

Money Market Report for the week ending 15 July 2022

ECB Monetary Operations

On 11 July 2022, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 12 July 2022 and attracted bids from euro area eligible counterparties of €916.00 million, €124.50 million less than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 0.00%, in accordance with current ECB policy.

On 13 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 \$194.60 million, which was allotted in full at a fixed rate of 1.84%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day and 273-day bills for settlement value 14 July 2022, maturing on 13 October 2022 and 13 April 2023, respectively. Bids of €65.00 million were submitted for the 91-day bills, with the Treasury accepting €42.00 million, while bids of €31.50 million were submitted for the 273-day bills, with the Treasury accepting €4.50 million. Since €46.50 million worth of bills matured during the week, the outstanding balance of Treasury bills remained unchanged at €867.40 million.

The yield from the 91-day bill auction was 0.109%, increasing by 1.6 basis points from bids with a similar tenor issued on 7 July 2022, representing a bid price of €99.9725 per €100 nominal. The yield from the 273-day bill auction was 0.437%, decreasing by 41.7 basis points from bids with a similar tenor issued on 23 June 2022, representing a bid price of €99.6697 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 20 October 2022 and 19 January 2023, respectively.