

Money Market Report for the week ending 14 April 2023

ECB Monetary Operations

On 6 April 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 11 April 2023 and attracted bids from euro area eligible counterparties of €1,621.50 million, €454.50 million more than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 3.50%, in accordance with current ECB policy.

On a daily basis, the ECB conducted the 7-day US dollar funding operations through collateralised lending in conjunction with the US Federal Reserve. The four operations attracted bids of a total of \$478.70 million, at the rate of 5.07%.

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 13 April 2023, maturing on 13 July and 12 October 2023, respectively. Bids of €215.33 million were submitted for the 91-day bills, with the Treasury accepting €34.83 million, while bids of €29.34 million were submitted for the 182-day bills, with the Treasury accepting €23.38 million. Since €59.15 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €0.94 million, standing at €785.85 million.

The yield from the 91-day bill auction was 2.953%, increasing by 4.80 basis points from bids with a similar tenor issued on 6 April 2023, representing a bid price of €99.2591 per €100 nominal. The yield from the 182-day bill auction was 2.944%, increasing by 3.40 basis points from bids with a similar tenor also issued on 6 April 2023, representing a bid price of €98.5335 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 20 July 2023 and 18 April 2024, respectively.