

## **Money Market Report for the week ending 23 December 2022**

### **ECB Monetary Operations**

On 19 December 2022, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 20 December 2022 and attracted bids from euro area eligible counterparties of €1.28 billion, €0.18 billion less than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 2.50%, in accordance with current ECB policy.

On 21 December 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 €1.29 billion from euro area eligible counterparties.

Also on 21 December 2022, the ECB conducted the 14-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$0.41 billion, which was allotted in full at a fixed rate of 4.59%.

### **Domestic Treasury Bill Market**

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day and 364-day bills for settlement value 22 December 2022, maturing on 23 March and 21 December 2023, respectively. Bids of €199.28 million were submitted for the 91-day bills, with the Treasury accepting €41.28 million, while bids of €23.55 million were submitted for the 364-day bills, with the Treasury accepting all bids. Since €65.00 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €0.17 million, standing at €856.90 million.

The yield from the 91-day bill auction was 2.157%, increasing by 0.80 basis points from bids with a similar tenor issued on 15 December 2022, representing a bid price of €99.4577 per €100 nominal. The yield from the 364-day bill auction was 2.918%, increasing by 246.80 basis points from bids with a similar tenor issued on 9 June 2022, representing a bid price of €97.1341 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 181-day bills maturing on 30 March and 28 June 2023, respectively.