

Money Market Report for the week ending 5 March 2021

ECB Monetary Operations

On 1 March 2021, the European Central Bank (ECB) announced the 7-day Main Refinancing Operation (MRO). The operation was conducted on 2 March 2021, and attracted bids from euro area eligible counterparties of €502.00 million, €120.00 million lower 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 March 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 \$90.10 million, which was allotted in full at a fixed rate of 0.32%. The 84-day USD operation attracted bids of \$20.00 million, which was also allotted in full at a fixed rate of 0.33%.

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 4 March 2021, maturing on 3 June and 2 September 2021, respectively. Bids of €108.00 million were submitted for the 91-day bills, with the Treasury accepting €30.00 million, while bids of €101.00 million were submitted for the 182-day bills, with the Treasury accepting €8.00 million. Since €41.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €3.00 million, standing at €743.75 million.

The yield from the 91-day bill auction was -0.468%, an increase of 0.2 basis points from bids with a similar tenor issued on 25 February 2021, representing a bid price of €100.1184 per €100 nominal. The yield from the 182-day bill auction was -0.475%, an increase of 0.5 basis point from bids with a similar tenor also issued on 25 February 2021, representing a bid price of €100.2407 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 maturing on 10 June 2021.