

Money Market Report for the week ending 29 September 2023

ECB Monetary Operations

On 25 September 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 26 September 2023 and attracted bids from euro area eligible counterparties of €11,351.00 million, €7,318.00 million more than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 4.50%, in accordance with current ECB policy.

On 27 September 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 €1,902.50 million from euro area eligible counterparties.

Also on 27 September 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 \$218.50 million, which were allotted in full at a fixed rate of 5.58%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 92-day and 182-day bills for settlement value 28 September 2023, maturing on 29 December 2023 and 28 March 2024, respectively. Bids of €165.52 million were submitted for the 92-day bills, with the Treasury accepting €16.07 million, while bids of €45.88 million were submitted for the 182-day bills, with the Treasury accepting €4.00 million. Since €56.02 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €35.96 million, standing at €523.39 million.

The yield from the 92-day bill auction was 3.570%, increasing by 3.10 basis points from bids with a similar tenor issued on 20 September 2023, representing a bid price of €99.0959 per €100 nominal. The yield from the 182-day bill auction was 3.112%, increasing by 86.30 basis points from bids with a similar tenor issued on 31 August 2023, representing a bid price of € 98.4511 per €100 nominal.

During the 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 4 January and 4 April 2024, respectively.