

Money Market Report for the week ending 8 September 2023

ECB Monetary Operations

On 4 September 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 5 September 2023 and attracted bids from euro area eligible counterparties of €3,946.00 million, €3,090.00 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 6 September 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 \$230.00 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 bills for settlement value 7 September 2023, maturing on 7 December 2023. Bids of €168.25 million were submitted, with the Treasury accepting €18.18 million. Since €55.82 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €37.65 million, standing at €616.31 million.

The yield from the 91-day bill auction was 2.405%, decreasing by 5.50 basis points from bids with a similar tenor issued on 31 August 2023, representing a bid price of €99.3957 per €100 nominal.

During the week, there was no trading on the Malta Stock Exchange.

This week the Treasury will invite tenders for 91-day bills maturing on 14 December 2023.