

Money Market Report for the week ending 10 March 2023

ECB Monetary Operations

On 6 March 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 7 March 2023 and attracted bids from euro area eligible counterparties of €851.00 million, €30.00 million more than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 3.00%, in accordance with current ECB policy.

On 8 March 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 \$469.70 million, which was allotted in full at a fixed rate of 4.83%.

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 9 March 2023, maturing on 8 June and 7 September 2023, respectively. Bids of €189.42 million were submitted for the 91-day bills, with the Treasury accepting €5.27 million, while bids of €54.54 million were submitted for the 182-day bills, with the Treasury accepting €17.85 million. Since €52.54 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €29.42 million, standing at €867.97 million.

The yield from the 91-day bill auction was 2.791%, increasing by 1.40 basis points from bids with a similar tenor issued on 2 March 2023, representing a bid price of €99.2994 per €100 nominal. The yield from the 182-day bill auction was 2.921%, increasing by 0.70 basis point from bids with a similar tenor also issued on 2 March 2023, representing a bid price of €98.5448 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 15 June and 14 September 2023, respectively.