

Money Market Report for the week ending 12 February 2021

ECB Monetary Operations

On 8 February 2021, the European Central Bank (ECB) announced the 7-day Main Refinancing Operation (MRO). The operation was conducted on 9 February 2021, and attracted bids from euro area eligible counterparties of €0.43 billion, €0.27 billion higher 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 10 February 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 \$0.13 billion, which was allotted in full at a fixed rate of 0.32%. The 84-day USD operation was carried out at a fixed rate of 0.32% and did not attract bids from euro area eligible counterparties.

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 11 February 2021, maturing on 13 May and 12 August 2021, respectively. Bids of €80.00 million were submitted for the 91-day bills, with the Treasury accepting €30.00 million and bids of €80.00 million were also submitted for the 182-day bills, with the Treasury accepting €10.00 million. Since €17.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €23.00 million, standing at €737.00 million.

The yield from the 91-day bill auction was -0.458%, an increase of 0.2 basis point from bids with a similar tenor issued on 28 January 2021, representing a bid price of €100.1159 per €100 nominal. The yield from the 182-day bill auction was -0.450%, an increase of 1.1 basis points from bids with a similar tenor issued on 4 February 2021, representing a bid price of €100.2280 per €100 nominal.

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

This week the Treasury will invite tenders for 182-day bills and 364-day bills maturing on 19 August 2021 and 17 February 2022, respectively.