

Money Market Report for the week ending 25 August 2023

ECB Monetary Operations

On 21 August 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 22 August 2023 and attracted bids from euro area eligible counterparties of €5,891.00 million, €738.60 million more 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 23 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 \$230.50 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 182-day bills for settlement value 24 August 2023, maturing on 23 November 2023 and 22 February 2024, respectively. Bids of €237.28 million were submitted for the 91-day bills, with the Treasury accepting €14.80 million, while bids of €16.94 million were submitted for the 182-day bills, with the Treasury accepting €2.01 million. Since €55.15 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €38.34 million, standing at €680.65 million.

The yield from the 91-day bill auction was 2.537%, decreasing by 13.40 basis points from bids with a similar tenor issued on 17 August 2023, representing a bid price of €99.3628 per €100 nominal. The yield from the 182-day bill auction was 2.538%, decreasing by 45.80 basis points from bids with a similar tenor issued on 3 August 2023, representing a bid price of €98.7332 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 30 November 2023 and 29 February 2024, respectively.