

Money Market Report for the week ending 14 January 2022

ECB Monetary Operations

On 10 January 2022, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 11 January 2022 and attracted bids from euro area eligible counterparties of €379.00 million, €51.00 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 12 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 \$215.00 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 273-day bills for settlement value 13 January 2022, maturing on 14 April and 13 October 2022, respectively. Bids of €68.70 million were submitted for the 91-day bills, with the Treasury accepting €33.70 million, while bids of €61.70 million were submitted for the 273-day bills, with the Treasury accepting €3.00 million. Since €27.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €9.70 million, standing at €626.62 million.

The yield from the 91-day bill auction was -0.408%, decreasing by 0.1 basis point from bids with a similar tenor issued on 6 January 2022, representing a bid price of €100.1032 per €100 nominal. The yield from the 273-day bill auction was -0.397%, increasing by 0.2 basis point from bids with a similar tenor issued on 4 November 2021, representing a bid price of €100.3020 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 21 April and 21 July 2022, respectively.