

Money Market Report for the week ending 27 May 2022

ECB Monetary Operations

On 23 May 2022, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 24 May 2022 and attracted bids from euro area eligible counterparties of €661.00 million, €342.00 million more than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 0.00%, in accordance with current ECB policy.

On 25 May 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 €43.50 million from euro area eligible counterparties.

Also on 25 May 2022, the ECB conducted the 5-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$186.00 million, which was allotted in full at a fixed rate of 1.08%.

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 26 May 2022, maturing on 25 August and 24 November 2022, respectively. Bids of €48.50 million were submitted for the 91-day bills, with the Treasury accepting €43.50 million, while bids of €20.00 million were submitted for the 182-day bills, with the Treasury accepting €15.00 million. Since €39.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €19.50 million, standing at €855.10 million.

The yield from the 91-day bill auction was -0.233%, increasing by 4.9 basis points from bids with a similar tenor issued on 19 May 2022, representing a bid price of €100.0589 per €100 nominal. The yield from the 182-day bill auction was -0.138%, increasing by 10.5 basis points from bids with a similar tenor also issued on 19 May 2022, representing a bid price of €100.0698 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 1 September and 1 December 2022, respectively.