

Money Market Report for the week ending 5 November 2021

ECB Monetary Operations

On 1 November 2021, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 2 November 2021 and attracted bids from euro area eligible counterparties of €68.00 million, €35.00 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 3 November 2021, the ECB conducted an 8-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$228.00 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 273-day bills for settlement value 4 November 2021, maturing on 2 December 2021 and 4 August 2022, respectively. Both the 28-day and the 273-day bills received bids of €3.00 million each, with the Treasury accepting all submitted bids. Since €27.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €21.00 million, standing at €708.00 million.

The yield from the 28-day bill auction was -0.457%, decreasing by 1.7 basis points from bids with a similar tenor issued on 28 October 2021, representing a bid price of €100.0356 per €100 nominal. The yield from the 273-day bill auction was -0.399%, 2.8 basis points lower from bids with a similar tenor issued on 16 September 2021, representing a bid price of €100.3035 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 90-day bills maturing on 9 December 2021 and 9 February 2022, respectively.