

Money Market Report for the week ending 4 November 2022

ECB Monetary Operations

On 28 October 2022, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 31 October 2022 and attracted bids from euro area eligible counterparties of €3.11 billion, €1.48 billion less than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 2.00%, in accordance with current ECB policy.

On 2 November 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 \$0.19 billion, which was allotted in full at a fixed rate of 4.08%.

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 3 November 2022, maturing on 2 February and 4 May 2023, respectively. Bids of €132.05 million were submitted for the 91-day bills, with the Treasury accepting €32.05 million, while bids of €6.52 million were submitted for the 182-day bills, with the Treasury accepting €1.10 million. Since €47.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €13.85 million, standing at €901.54 million.

The yield from the 91-day bill auction was 1.578%, increasing by 34.60 basis points from bids with a similar tenor issued on 27 October 2022, representing a bid price of €99.6027 per €100 nominal. The yield from the 182-day bill auction was 1.982%, increasing by 13.70 basis points from bids with a similar tenor issued on 20 October 2022, representing a bid price of €99.0079 per €100 nominal.

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

This week the Treasury will invite tenders for 27-day and 91-day bills maturing on 7 December 2022 and 9 February 2023, respectively.