

Money Market Report for the week ending 4 June 2021

ECB Monetary Operations

On 31 May 2021, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 1 June 2021, and attracted bids from euro area eligible counterparties of €197.00 million, €179.00 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 2 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 \$108.00 million, which were allotted in full at a fixed rate of 0.31%. The 84-day USD operation attracted bids of \$20.00 million, which were 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 bills and 273-day bills for settlement value 3 June 2021, maturing on 2 September 2021 and 3 March 2022, respectively. Bids of €90.00 million were submitted for the 91-day bills, with the Treasury accepting €28.00 million, while bids of €95.00 million were submitted for the 273-day bills, with the Treasury accepting €3.00 million. Since €41.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €10.00 million, standing at €805.25 million.

The yield from the 91-day bill auction was -0.455%, a decrease of 0.1 basis point from bids with a similar tenor issued on 27 May 2021, representing a bid price of €100.1151 per €100 nominal. The yield from the 273-day bill auction was -0.461%, decreasing by 1.2 basis points from bids with a similar tenor issued on 6 May 2021, representing a bid price of €100.3508 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 9 September and 9 December 2021, respectively.