

Money Market Report for the week ending 7 May 2021

ECB Monetary Operations

On 3 May 2021, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 4 May 2021, and attracted bids from euro area eligible counterparties of €72.00 million, €180.00 million less 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 5 May 2021, the ECB conducted the 8-day and 84-day US dollar funding operations through collateralised lending in conjunction with the US Federal Reserve. The 8-day USD operation attracted bids of \$43.00 million, which was allotted in full at a fixed rate of 0.32%. The 84-day USD operation attracted bids of \$5.00 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 273-day bills for settlement value 6 May 2021, maturing on 5 August 2021 and 3 February 2022, respectively. Bids of €107.00 million were submitted for the 91-day bills, with the Treasury accepting €15.00 million, while bids of €106.00 million were submitted for the 273-day bills, with the Treasury accepting €37.00 million. Since €40.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €12.00 million, standing at €831.75 million.

The yield from the 91-day bill auction was -0.464%, a decrease of 0.7 basis point from bids with a similar tenor issued on 29 April 2021, representing a bid price of €100.1174 per €100 nominal. The yield from the 273-day bill auction was -0.449%, a decrease of 0.5 basis point from bids with a similar tenor issued on 22 April 2021, representing a bid price of €100.3417 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 182-day bills maturing on 12 August and 11 November 2021, respectively.