

Money Market Report for the week ending 10 December 2021

ECB Monetary Operations

On 6 December 2021, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 7 December 2021 and attracted bids from euro area eligible counterparties of €195.00 million, €5.00 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 8 December 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 \$220.00 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 and 182-day bills for settlement value 9 December 2021, maturing on 10 March and 9 June 2022, respectively. Bids of €53.00 million were submitted for the 91-day bills, with the Treasury accepting €20.00 million, while bids of €49.00 million were submitted for the 182-day bills, with the Treasury accepting €5.00 million. Since €35.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €10.00 million, standing at €629.72 million.

The yield from the 91-day bill auction was -0.418%, decreasing by 0.9 basis point from bids with a similar tenor issued on 2 December 2021, representing a bid price of €100.1058 per €100 nominal. The yield from the 182-day bill auction was -0.437%, increasing by 2.7 basis points from bids with a similar tenor issued on 28 October 2021, representing a bid price of €100.2214 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 maturing on 17 March 2022.