

Money Market Report for the week ending 28 January 2022

ECB Monetary Operations

On 24 January 2022, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 25 January 2022 and attracted bids from euro area eligible counterparties of €198.00 million, €239.00 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 26 January 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 €10.00 million from euro area eligible counterparties.

Also on 26 January 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 \$212.50 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 182-day and 364-day bills for settlement value 27 January 2022, maturing on 28 July 2022 and 26 January 2023, respectively. Bids of €58.70 million were submitted for the 182-day bills, with the Treasury accepting €33.70 million, while bids of €50.00 million were submitted for the 364-day bills, with the Treasury accepting €6.00 million. Since €40.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €0.30 million, standing at €630.52 million.

The yield from the 182-day bill auction was -0.380%, increasing by 0.2 basis point from bids with a similar tenor issued on 20 January 2022, representing a bid price of €100.1925 per €100 nominal. The yield from the 364-day bill auction was -0.375%, increasing by 3.3 basis points from bids with a similar tenor issued on 5 August 2021, representing a bid price of €100.3806 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 273-day bills maturing on 5 May and 3 November 2022, respectively.