

Money Market Report for the week ending 26 May 2023

ECB Monetary Operations

On 22 May 2023, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 23 May 2023 and attracted bids from euro area eligible counterparties of €2,002.50 million, €592.50 million more than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 3.75%, in accordance with current ECB policy.

On 24 May 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 \$391.50 million, which was allotted in full at a fixed rate of 5.33%.

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 25 May 2023, maturing on 24 August and 23 November 2023, respectively. Bids of €261.18 million were submitted for the 91-day bills, with the Treasury accepting €37.20 million, while bids of €41.81 million were submitted for the 182-day bills, with the Treasury accepting €21.52 million. Since €39.99 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €18.73 million, standing at €841.00 million.

The yield from the 91-day bill auction was 3.167%, decreasing by 3.00 basis points from bids with a similar tenor issued on 18 May 2023, representing a bid price of €99.2058 per €100 nominal. The yield from the 182-day bill auction was 3.180%, increasing by 2.90 basis points from bids with a similar tenor also issued on 18 May 2023, representing a bid price of €98.4178 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 31 August and 30 November 2023, respectively.