

Money Market Report for the week ending 7 April 2023

ECB Monetary Operations

On 3 April 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 4 April 2023 and attracted bids from euro area eligible counterparties of €1,167.00 million, €543.00 million less than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 3.50%, in accordance with current ECB policy.

On a daily basis, the ECB conducted the 7-day US dollar funding operations through collateralised lending in conjunction with the US Federal Reserve. The four operations attracted bids of a total of \$483.50 million, with the rate of 5.07%.

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 6 April 2023, maturing on 6 July and 5 October 2023, respectively. Bids of €233.56 million were submitted for the 91-day bills, with the Treasury accepting €37.55 million, while bids of €29.76 million were submitted for the 182-day bills, with the Treasury accepting €14.35 million. Since €50.71 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €1.20 million, standing at €786.79 million.

The yield from the 91-day bill auction was 2.905%, increasing by 1.70 basis points from bids with a similar tenor issued on 30 March 2023, representing a bid price of €99.2710 per €100 nominal. The yield from the 182-day bill auction was 2.910%, decreasing by 4.40 basis points from bids with a similar tenor also issued on 30 March 2023, representing a bid price of €98.5502 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 13 July and 12 October 2023, respectively.