

## **Money Market Report for the week ending 22 December 2023**

### **ECB Monetary Operations**

On 18 December 2023, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 19 December 2023 and attracted bids from euro area eligible counterparties of €8,391.00 million, €1,913.00 million less than the previous week. On 21 December 2023, the ECB announced another 7-day MRO. The operation was conducted on 22 December 2023 and attracted bids from euro area eligible counterparties of €14,084.50 million, €5,693.50 million more than the previous operation. Both amounts were allotted in full at a fixed rate equivalent to the prevailing MRO rate of 4.50%, in accordance with current ECB policy.

On 20 December 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 €1,059.50 million from euro area eligible counterparties.

Also on 20 December 2023, the ECB conducted a 14-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$1,357.00 million, which were allotted in full at a fixed rate of 5.59%.

### **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 21 December 2023, maturing on 21 March and 20 June 2024, respectively. Bids of €137.91 million were submitted for the 91-day bills, with the Treasury accepting €62.26 million, while bids of €65.97 million were submitted for the 182-day bills, with the Treasury accepting €42.73 million. Since €46.86 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €58.14 million, standing at €692.51 million.

The yield from the 91-day bill auction was 3.634%, decreasing by 1.20 basis point from bids with a similar tenor issued on 14 December 2023, representing a bid price of €99.0898 per €100 nominal. The yield from the 182-day bill auction was 3.527%, increasing by 2.70 basis point from bids with a similar tenor also issued on 14 December 2023, representing a bid price of €98.2481 per €100 nominal.

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

This week the Treasury will invite tenders for 90-day and 181-day bills maturing on 28 March and 27 June 2024, respectively.