

Money Market Report for the week ending 17 February 2023

ECB Monetary Operations

On 13 February 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 14 February 2023 and attracted bids from euro area eligible counterparties of €796.50 million, €181.00 million less than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 3.00%, in accordance with current ECB policy.

On 15 February 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 \$391.60 million, which was allotted in full at a fixed rate of 4.83%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 91-day and 364-day bills for settlement value 16 February 2023, maturing on 18 May 2023 and 15 February 2024, respectively. Bids of €200.58 million were submitted for the 91-day bills, with the Treasury accepting €32.73 million, while bids of €37.82 million were submitted for the 364-day bills, with the Treasury accepting €21.13 million. Since €48.55 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €5.31 million, standing at €904.04 million.

The yield from the 91-day bill auction was 2.703%, increasing by 4.80 basis points from bids with a similar tenor issued on 9 February 2023, representing a bid price of €99.3214 per €100 nominal. The yield from the 364-day bill auction was 3.015%, increasing by 9.70 basis points from bids with a similar tenor issued on 22 December 2022, representing a bid price of €97.0417 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 25 May and 24 August 2023, respectively.