

Money Market Report for the week ending 11 February 2022

ECB Monetary Operations

On 7 February 2022, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 8 February 2022 and attracted bids from euro area eligible counterparties of €231.00 million, €39.00 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 9 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 \$210.50 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 92-day and 183-day bills for settlement value 9 February 2022, maturing on 12 May and 11 August 2022, respectively. Bids of €50.00 million were submitted for the 92-day bills, with the Treasury accepting €40.00 million, while bids of €48.80 million were submitted for the 183-day bills, with the Treasury accepting €8.80 million. Since €31.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €17.80 million, standing at €651.32 million.

The yield from the 92-day bill auction was -0.394%, increasing by 1.5 basis points from bids with a similar tenor issued on 3 February 2022, representing a bid price of €100.1008 per €100 nominal. The yield from the 183-day bill auction was -0.384%, decreasing by 0.4 basis point from bids with a similar tenor issued on 27 January 2022, representing a bid price of €100.1956 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 19 May and 18 August 2022, respectively.