

Money Market Report for the week ending 12 August 2022

ECB Monetary Operations

On 8 August 2022, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 9 August 2022 and attracted bids from euro area eligible counterparties of €907.00 million, €43.00 million more than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 0.50%, in accordance with current ECB policy.

On 10 August 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 \$188.50 million, which was allotted in full at a fixed rate of 2.60%.

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 11 August 2022, maturing on 10 November 2022 and 9 February 2023, respectively. Bids of €79.00 million were submitted for the 91-day bills, with the Treasury accepting €41.00 million, while bids of €54.50 million were submitted for the 182-day bills, with the Treasury accepting €38.50 million. Since €29.80 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €49.70 million, standing at €922.30 million.

The yield from the 91-day bill auction was 0.349%, increasing by 5.4 basis points from bids with a similar tenor issued on 4 August 2022, representing a bid price of €99.9119 per €100 nominal. The yield from the 182-day bill auction was 0.798%, increasing by 13.4 basis points from bids with a similar tenor also issued on 4 August 2022, representing a bid price of €99.5982 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 17 November 2022 and 16 February 2023, respectively.