

Money Market Report for the week ending 25 March 2022

ECB Monetary Operations

On 21 March 2022, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 22 March 2022 and attracted bids from euro area eligible counterparties of €204.00 million, €22.00 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 23 March 2022, 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 \$230.50 million, which was allotted in full at a fixed rate of 0.58%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 182-day and 273-day bills for settlement value 24 March 2022, maturing on 22 September and 22 December 2022, respectively. Bids of €54.50 million were submitted for the 182-day bills, with the Treasury accepting €49.50 million, while bids of €49.00 million were submitted for the 273-day bills, with the Treasury accepting €9.00 million. Since €51.50 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €7.00 million, standing at €704.70 million.

The yield from the 182-day bill auction was -0.330%, increasing by 6.1 basis points from bids with a similar tenor issued on 3 March 2022, representing a bid price of €100.1671 per €100 nominal. The yield from the 273-day bill auction was -0.319%, increasing by 4.7 basis points from bids with a similar tenor issued on 10 March 2022, representing a bid price of €100.2425 per €100 nominal.

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

This week the Treasury will invite tenders for 92-day and 183-day bills maturing on 30 June and 29 September 2022, respectively.