

Money Market Report for the week ending 21 July 2023

ECB Monetary Operations

On 17 July 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 18 July 2023 and attracted bids from euro area eligible counterparties of €10,024.50 million, €1,808.50 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 19 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 \$255.00 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 91-day and 182-day bills for settlement value 20 July 2023, maturing on 19 October 2023 and 18 January 2024, respectively. Bids of €261.08 million were submitted for the 91-day bills, with the Treasury accepting €11.96 million, while bids of €17.32 million were submitted for the 182-day bills, with the Treasury accepting €4.10 million. Since €45.56 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €29.50 million, standing at €881.09 million.

The yield from the 91-day bill auction was 3.256%, decreasing by 11.60 basis points from bids with a similar tenor issued on 13 July 2023, representing a bid price of €99.1837 per €100 nominal. The yield from the 182-day bill auction was 3.238%, decreasing by 5.40 basis points from bids with a similar tenor also issued on 13 July 2023, representing a bid price of €98.3894 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 273-day bills maturing on 26 October 2023 and 25 April 2024, respectively.