

Money Market Report for the week ending 22 September 2023

ECB Monetary Operations

On 18 September 2023, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 19 September 2023 and attracted bids from euro area eligible counterparties of €4,033.00 million, €67.00 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 20 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 \$227.70 million, which were allotted in full at a fixed rate of 5.59%.

Domestic Treasury Bill Market

In the domestic primary market for Treasury bills, the Treasury invited tenders for 92-day and 274-day bills for settlement value 20 September 2023, maturing on 21 December 2023 and 20 June 2024, respectively. Bids of €197.20 million were submitted for the 92-day bills, with the Treasury accepting €18.10 million, while bids of €36.10 million were submitted for the 274-day bills, with the Treasury accepting €1.85 million. Since €50.21 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €30.26 million, standing at €559.35 million.

The yield from the 92-day bill auction was 3.539%, increasing by 23.30 basis points from bids with a similar tenor issued on 14 September 2023, representing a bid price of €99.1037 per €100 nominal. The yield from the 274-day bill auction was 2.808%, increasing by 10.60 basis points from bids with a similar tenor issued on 17 August 2023, representing a bid price of € 97.9075 per €100 nominal.

During this week, secondary market turnover in Malta Government Treasury bills amounted to €7.50 million, all executed on the On-exchange market of the Malta Stock Exchange.

This week the Treasury will invite tenders for 92-day and 182-day bills maturing on 29 December 2023 and 28 March 2024, respectively.