

Money Market Report for the week ending 20 August 2021

ECB Monetary Operations

On 16 August 2021, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 17 August 2021 and attracted bids from euro area eligible counterparties of €197.00 million, €17.00 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 18 August 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 \$200.00 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 19 August 2021, maturing on 18 November 2021 and 17 February 2022, respectively. Bids of €47.00 million were submitted for the 91-day bills, with the Treasury accepting €27.00 million, while bids of €47.00 million were also submitted for the 182-day bills, with the Treasury accepting €19.00 million. Since €40.75 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €5.25 million, standing at €757.50 million.

The yield from the 91-day bill auction was -0.398%, increasing by 0.3 basis point from bids with a similar tenor issued on 12 August 2021, representing a bid price of €100.1007 per €100 nominal. The yield from the 182-day bill auction was -0.379%, increasing by 2.3 basis points from bids with a similar tenor also issued on 12 August 2021, representing a bid price of €100.1920 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 182-day bills maturing on 25 November 2021 and 24 February 2022, respectively.