

Money Market Report for the week ending 31 March 2023

ECB Monetary Operations

On 27 March 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 28 March 2023 and attracted bids from euro area eligible counterparties of €1,710.00 million, €736.00 million more 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 29 March 2023, the ECB conducted the three-month, longer-term refinancing operation to be settled as a fixed rate tender procedure with full allotment, with the rate fixed at the average MRO rate over the life of the operation. The operation attracted bids of €743.00 million from euro area eligible counterparties.

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 five operations attracted bids of a total of \$482.50 million, with the rate ranging between 5.05% and 5.07%.

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 30 March 2023, maturing on 28 June and 28 September 2023, respectively. Bids of €230.08 million were submitted for the 90-day bills, with the Treasury accepting €21.58 million, while bids of €37.34 million were submitted for the 182-day bills, with the Treasury accepting €19.24 million. Since €49.90 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €9.08 million, standing at €785.59 million.

The yield from the 90-day bill auction was 2.888%, increasing by 2.10 basis points from bids with a similar tenor issued on 23 March 2023, representing a bid price of €99.2832 per €100 nominal. The yield from the 182-day bill auction was 2.954%, increasing by 3.70 basis points from bids with a similar tenor issued on 16 March 2023, representing a bid price of €98.5286 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 6 July and 5 October 2023, respectively.