

Money Market Report for the week ending 7 January 2022

ECB Monetary Operations

On 3 January 2022, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 4 January 2022 and attracted bids from euro area eligible counterparties of €430.00 million, €44.00 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 5 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 \$313.50 million, which was 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 and 182-day bills for settlement value 6 January 2022, maturing on 7 April and 7 July 2022, respectively. Bids of €50.80 million were submitted for the 91-day bills, with the Treasury accepting €15.80 million, while bids of €57.70 million were submitted for the 182-day bills, with the Treasury accepting €17.70 million. Since €16.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €17.50 million, standing at €616.92 million.

The yield from the 91-day bill auction was -0.407%, decreasing by 0.1 basis point from bids with a similar tenor issued on 30 December 2021, representing a bid price of €100.1030 per €100 nominal. The yield from the 182-day bill auction was -0.382%, unchanged from bids with a similar tenor issued on 23 December 2021, representing a bid price of €100.1935 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 14 April and 13 October 2022, respectively.