

Money Market Report for the week ending 16 July 2021

ECB Monetary Operations

On 12 July 2021, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 13 July 2021, and attracted bids from euro area eligible counterparties of €42.00 million, €30.00 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 14 July 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 \$131.80 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 bills and 182-day bills for settlement value 15 July 2021, maturing on 14 October 2021 and 13 January 2022, respectively. Bids of €16.00 million and €6.00 million were submitted for the 91-day bills and 182-day bills, respectively, with the Treasury accepting all submitted bids. Since €50.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €28.00 million, standing at €778.75 million.

The yield from the 91-day bill auction was -0.455%, decreasing by 0.2 basis point from bids with a similar tenor issued on 8 July 2021, representing a bid price of €100.1151 per €100 nominal. The yield from the 182-day bill auction was -0.452%, down by 0.4 basis point from bids with a similar tenor issued on 1 July 2021, representing a bid price of €100.2290 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 and 364-day bills maturing on 21 October 2021 and 21 July 2022, respectively.