

Money Market Report for the week ending 11 August 2023

ECB Monetary Operations

On 7 August 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 8 August 2023 and attracted bids from euro area eligible counterparties of €5,690.50 million, €1,676.00 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 9 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 \$228.50 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 364-day bills for settlement value 10 August 2023, maturing on 9 November 2023 and 8 August 2024, respectively. Bids of €254.13 million were submitted for the 91-day bills, with the Treasury accepting €13.10 million, while bids of €57.58 million were submitted for the 364-day bills, with the Treasury accepting €3.60 million. Since €68.24 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €51.54 million, standing at €743.66 million.

The yield from the 91-day bill auction was 2.778%, decreasing by 17.40 basis points from bids with a similar tenor issued on 3 August 2023, representing a bid price of €99.3027 per €100 nominal. The yield from the 364-day bill auction was 2.897%, decreasing by 14.40 basis points from bids with a similar tenor issued on 20 April 2023, representing a bid price of €97.1542 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 273-day bills maturing on 16 November 2023 and 16 May 2024, respectively.