

Money Market Report for the week ending 20 October 2023

ECB Monetary Operations

On 16 October 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 17 October 2023 and attracted bids from euro area eligible counterparties of €7,677.00 million, €179.00 million more than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 4.50%, in accordance with current ECB policy.

On 18 October 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 \$243.50 million, which were 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 and 364-day bills for settlement value 19 October 2023, maturing on 18 January and 17 October 2024, respectively. Bids of €173.33 million were submitted for the 91-day bills, with the Treasury accepting €14.88 million, while bids of €49.81 million were submitted for the 364-day bills, with the Treasury accepting €1.30 million. Since €11.96 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €4.22 million, standing at €500.59 million.

The yield from the 91-day bill auction was 3.461%, decreasing by 6.30 basis point from bids with a similar tenor issued on 12 October 2023, representing a bid price of €99.1327 per €100 nominal. The yield from the 364-day bill auction was 3.506%, increasing by 60.90 basis points from bids with a similar tenor issued on 10 August 2023, representing a bid price of €96.5764 per €100 nominal.

During this week, secondary market turnover in Malta Government Treasury bills amounted to €50,000, all executed on the On-exchange market of the Malta Stock Exchange.

This week the Treasury will invite tenders for 91-day and 273-day bills maturing on 25 January and 25 July 2024, respectively.