

Money Market Report for the week ending 9 June 2023

ECB Monetary Operations

On 5 June 2023, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 6 June 2023 and attracted bids from euro area eligible counterparties of €1,325.50 million, €1,223.00 million less 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 7 June 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 \$337.00 million, which was allotted in full at a fixed rate of 5.33%.

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 8 June 2023, maturing on 7 September and 7 December 2023, respectively. Bids of €152.97 million were submitted for the 91-day bills, with the Treasury accepting €37.97 million, while bids of €14.81 million were submitted for the 182-day bills, with the Treasury accepting €13.81 million. Since €22.27 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €29.51 million, standing at €880.06 million.

The yield from the 91-day bill auction was 3.538%, increasing by 37.80 basis points from bids with a similar tenor issued on 1 June 2023, representing a bid price of €99.1136 per €100 nominal. The yield from the 182-day bill auction was 3.196%, decreasing by 0.40 basis points from bids with a similar tenor also issued on 1 June 2023, representing a bid price of €98.4099 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 14 September and 14 December 2023, respectively.