

Money Market Report for the week ending 20 May 2022

ECB Monetary Operations

On 16 May 2022, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 17 May 2022 and attracted bids from euro area eligible counterparties of €319.00 million, €176.40 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.

On 18 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 \$208.50 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 19 May 2022, maturing on 18 August and 17 November 2022, respectively. Bids of €36.50 million and €14.00 million were submitted for the 91-day and 182-day bills, respectively, with the Treasury accepting all submitted bids. Since €38.30 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €12.20 million, standing at €835.60 million.

The yield from the 91-day bill auction was -0.282%, increasing by 0.3 basis point from bids with a similar tenor issued on 12 May 2022, representing a bid price of €100.0713 per €100 nominal. The yield from the 182-day bill auction was -0.243%, increasing by 1.8 basis points from bids with a similar tenor also issued on 12 May 2022, representing a bid price of €100.1230 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 25 August and 24 November 2022, respectively.