

Money Market Report for the week ending 30 June 2023

ECB Monetary Operations

On 26 June 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 27 June 2023 and attracted bids from euro area eligible counterparties of €18,558.60 million, €17,314.60 million more than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 4.00%, in accordance with current ECB policy.

On 28 June 2023, the ECB conducted the three-month, longer-term refinancing operation to be settled as a fixed rate tender procedure with full allotment, with the rate fixed at the average MRO rate over the life of the operation. The operation attracted bids of €4,326.95 million from euro area eligible counterparties.

Also on 28 June 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 \$217.50 million, which was allotted in full at a fixed rate of 5.33%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 92-day and 184-day bills for settlement value 28 June 2023, maturing on 28 September and 29 December 2023, respectively. Bids of €219.87 million were submitted for the 92-day bills, with the Treasury accepting €36.78 million, while bids of €32.17 million were submitted for the 184-day bills, with the Treasury accepting €17.74 million. Since €44.48 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €10.04 million, standing at €939.38 million.

The yield from the 92-day bill auction was 3.420%, decreasing by 1.80 basis points from bids with a similar tenor issued on 22 June 2023, representing a bid price of €99.1336 per €100 nominal. The yield from the 184-day bill auction was 3.298%, decreasing by 1.70 basis points from bids with a similar tenor also issued on 22 June 2023, representing a bid price of €98.3423 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 5 October 2023 and 4 January 2024, respectively.