

Money Market Report for the week ending 21 May 2021

ECB Monetary Operations

On 17 May 2021, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 18 May 2021, and attracted bids from euro area eligible counterparties of €117.00 million, €6.00 million more 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 19 May 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 \$104.50 million, which were allotted in full at a fixed rate of 0.31%. The 84-day USD operation attracted bids of \$13.20 million, which were also 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 91-day bills and 182-day bills for settlement value 20 May 2021, maturing on 19 August and 18 November 2021, respectively. Bids of €80.00 million were submitted for the 91-day bills, with the Treasury accepting €18.00 million, while bids of €80.00 million were also submitted for the 182-day bills, with the Treasury accepting €7.00 million. Since €40.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €15.00 million, standing at €826.75 million.

The yield from the 91-day bill auction was -0.459%, a decrease of 0.1 basis point from bids with a similar tenor issued on 13 May 2021, representing a bid price of €100.1162 per €100 nominal. The yield from the 182-day bill auction was -0.450%, also decreasing by 0.1 basis point from bids with a similar tenor issued on 13 May 2021, representing a bid price of €100.2280 per €100 nominal.

During this week, secondary market turnover in Malta Government Treasury bills amounted to €3.00 million, all executed on the Off-exchange market of the Malta Stock Exchange.

This week the Treasury will invite tenders for 91-day bills and 364-day bills maturing on 26 August 2021 and 26 May 2022, respectively.