

Money Market Report for the week ending 14 October 2022

ECB Monetary Operations

On 10 October 2022, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 11 October 2022 and attracted bids from euro area eligible counterparties of €3.62 billion, €0.04 billion less than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 1.25%, in accordance with current ECB policy.

On 12 October 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 \$0.21 billion, which was allotted in full at a fixed rate of 3.33%.

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 13 October 2022, maturing on 12 January and 13 April 2023, respectively. Bids of €127.00 million were submitted for the 91-day bills, with the Treasury accepting €35.00 million, while bids of €5.55 million were submitted for the 182-day bills, with the Treasury accepting €2.50 million. Since €56.50 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €19.00 million, standing at €961.75 million.

The yield from the 91-day bill auction was 1.042%, increasing by 11.90 basis points from bids with a similar tenor issued on 6 October 2022, representing a bid price of €99.7373 per €100 nominal. The yield from the 182-day bill auction was 1.850%, increasing by 7.30 basis points from bids with a similar tenor also issued on 6 October 2022, representing a bid price of €99.0734 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 19 January and 20 April 2023, respectively.