

Money Market Report for the week ending 15 October 2021

ECB Monetary Operations

On 11 October 2021, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 12 October 2021 and attracted bids from euro area eligible counterparties of €193.00 million, €39.00 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 13 October 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 \$236.00 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 28-day bills and 91-day bills for settlement value 14 October 2021, maturing on 11 November 2021 and 13 January 2022, respectively. Bids of €63.00 million were submitted for the 28-day bills, with the Treasury accepting €5.00 million, while bids of €91.00 million were submitted for the 91-day bills, with the Treasury accepting €21.00 million. Since €26.00 million worth of bills matured during the week, the outstanding balance of Treasury bills remained unchanged at €685.50 million.

The yield from the 28-day bill auction was -0.445%, unchanged from bids with a similar tenor issued on 7 October 2021, representing a bid price of €100.0346 per €100 nominal. The yield from the 91-day bill auction was -0.411%, decreasing by 1.2 basis points from bids with a similar tenor also issued on 7 October 2021, representing a bid price of €100.1040 per €100 nominal.

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

This week the Treasury will invite tenders for 28-day and 91-day bills maturing on 18 November 2021 and 20 January 2022, respectively.