

Money Market Report for the week ending 23 June 2023

ECB Monetary Operations

On 19 June 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 20 June 2023 and attracted bids from euro area eligible counterparties of €1,244.00 million, €82.50 million more 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 21 June 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 \$303.50 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 90-day and 182-day bills for settlement value 22 June 2023, maturing on 20 September and 21 December 2023, respectively. Bids of €231.27 million were submitted for the 90-day bills, with the Treasury accepting €50.21 million, while bids of €44.30 million were submitted for the 182-day bills, with the Treasury accepting €5.21 million. Since €24.89 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €30.52 million, standing at €929.35 million.

The yield from the 90-day bill auction was 3.438%, increasing by 6.00 basis points from bids with a similar tenor issued on 15 June 2023, representing a bid price of €99.1478 per €100 nominal. The yield from the 182-day bill auction was 3.315%, decreasing by 0.90 basis point from bids with a similar tenor also issued on 15 June 2023, representing a bid price of €98.3517 per €100 nominal.

During this week, there was no trading on the Malta Stock Exchange.

This week the Treasury will invite tenders for 92-day and 184-day bills maturing on 28 September and 29 December 2023, respectively.