

Money Market Report for the week ending 25 February 2022

ECB Monetary Operations

On 21 February 2022, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 22 February 2022 and attracted bids from euro area eligible counterparties of €436.00 million, €140.00 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 23 February 2022, the ECB conducted the three-month, longer-term refinancing operation to be settled as a fixed rate tender procedure with full allotment, with the rate fixed at the average MRO rate over the life of the operation. The operation attracted bids of €23.00 million from euro area eligible counterparties.

Also on 23 February 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 \$222.00 million, which was allotted in full at a fixed rate of 0.34%.

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 24 February 2022, maturing on 26 May and 25 August 2022, respectively. Bids of €62.00 million were submitted for the 91-day bills, with the Treasury accepting €32.00 million, while bids of €56.00 million were submitted for the 182-day bills, with the Treasury accepting €8.00 million. Since €35.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €5.00 million, standing at €660.92 million.

The yield from the 91-day bill auction was -0.389%, unchanged from bids with a similar tenor issued on 17 February 2022, representing a bid price of €100.0984 per €100 nominal. The yield from the 182-day bill auction was -0.388%, decreasing by 0.1 basis point from bids with a similar tenor also issued on 17 February 2022, representing a bid price of €100.1965 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 2 June and 1 September 2022, respectively.