

## **Money Market Report for the week ending 28 May 2021**

### **ECB Monetary Operations**

On 24 May 2021, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 25 May 2021, and attracted bids from euro area eligible counterparties of €376.00 million, €259.00 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 26 May 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 €40.00 million from euro area eligible counterparties.

Also on 26 May 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 \$120.00 million, which were allotted in full at a fixed rate of 0.31%. The 84-day USD operation was carried out at a fixed rate of 0.32% and did not attract bids from euro area eligible counterparties.

### **Domestic Treasury Bill Market**

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day bills and 364-day bills for settlement value 27 May 2021, maturing on 26 August 2021 and 26 May 2022, respectively. Bids of €80.00 million were submitted for the 91-day bills, with the Treasury accepting €15.00 million, while bids of €90.00 million were submitted for the 364-day bills, with the Treasury accepting €7.00 million. Since €33.50 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €11.50 million, standing at €815.25 million.

The yield from the 91-day bill auction was -0.454%, an increase of 0.5 basis point from bids with a similar tenor issued on 20 May 2021, representing a bid price of €100.1149 per €100 nominal. The yield from the 364-day bill auction was -0.459%, decreasing by 2.9 basis points from bids with a similar tenor issued on 29 April 2021, representing a bid price of €100.4663 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 bills and 273-day bills maturing on 2 September 2021 and 3 March 2022, respectively.