

Money Market Report for the week ending 24 December 2021

ECB Monetary Operations

On 20 December 2021, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 21 December 2021 and attracted bids from euro area eligible counterparties of €225.00 million, €128.00 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 22 December 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 €18.00 million from euro area eligible counterparties.

Also on 22 December 2021, the ECB conducted a 14-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$939.50 million, which was 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 and 182-day bills for settlement value 23 December 2021, maturing on 24 March and 23 June 2022, respectively. Bids of €48.00 million were submitted for the 91-day bills, with the Treasury accepting €20.00 million. Bids of €48.00 million were also submitted for the 182-day bills, with the Treasury accepting €33.00 million. Since €41.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €12.00 million, standing at €637.22 million.

The yield from the 91-day bill auction was -0.410%, increasing by 0.7 basis point from bids with a similar tenor issued on 16 December 2021, representing a bid price of €100.1037 per €100 nominal. The yield from the 182-day bill auction was -0.382%, increasing by 5.5 basis points from bids with a similar tenor issued on 9 December 2021, representing a bid price of €100.1935 per €100 nominal.

During this week, there was no trading on the Malta Stock Exchange.

This week the Treasury will invite tenders for 90-day bills maturing on 30 March 2022.