

Money Market Report for the week ending 6 October 2023

ECB Monetary Operations

On 2 October 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 3 October 2023 and attracted bids from euro area eligible counterparties of €7,797.00 million, €3,554.00 million less than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 4.50%, in accordance with current ECB policy.

On 4 October 2023, 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 \$230.00 million, which were allotted in full at a fixed rate of 5.58%.

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 5 October 2023, maturing on 4 January and 4 April 2024, respectively. Bids of €203.34 million were submitted for the 91-day bills, with the Treasury accepting €19.07 million, while bids of €58.84 million were submitted for the 182-day bills, with the Treasury accepting €4.84 million. Since €40.65 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €16.74 million, standing at €506.65 million.

The yield from the 91-day bill auction was 3.532%, decreasing by 3.80 basis points from bids with a similar tenor issued on 28 September 2023, representing a bid price of €99.1151 per €100 nominal. The yield from the 182-day bill auction was 3.423%, increasing by 31.10 basis points from bids with a similar tenor also issued on 28 September 2023, representing a bid price of €98.2989 per €100 nominal.

During the 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 11 January and 11 April 2024, respectively.