

Money Market Report for the week ending 13 January 2023

ECB Monetary Operations

On 9 January 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 10 January 2023 and attracted bids from euro area eligible counterparties of €0.95 billion, €0.17 billion less than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 2.50%, in accordance with current ECB policy.

On 11 January 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 \$0.19 billion, which was allotted in full at a fixed rate of 4.58%.

During the week under review, participants in the TLTRO-III operations 3 to 10 had the option of terminating or reducing their outstanding amount before maturity. Accordingly, on 25 January 2023, a total of €62.75 billion will be repaid.

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 12 January 2023, maturing on 13 April and 13 July 2023, respectively. Bids of €207.45 million were submitted for the 91-day bills, with the Treasury accepting €52.15 million, while bids of €0.65 million were submitted for the 182-day bills, with the Treasury accepting €0.50 million. Since €35.00 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €17.65 million, standing at €853.45 million.

The yield from the 91-day bill auction was 2.408%, increasing by 5.40 basis points from bids with a similar tenor issued on 5 January 2023, representing a bid price of €99.3950 per €100 nominal. The yield from the 182-day bill auction was 2.522%, increasing by 1.80 basis points from bids with a similar tenor also issued on 5 January 2023, representing a bid price of €98.7410 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 20 April and 20 July 2023, respectively.