

Money Market Report for the week ending 19 August 2022

ECB Monetary Operations

On 15 August 2022, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 16 August 2022 and attracted bids from euro area eligible counterparties of €823.00 million, €84.00 million less than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 0.50%, in accordance with current ECB policy.

On 17 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 \$165.00 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 18 August 2022, maturing on 17 November 2022 and 16 February 2023, respectively. Bids of €79.00 million were submitted for the 91-day bills, with the Treasury accepting €27.50 million, while bids of €48.00 million were submitted for the 182-day bills, with the Treasury accepting €22.00 million. Since €43.80 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €5.70 million, standing at €928.00 million.

The yield from the 91-day bill auction was 0.363%, increasing by 1.4 basis points from bids with a similar tenor issued on 11 August 2022, representing a bid price of €99.9083 per €100 nominal. The yield from the 182-day bill auction was 0.824%, increasing by 2.6 basis points from bids with a similar tenor also issued on 11 August 2022, representing a bid price of €99.5852 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 24 November 2022 and 23 February 2023, respectively.