

Money Market Report for the week ending 25 November 2022

ECB Monetary Operations

On 21 November 2022, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 22 November 2022 and attracted bids from euro area eligible counterparties of €1.84 billion, €0.21 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 23 November 2022, the ECB conducted the 6-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 24 November 2022, maturing on 23 February and 25 May 2023, respectively. Bids of €155.40 million were submitted for the 91-day bills, with the Treasury accepting €24.20 million, while bids of €8.75 million were submitted for the 182-day bills, with the Treasury accepting €7.90 million. Since €41.50 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €9.40 million, standing at €858.48 million.

The yield from the 91-day bill auction was 1.892%, increasing by 3.8 basis points from bids with a similar tenor issued on 17 November 2022, representing a bid price of €99.5240 per €100 nominal. The yield from the 182-day bill auction was 2.199%, increasing by 7.8 basis points from bids with a similar tenor also issued on 17 November 2022, representing a bid price of €98.9005 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 2 March and 1 June 2023, respectively.