

Money Market Report for the week ending 4 August 2023

ECB Monetary Operations

On 31 July 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 1 August 2023 and attracted bids from euro area eligible counterparties of €7,366.50 million, €3,669.00 million less than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 4.25%, in accordance with current ECB policy.

On 2 August 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 \$229.00 million, which was 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 3 August 2023, maturing on 2 November 2023 and 1 February 2024, respectively. Bids of €254.22 million were submitted for the 91-day bills, with the Treasury accepting €10.38 million, while bids of €48.63 million were submitted for the 182-day bills, with the Treasury accepting €6.89 million. Since €68.33 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €51.05 million, standing at €795.20 million.

The yield from the 91-day bill auction was 2.952%, decreasing by 6.20 basis points from bids with a similar tenor issued on 27 July 2023, representing a bid price of € 99.2593 per €100 nominal. The yield from the 182-day bill auction was 2.996%, decreasing by 24.20 basis points from bids with a similar tenor issued on 20 July 2023, representing a bid price of € 98.5080 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 364-day bills maturing on 9 November 2023 and 8 August 2024, respectively.