

Money Market Report for the week ending 18 February 2022

ECB Monetary Operations

On 14 February 2022, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 15 February 2022 and attracted bids from euro area eligible counterparties of €296.00 million, €65.00 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 16 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 \$210.00 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 17 February 2022, maturing on 19 May and 18 August 2022, respectively. Bids of €53.30 million were submitted for the 91-day bills, with the Treasury accepting €38.30 million, while bids of €53.30 million were also submitted for the 182-day bills, with the Treasury accepting €7.30 million. Since €41.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €4.60 million, standing at €655.92 million.

The yield from the 91-day bill auction was -0.389%, increasing by 0.5 basis points from bids with a similar tenor issued on 9 February 2022, representing a bid price of €100.0984 per €100 nominal. The yield from the 182-day bill auction was -0.387%, decreasing by 0.3 basis point from bids with a similar tenor also issued on 9 February 2022, representing a bid price of €100.1960 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 26 May and 25 August 2022, respectively.