

Money Market Report for the week ending 25 June 2021

ECB Monetary Operations

On 21 June 2021, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 22 June 2021, and attracted bids from euro area eligible counterparties of €91.00 million, €33.00 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 22 June 2021, the ECB conducted the Pandemic Emergency Longer-term Refinancing Operation (PELTRO) maturing on 30 June 2022, which attracted bids from euro area eligible counterparties of €520.00 million. This operation was carried out through a fixed rate tender procedure with full allotment, with an interest rate that is equal to 25 basis points below the average MRO rate over the life of the PELTRO.

On 23 June 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 \$215.00 million, which were allotted in full at a fixed rate of 0.35%. The 84-day USD operation was carried out at a fixed rate of 0.34% 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 24 June 2021, maturing on 23 September 2021 and 23 June 2022, respectively. Bids of €93.00 million were submitted for the 91-day bills, with the Treasury accepting €28.00 million, while bids of €91.00 million were submitted for the 364-day bills, with the Treasury accepting €21.00 million. Since €58.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €9.00 million, standing at €786.75 million.

The yield from the 91-day bill auction was -0.456%, increasing by 0.1 basis point from bids with a similar tenor issued on 17 June 2021, representing a bid price of €100.1154 per €100 nominal. The yield from the 364-day bill auction was -0.441%, increasing by 1.8 basis points from bids with a similar tenor issued on 27 May 2021, representing a bid price of €100.4479 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 182-day bills maturing on 30 September and 30 December 2021, respectively.