

Money Market Report for the week ending 22 March 2024

ECB Monetary Operations

On 18 March 2024, the European Central Bank (ECB) announced the 7-day main refinancing operations (MRO). The operation was conducted on 19 March 2024 and attracted bids from euro area eligible counterparties of €2,004.00 million, €371.00 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 20 March 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 \$179.10 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 182-day bills for settlement value 21 March 2024, maturing on 20 June and 19 September 2024, respectively. Bids of €61.20 million were submitted for the 91-day bills, with the Treasury accepting €20.40 million, while bids of €6.83 million were submitted for the 182-day bills, with the Treasury accepting €6.33 million. Since €74.59 million worth of bills matured during the week, the outstanding balance of Treasury bills decreased by €47.86 million, standing at €495.51 million.

The yield from the 91-day bill auction was 2.862%, decreasing by 7.90 basis points from bids with a similar tenor issued on 14 March 2024, representing a bid price of €99.2817 per €100 nominal. The yield from the 182-day bill auction was 2.848%, decreasing by 12.00 basis points from bids with a similar tenor issued on 7 March 2024, representing a bid price of €98.5806 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 bill maturing on 27 June 2024.