

Money Market Report for the week ending 30 September 2022

ECB Monetary Operations

On 26 September 2022, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 27 September 2022 and attracted bids from euro area eligible counterparties of €4.49 billion, €0.76 billion more than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 1.25%, in accordance with current ECB policy.

On 28 September 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 €0.72 billion from euro area eligible counterparties.

Also on 28 September 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 \$0.27 billion, which was allotted in full at a fixed rate of 3.34%.

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 29 September 2022, maturing on 29 December 2022 and 30 March 2023, respectively. Bids of €107.00 million were submitted for the 91-day bills, with the Treasury accepting €43.00 million, while bids of €8.00 million were submitted for the 182-day bills, with the Treasury accepting all. Since €37.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €14.00 million, standing at €986.50 million.

The yield from the 91-day bill auction was 0.946%, increasing by 12.2 basis points from bids with a similar tenor issued on 22 September 2022, representing a bid price of €99.7614 per €100 nominal. The yield from the 182-day bill auction was 1.607%, increasing by 16.5 basis points from bids with a similar tenor issued on 15 September 2022, representing a bid price of €99.1941 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 5 January and 6 April 2023, respectively.