

Money Market Report for the week ending 24 February 2023

ECB Monetary Operations

On 20 February 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 21 February 2023 and attracted bids from euro area eligible counterparties of €1,223.00 million, €426.50 million 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 22 February 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 €577.00 million from euro area eligible counterparties.

Also on 22 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 \$415.50 million, which was allotted in full at a fixed rate of 4.83%.

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 23 February 2023, maturing on 25 May and 24 August 2023, respectively. Bids of €187.09 million were submitted for the 91-day bills, with the Treasury accepting €32.09 million, while bids of €52.49 million were submitted for the 182-day bills, with the Treasury accepting €17.95 million. Since €55.70 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €5.66 million, standing at €898.38 million.

The yield from the 91-day bill auction was 2.710%, increasing by 0.70 basis points from bids with a similar tenor issued on 16 February 2023, representing a bid price of €99.3196 per €100 nominal. The yield from the 182-day bill auction was 2.895%, decreasing by 9.90 basis points from bids with a similar tenor issued on 9 February 2023, representing a bid price of €98.5575 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 1 June and 31 August 2023, respectively.