

Money Market Report for the week ending 14 May 2021

ECB Monetary Operations

On 10 May 2021, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 11 May 2021, and attracted bids from euro area eligible counterparties of €111.00 million, €39.00 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 12 May 2021, the ECB conducted the 6-day and 83-day US dollar funding operations through collateralised lending in conjunction with the US Federal Reserve. The 6-day USD operation attracted bids of \$78.00 million, which were allotted in full at a fixed rate of 0.31%. The 83-day USD operation attracted bids of \$50.00 million, which were 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 91-day bills and 182-day bills for settlement value 13 May 2021, maturing on 12 August and 11 November 2021, respectively. Bids of €80.00 million were submitted for the 91-day bills, with the Treasury accepting €30.00 million, while bids of €80.00 million were also submitted for the 182-day bills, with the Treasury accepting €20.00 million. Since €40.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €10.00 million, standing at €841.75 million.

The yield from the 91-day bill auction was -0.458%, an increase of 0.6 basis point from bids with a similar tenor issued on 6 May 2021, representing a bid price of €100.1159 per €100 nominal. The yield from the 182-day bill auction was -0.449%, an increase of 0.9 basis point from bids with a similar tenor issued on 15 April 2021, representing a bid price of €100.2275 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 19 August and 18 November 2021, respectively.