

Money Market Report for the week ending 29 July 2022

ECB Monetary Operations

On 25 July 2022, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 26 July 2022 and attracted bids from euro area eligible counterparties of €1,077.00 million, €101.00 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 27 July 2022, the ECB conducted the three-month, longer-term refinancing operation to be settled as a fixed rate tender procedure with full allotment, with the rate fixed at the average MRO rate over the life of the operation. The operation attracted bids of €173.00 million from euro area eligible counterparties.

Also on 27 July 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 \$211.50 million, which was allotted in full at a fixed rate of 2.61%.

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 28 July 2022, maturing on 27 October 2022 and 26 January 2023, respectively. Bids of €91.50 million were submitted for the 91-day bills, with the Treasury accepting €24.50 million, while bids of €30.50 million were submitted for the 182-day bills, with the Treasury accepting them all. Since €53.70 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €1.30 million, standing at €871.60 million.

The yield from the 91-day bill auction was 0.280%, increasing by 13.1 basis points from bids with a similar tenor issued on 21 July 2022, representing a bid price of €99.9293 per €100 nominal. The yield from the 182-day bill auction was 0.756%, increasing by 30.5 basis points from bids with a similar tenor also issued on 21 July 2022, representing a bid price of €99.6193 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 3 November 2022 and 2 February 2023, respectively.