

Money Market Report for the week ending 16 February 2024

ECB Monetary Operations

On 12 February 2024, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 13 February 2024 and attracted bids from euro area eligible counterparties of €4,310.00 million, €430.00 million less 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 14 February 2024, the ECB conducted a 7-day US dollar funding operation through collateralised lending in conjunction with the US Federal Reserve. This operation attracted bids of \$214.00 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 91-day and 181-day bills for settlement value 15 February 2024, maturing on 16 May and 14 August 2024, respectively. Bids of €75.60 million were submitted for the 91-day bills, with the Treasury accepting €14.75 million, while bids of €35.05 million were submitted for the 181-day bills, with the Treasury accepting €8.29 million. Since €52.31 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €29.27 million, standing at €663.66 million.

The yield from the 91-day bill auction was 3.399%, decreasing by 5.80 basis points from bids with a similar tenor issued on 8 February 2024, representing a bid price of €99.1481 per €100 nominal. The yield from the 181-day bill auction was 3.287%, decreasing by 9.50 basis points from bids with a similar tenor also issued on 8 February 2024, representing a bid price of €98.3742 per €100 nominal.

During this week, secondary market turnover in Malta Government Treasury bills amounted to €400,000, all executed on the On-exchange market of the Malta Stock Exchange.

This week the Treasury will invite tenders for 91-day and 182-day bills maturing on 23 May and 22 August 2024, respectively.