

Money Market Report for the week ending 12 May 2023

ECB Monetary Operations

On 8 May 2023, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 9 May 2023 and attracted bids from euro area eligible counterparties of €1,327.00 million, €151.50 million more than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 3.75%, in accordance with current ECB policy.

On 10 May 2023, 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 \$409.50 million, which was allotted in full at a fixed rate of 5.32%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day and 273-day bills for settlement value 11 May 2023, maturing on 10 August 2023 and 8 February 2024, respectively. Bids of €237.93 million were submitted for the 91-day bills, with the Treasury accepting €45.56 million, while bids of €24.80 million were submitted for the 273-day bills, with the Treasury accepting €19.70 million. Since €49.45 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €15.81 million, standing at €804.26 million.

The yield from the 91-day bill auction was 3.156%, increasing by 3.50 basis points from bids with a similar tenor issued on 4 May 2023, representing a bid price of €99.2085 per €100 nominal. The yield from the 273-day bill auction was 3.179%, increasing by 110.80 basis points from bids with a similar tenor issued on 27 October 2022, representing a bid price of €97.6460 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 17 August and 16 November 2023, respectively.