100 nominal. The yield from the 182-day bill auction was -0.382%, decreasing by 0.3 basis points from bids with a similar tenor also issued on 19 August 2021, representing a bid price of €100.1935 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 2 December 2021 and 3 March 2022, respectively.