

Money Market Report for the week ending 13 August 2021

ECB Monetary Operations

On 9 August 2021, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 10 August 2021 and attracted bids from euro area eligible counterparties of €180.00 million, €35.00 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 11 August 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 \$203.00 million, which was allotted in full at a fixed rate of 0.35%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day bills and 181-day bills for settlement value 12 August 2021, maturing on 11 November 2021 and 9 February 2022, respectively. Bids of €15.00 million and €17.00 million were submitted for the 91-day bills and 181-day bills, respectively, with the Treasury accepting all submitted bids. Since €40.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €8.00 million, standing at €752.25 million.

The yield from the 91-day bill auction was -0.401%, increasing by 0.6 basis point from bids with a similar tenor issued on 5 August 2021, representing a bid price of €100.1015 per €100 nominal. The yield from the 181-day bill auction was -0.402%, increasing by 1.0 basis point from bids with a similar tenor issued on 29 July 2021, representing a bid price of €100.2025 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 18 November 2021 and 17 February 2022, respectively.