

Money Market Report for the week ending 30 July 2021

ECB Monetary Operations

On 26 July 2021, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 27 July 2021 and attracted bids from euro area eligible counterparties of €96.00 million, €41.00 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 July 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 July 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 \$139.90 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 29 July 2021, maturing on 28 October 2021 and 27 January 2022, respectively. Bids of €40.00 million were submitted for the 91-day bills, with the Treasury accepting €35.00 million, while bids of €40.00 million were also submitted for the 182-day bills, with the Treasury accepting all bids. Since €46.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €29.00 million, standing at €775.25 million.

The yield from the 91-day bill auction was -0.414%, increasing by 1.8 basis points from bids with a similar tenor issued on 22 July 2021, representing a bid price of €100.1048 per €100 nominal. The yield from the 182-day bill auction was -0.412%, increasing by 4.0 basis points from bids with a similar tenor issued on 15 July 2021, representing a bid price of €100.2087 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 364-day bills maturing on 4 November 2021 and 4 August 2022, respectively.