

Money Market Report for the week ending 3 September 2021

ECB Monetary Operations

On 30 August 2021, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 31 August 2021 and attracted bids from euro area eligible counterparties of €16.00 million, €96.00 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 1 September 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 \$223.50 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 91-day bills and 182-day bills for settlement value 2 September 2021, maturing on 2 December 2021 and 3 March 2022, respectively. Bids of €34.00 million were submitted for the 91-day bills, with the Treasury accepting €31.00 million, while bids of €30.00 million were submitted for the 182-day bills, with the Treasury accepting €8.00 million. Since €36.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €3.00 million, standing at €774.00 million.

The yield from the 91-day bill auction was -0.395%, increasing by 0.3 basis points from bids with a similar tenor issued on 26 August 2021, representing a bid price of €100.0999 per €100 nominal. The yield from the 182-day bill auction was -0.378%, increasing by 0.4 basis points from bids with a similar tenor also issued on 26 August 2021, representing a bid price of €100.1915 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 182-day bills maturing on 9 December 2021 and 10 March 2022, respectively.