

Money Market Report for the week ending 18 November 2022

ECB Monetary Operations

On 14 November 2022, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 15 November 2022 and attracted bids from euro area eligible counterparties of €1.63 billion, €0.08 billion more 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 16 November 2022, the ECB conducted the 8-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$0.20 billion, which was allotted in full at a fixed rate of 4.08%.

During the week under review, participants in the TLTRO-III operations 2 to 10 had the option of terminating or reducing their outstanding amount before maturity. Accordingly, on 23 November 2022 a total of €296.29 billion will be repaid.

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 17 November 2022, maturing on 16 February and 18 May 2023, respectively. Bids of €133.55 million were submitted for the 91-day bills, with the Treasury accepting €26.55 million, while bids of €13.22 million were submitted for the 182-day bills, with the Treasury accepting all bids. Since €41.50 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €1.73 million, standing at €867.88 million.

The yield from the 91-day bill auction was 1.854%, increasing by 24.70 basis points from bids with a similar tenor issued on 10 November 2022, representing a bid price of €99.5335 per €100 nominal. The yield from the 182-day bill auction was 2.121%, increasing by 13.90 basis points from bids with a similar tenor issued on 3 November 2022, representing a bid price of €98.9391 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 23 February and 25 May 2023, respectively.