

Money Market Report for the week ending 30 April 2021

ECB Monetary Operations

On 26 April 2021, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 27 April 2021, and attracted bids from euro area eligible counterparties of €252.00 million, €126.00 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 28 April 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 €25.00 million from euro area eligible counterparties.

Also on 28 April 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 \$113.50 million, which was allotted in full at a fixed rate of 0.33%. The 84-day USD operation was carried out at a fixed rate of 0.34% 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 364-day bills for settlement value 29 April 2021, maturing on 29 July 2021 and 28 April 2022, respectively. Bids of €80.00 million were submitted for the 91-day bills, with the Treasury accepting €40.00 million, while bids of €85.00 million were submitted for the 364-day bills, with the Treasury accepting €15.00 million. Since €35.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €20.00 million, standing at €819.75 million.

The yield from the 91-day bill auction was -0.457%, an increase of 0.1 basis point from bids with a similar tenor issued on 22 April 2021, representing a bid price of €100.1157 per €100 nominal. The yield from the 364-day bill auction was -0.430%, an increase of 2.3 basis points from bids with a similar tenor issued on 25 March 2021, representing a bid price of €100.4367 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 91-day bills and 273-day bills maturing on 5 August 2021 and 3 February 2022, respectively.