

Money Market Report for the week ending 10 February 2023

ECB Monetary Operations

On 6 February 2023, the ECB announced the 7-day MRO. The operation was conducted on 7 February 2023 and attracted bids from euro area eligible counterparties of €0.98 billion, €0.19 billion 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 February 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 \$0.39 billion, which was allotted in full at a fixed rate of 4.83%.

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 22 February 2023 a total of €36.60 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 9 February 2023, maturing on 11 May and 10 August 2023, respectively. Bids of €201.50 million were submitted for the 91-day bills, with the Treasury accepting €49.45 million, while bids of €27.68 million were submitted for the 182-day bills, with the Treasury accepting €22.68 million. Since €59.07 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €13.06 million, standing at €898.74 million.

The yield from the 91-day bill auction was 2.655%, increasing by 9.40 basis points from bids with a similar tenor issued on 2 February 2023, representing a bid price of €99.3333 per €100 nominal. The yield from the 182-day bill auction was 2.994%, increasing by 22.40 basis points from bids with a similar tenor also issued on 2 February 2023, representing a bid price of €98.5089 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 364-day bills maturing on 18 May 2023 and 15 February 2024, respectively.