

Money Market Report for the week ending 18 June 2021

ECB Monetary Operations

On 14 June 2021, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 15 June 2021, and attracted bids from euro area eligible counterparties of €124.00 million, €61.00 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 16 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 \$115.00 million, which were allotted in full at a fixed rate of 0.33%. The 84-day USD operation was also carried out at a fixed rate of 0.33% and did not attract bids from euro area eligible counterparties.

On 17 June 2021, the ECB conducted the eighth operation of the TLTRO-III programme. This operation attracted bids of €109,829.31 million, with the rate fixed at the average rate of the MROs over the life of the operation. However, the final interest rate applied to this operation may differ and will be determined according to the TLTRO-III Decision.

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 17 June 2021, maturing on 16 September and 16 December 2021, respectively. Bids of €105.00 million were submitted for the 91-day bills, with the Treasury accepting €35.00 million, while bids of €103.00 million were submitted for the 182-day bills, with the Treasury accepting €10.00 million. Since €40.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €5.00 million, standing at €795.75 million.

The yield from the 91-day bill auction was -0.457%, decreasing by 0.2 basis point from bids with a similar tenor issued on 10 June 2021, representing a bid price of €100.1157 per €100 nominal. The yield from the 182-day bill auction was -0.463%, also decreasing by 0.2 basis point from bids with a similar tenor issued on 10 June 2021, representing a bid price of €100.2346 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 364-day bills maturing on 23 September 2021 and 23 June 2022, respectively.