

Money Market Report for the week ending 20 January 2023

ECB Monetary Operations

On 16 January 2023, the European Central Bank (ECB) announced the 7-day main refinancing operation (MRO). The operation was conducted on 17 January 2023 and attracted bids from euro area eligible counterparties of €0.85 billion, €0.11 billion less than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 2.50%, in accordance with current ECB policy.

On 18 January 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 \$0.38 billion, which was allotted in full at a fixed rate of 4.58%.

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 19 January 2023, maturing on 20 April and 20 July 2023, respectively. Bids of €206.60 million were submitted for the 91-day bills, with the Treasury accepting €46.75 million, while bids of €14.95 million were submitted for the 182-day bills, with the Treasury accepting all bids. Since €41.60 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €20.10 million, standing at €873.55 million.

The yield from the 91-day bill auction was 2.436%, increasing by 2.80 basis points from bids with a similar tenor issued on 12 January 2023, representing a bid price of €99.3880 per €100 nominal. The yield from the 182-day bill auction was 2.681%, increasing by 15.90 basis points from bids with a similar tenor also issued on 12 January 2023, representing a bid price of €98.6627 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 27 April and 27 July 2023, respectively.