

Money Market Report for the week ending 26 August 2022

ECB Monetary Operations

On 22 August 2022, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 23 August 2022 and attracted bids from euro area eligible counterparties of €743.50 million, €79.50 million less than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 0.50%, in accordance with current ECB policy.

On 24 August 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 \$168.70 million, which was allotted in full at a fixed rate of 2.58%.

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 25 August 2022, maturing on 24 November 2022 and 23 February 2023, respectively. Bids of €76.50 million were submitted for the 91-day bills, with the Treasury accepting €26.50 million, while bids of €52.50 million were submitted for the 182-day bills, with the Treasury accepting €31.50 million. Since €51.50 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €6.50 million, standing at €934.50 million.

The yield from the 91-day bill auction was 0.407%, increasing by 4.4 basis points from bids with a similar tenor issued on 18 August 2022, representing a bid price of €99.8972 per €100 nominal. The yield from the 182-day bill auction was 0.847%, increasing by 2.3 basis points from bids with a similar tenor also issued on 18 August 2022, representing a bid price of €99.5736 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 December 2022 and 2 March 2023, respectively.