

Money Market Report for the week ending 3 March 2023

ECB Monetary Operations

On 27 February 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 28 February 2023 and attracted bids from euro area eligible counterparties of €821.00 million, €402.00 million less 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 1 March 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 \$409.10 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 2 March 2023, maturing on 1 June and 31 August 2023, respectively. Bids of €202.65 million were submitted for the 91-day bills, with the Treasury accepting €31.35 million, while bids of €45.43 million were submitted for the 182-day bills, with the Treasury accepting €9.82 million. Since €42.15 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €0.99 million, standing at €897.39 million.

The yield from the 91-day bill auction was 2.777%, increasing by 6.70 basis points from bids with a similar tenor issued on 23 February 2023, representing a bid price of €99.3029 per €100 nominal. The yield from the 182-day bill auction was 2.914%, increasing by 1.90 basis points from bids with a similar tenor issued on 23 February 2023, representing a bid price of €98.5482 per €100 nominal.

During this week, secondary market turnover in Malta Government Treasury bills amounted to €0.05 million, all executed on the Off-exchange market of the Malta Stock Exchange.

This week the Treasury will invite tenders for 91-day and 182-day bills maturing on 8 June and 7 September 2023, respectively.