

Money Market Report for the week ending 15 January 2021

ECB Monetary Operations

On 11 January 2021, the European Central Bank (ECB) announced the 7-day Main Refinancing Operation (MRO). The operation was conducted on 12 January 2021, and attracted bids from euro area eligible counterparties of €0.52 billion, €0.34 billion more than the bid amount of 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 January 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 \$0.06 billion, which was allotted in full at a fixed rate of 0.34%. The 84-day USD operation attracted bids of \$0.01 billion, also 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 and 182-day bills for settlement value 14 January 2021, maturing on 15 April and 15 July 2021, 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 182-day bills, with the Treasury accepting €7.00 million. Since €15.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €20.00 million, standing at €669.00 million.

The yield from the 91-day bill auction was -0.474%, an increase of 2.2 basis points from bids with a similar tenor issued on 31 December 2020, representing a bid price of €100.1200 per €100 nominal. The yield from the 182-day bill auction was -0.492%, a decrease of 2.3 basis points from bids with a similar tenor issued on 24 December 2020, representing a bid price of €100.2494 per €100 nominal.

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

This week the Treasury will invite tenders for 182-day bills and 273-day bills maturing on 22 July and 21 October 2021, respectively.