

Money Market Report for the week ending 18 March 2022

ECB Monetary Operations

On 14 March 2022, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 15 March 2022 and attracted bids from euro area eligible counterparties of €226.00 million, €68.00 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 16 March 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 \$308.00 million, which was allotted in full at a fixed rate of 0.61%.

During the week under review, participants in the TLTRO-III operations 1 to 7 had the option of terminating or reducing their outstanding amount before maturity. Accordingly, on 30 March 2022 a total of €1,795.28 million will be repaid.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day and 364-day bills for settlement value 17 March 2022, maturing on 16 June 2022 and 16 March 2023, respectively. Bids of €50.00 million were submitted for the 91-day bills, with the Treasury accepting €35.00 million, while bids of €50.00 million were also submitted for the 364-day bills, with the Treasury accepting €10.00 million. Since €30.50 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €14.50 million, standing at €697.70 million.

The yield from the 91-day bill auction was -0.357%, increasing by 2.7 basis points from bids with a similar tenor issued on 10 March 2022, representing a bid price of €100.0903 per €100 nominal. The yield from the 364-day bill auction was -0.337%, increasing by 3.8 basis points from bids with a similar tenor also issued on 27 January 2022, representing a bid price of €100.3419 per €100 nominal.

During this week, there was no trading on the Malta Stock Exchange.

This week the Treasury will invite tenders for 182-day and 273-day bills maturing on 22 September and 22 December 2022, respectively.