

Money Market Report for the week ending 8 January 2021

ECB Monetary Operations

On 4 January 2021, the European Central Bank (ECB) announced the 7-day Main Refinancing Operation (MRO). The operation was conducted on 5 January 2021, and attracted bids from euro area eligible counterparties of €0.18 billion, €0.29 billion less than the bid amount of 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 6 January 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 \$0.05 billion, which was allotted in full at a fixed rate of 0.34%. The 84-day USD operation attracted bids of \$0.12 billion, 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 28-day and 273-day bills for settlement value 7 January 2021, maturing on 4 February and 7 October 2021, respectively. Bids of €90.00 million were submitted for the 28-day bills, with the Treasury accepting €15.00 million, while bids of €95.00 million were submitted for the 273-day bills, with the Treasury accepting €5.00 million. Since €15.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €5.00 million, standing at €649.00 million.

The yield from the 28-day bill auction was -0.490%, unchanged from bids with a similar tenor issued on 26 November 2020, representing a bid price of €100.0381 per €100 nominal. The yield from the 273-day bill auction was -0.493%, an increase of 0.2 basis point from bids with a similar tenor issued on 31 December 2020, representing a bid price of €100.3753 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 15 April and 15 July 2021, respectively.