

Money Market Report for the week ending 3 June 2022

ECB Monetary Operations

On 30 May 2022, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 31 May 2022 and attracted bids from euro area eligible counterparties of €410.00 million, €251.00 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.

Also on 31 May 2022, the ECB conducted the 8-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$182.50 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 2 June 2022, maturing on 1 September and 1 December 2022, respectively. Bids of €35.00 million and €15.00 million were submitted for the 91-day and 182-day bills, respectively, with the Treasury accepting all submitted bids. Since €36.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €14.00 million, standing at €869.10 million.

The yield from the 91-day bill auction was -0.182%, increasing by 5.1 basis points from bids with a similar tenor issued on 26 May 2022, representing a bid price of €100.0460 per €100 nominal. The yield from the 182-day bill auction was -0.116%, increasing by 2.2 basis points from bids with a similar tenor also issued on 26 May 2022, representing a bid price of €100.0587 per €100 nominal.

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

This week the Treasury will invite tenders for 90-day and 364-day bills maturing on 7 September 2022 and 8 June 2023, respectively.