

## **Money Market Report for the week ending 2 June 2023**

### **ECB Monetary Operations**

On 29 May 2023, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 30 May 2023 and attracted bids from euro area eligible counterparties of €2,548.50 million, €546.00 million more than the previous week. The amount was allotted in full at a fixed rate equivalent to the prevailing MRO rate of 3.75%, in accordance with current ECB policy.

On 31 May 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 €789.00 million from euro area eligible counterparties.

Also on 31 May 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 \$343.00 million, which was allotted in full at a fixed rate of 5.33%.

### **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 1 June 2023, maturing on 31 August and 30 November 2023, respectively. Bids of €233.73 million were submitted for the 91-day bills, with the Treasury accepting €34.55 million, while bids of €36.84 million were submitted for the 182-day bills, with the Treasury accepting €24.64 million. Since €49.65 million worth of bills matured during the week, the outstanding balance of Treasury bills increased by €9.54 million, standing at €850.55 million.

The yield from the 91-day bill auction was 3.160%, decreasing by 0.70 basis point from bids with a similar tenor issued on 25 May 2023, representing a bid price of €99.2076 per €100 nominal. The yield from the 182-day bill auction was 3.200%, increasing by 2.00 basis points from bids with a similar tenor also issued on 25 May 2023, representing a bid price of €98.4094 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 7 September and 7 December 2023, respectively.