

Money Market Report for the week ending 2 December 2022

ECB Monetary Operations

On 28 November 2022, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 29 November 2022 and attracted bids from euro area eligible counterparties of €2.63 billion, €0.79 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 30 November 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 €1.00 billion from euro area eligible counterparties.

Also on 30 November 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 \$0.20 billion, which was allotted in full at a fixed rate of 4.08%.

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 1 December 2022, maturing on 2 March and 1 June 2023, respectively. Bids of €181.15 million were submitted for the 91-day bills, with the Treasury accepting €26.15 million, while bids of €24.30 million were submitted for the 182-day bills, with the Treasury accepting €18.30 million. Since €59.50 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €15.05 million, standing at €843.43 million.

The yield from the 91-day bill auction was 2.025%, increasing by 13.30 basis points from bids with a similar tenor issued on 24 November 2022, representing a bid price of €99.4907 per €100 nominal. The yield from the 182-day bill auction was 2.310%, increasing by 11.10 basis points from bids with a similar tenor also issued on 24 November 2022, representing a bid price of €98.8456 per €100 nominal.

During this week, there was no trading on the Malta Stock Exchange.

This week the Treasury will invite tenders for 92-day and 183-day bills maturing on 9 March and 8 June 2023, respectively.