

Money Market Report for the week ending 14 July 2023

ECB Monetary Operations

On 10 July 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 11 July 2023 and attracted bids from euro area eligible counterparties of €11,833.00 million, €703.00 million less than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 4.00%, in accordance with current ECB policy.

On 12 July 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 \$234.60 million, which was allotted in full at a fixed rate of 5.32%.

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 13 July 2023, maturing on 12 October 2023 and 11 January 2024, respectively. Bids of €265.65 million were submitted for the 91-day bills, with the Treasury accepting €6.26 million, while bids of €17.97 million were submitted for the 182-day bills, with the Treasury accepting €9.56 million. Since €35.33 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €19.51 million, standing at €910.59 million.

The yield from the 91-day bill auction was 3.372%, decreasing by 3.50 basis points from bids with a similar tenor issued on 6 July 2023, representing a bid price of €99.1548 per €100 nominal. The yield from the 182-day bill auction was 3.292%, unchanged from bids with a similar tenor also issued on 6 July 2023, representing a bid price of €98.3630 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 19 October 2023 and 18 January 2024, respectively.